Emerging Metals Limited

Interim Financial Statements

For the six month period ended 30 September 2008

Registration number: 1415559

Emerging Metals Limited

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CHAIRMEN'S STATEMENT

Dear Shareholders,

Since admission to the AIM on 11 July 2008 Emerging Metals Limited has continued work on the feasibility study for the Tsumeb Slag Stockpiles Project, specifically the completion of drilling and trenching of the stockpiles and is continuing with metallurgical testing designed to determine the optimum processing method for the project, as previously planned. The feasibility study is on schedule and on budget to be completed as required by the EML Weatherly agreement.

Additionally the Company has been active in reviewing in depth numerous possible opportunities in a wide range of minor metals throughout the world, in Africa, Asia, Europe, and North and South America. Opportunities reviewed have included exposure to both physical quantities of minor metals and to additional minor metals projects.

With the recent dramatic negative developments in world equity markets the Company's prudent approach to investment has proved to be fortuitous. In particular, the values of share prices in the natural resources sector are at a fraction of their former levels and many companies are trading well below their net asset value. This situation is providing the Company with attractive opportunities to gain exposure to additional minor metals projects by way of acquiring stakes in certain other quoted companies In its current situation, the Company, with its US$20 million cash and marketable securities balance, and with no debt, is in a strong position to acquire interests on attractive terms that can be translated into excellent returns in the future. Accordingly, in the coming months we expect to be looking at gaining exposure to more additional minor metals opportunities through acquisition of stakes in listed companies as well as projects that we would develop ourselves.

It is in this spirit that EML has invested US$5.85 million in acquiring 6.28 percent of Kalahari Minerals Plc, an AIM traded exploration and development company whose principal asset is a 39.1 per cent interest in Extract Resources Limited, an ASX listed uranium exploration and development company with significant uranium assets in Namibia, namely the Husab uranium project comprising the Rossing South, Ida Dome and Hildenhof deposits. Recent exploration results reinforce the Company's belief that the area has the strong potential to host an economic uranium deposit. The acquisition of this interest in Kalahari Minerals gives Emerging Metals exposure to a world class uranium resource, an emerging metal with a very favourable supply-demand outlook. It also leverages on Emerging Metals existing platform and operations at Tsumeb in Namibia.

The coming year should provide excellent opportunities for the Company to acquire holdings at unprecedented low cost with outstanding prospects for the future. With the extensive industry knowledge and contacts of the Board and of major shareholders EML is well placed to capitalize on the current situation and to build the basis for the future of the Company.

We would like to express our appreciation to the shareholders for their continued support.

Stephen Dattels	James Mellon
Co-chairman	Co-chairman

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year, in accordance with relevant legislation. In addition, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these 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 International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with relevant legislation. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Director *Director*

Emerging Metals Limited

Income statement

	Notes	**For the period from 1 April 2008 to 30 September 2008 (Unaudited)**	**For the period from 4 July 2007 (date of incorporation) to 31 March 2008**
		£	**£**
Income	*1(f)*	**-**	**-**
Operating expenses			
Personnel expenses		**(153,526)**	**(66,141)**
Other costs	*2*	**(976,986)**	**(1,684,688)**
Exchange gains		**446,036**	**78,222**
Net loss before interest		**(684,476)**	**(1,672,607)**
Interest received	*1(f)*	**193,591**	**174,031**
Loss before taxation		**(490,885)**	**(1,498,576)**
Taxation		**-**	**-**
Net loss for the period		**(490,885)**	**(1,498,576)**
Basic loss per share		**£0.0015**	**£0.0049**
Diluted loss profit per share		**£0.0014**	**£0.0046**

In the current and preceding periods, there were no recognised gains or losses other than those dealt with in the income statement.

Emerging Metals Limited

Balance sheet

	Notes	Unaudited at 30 September 2008	Audited at 31 March 2008
		£	**£**
Assets			
Non-current assets			
Intangible Fixed Assets	*1(c),3*	**98,553**	**-**
Land options	*1(d),4*	**4,818,455**	**4,818,455**
		4,917,008	**4,818,455**
Current assets			
Receivables and prepayments	*1(g)*	**6,277**	**36,355**
Cash and cash equivalents	*1(g)*	**11,229,118**	**9,056,161**
Total assets		**16,152,403**	**13,910,971**
Equity and liabilities			
Capital and reserves			
Called up share capital	*5*	**-**	**-**
Share premium	*5*	**14,560,530**	**11,831,373**
Share Option Reserve	*5*	**3,504,144**	**3,504,144**
Accumulated loss		**(1,989,461)**	**(1,498,576)**
Total equity		**16,075,213**	**13,836,941**
Current liabilities			
Trade and other payables		**77,190**	**74,030**
Total equity and liabilities		**16,152,403**	**13,910,971**

Emerging Metals Limited

Statement of changes in equity

	Share Premium £	Share Option Reserve £	Share Capital £	Accumulated Losses £	Total £
Balance at 4 July 2007	-	-	-	-	-
Net loss for the period	-	-	-	(1,498,576)	(1,498,576)
Shares issued	11,831,373	3,504,144	-	-	11,831,373
Balance at 31 March 2008	**11,831,373**	**3,504,144**	**-**	**(1,498,576)**	**(13,836,941)**

	Share Premium £	Share Option Reserve £	Share Capital £	Accumulated Losses £	Total £
Balance at 31 March 2008	11,831,373	3,504,144	-	(1,498,576)	(13,836,941)
Net loss for the period	-	-	-	(490,885)	(490,885)
Shares issued	2,729,157	-	-	-	2,729,157
Balance at 30 September 2008	**14,560,530**	**3,504,144**	**-**	**(1,989,461)**	**(16,075,213)**

Emerging Metals Limited

Cash flow statement

	Notes	**For the period from 1 April 2008 to 30 September 2008 (Unaudited)**	**For the period from 4 July 2007 (date of incorporation) to 31 March 2008**
		£	**£**
Cash flows from operating activities			
Operating loss including interest	*7(a)*	**(490,885)**	**(1,498,576)**
Decrease / (increase) in receivables	*7(b)*	**30,078**	**(36,355)**
Increase in payables	*7(b)*	**3,160**	**74,030**
Net cash outflow from operating activities		**(457,647)**	**(1,460,901)**
Cash flows from investing activities			
Intangible fixed asset additions	*3*	**(98,553)**	**-**
Land options acquired	*4*	**-**	**(1,421,000)**
Cash flows from financing activities			
Increase in share premium	*5*	**2,729,157**	**15,335,517**
Ordinary shares issued in regard to land options acquired	*4*	**-**	**(2,302,470)**
Share options issued in regard to land options acquired	*4*	**-**	**(1,094,985)**
Increase in cash and cash equivalents		**2,172,957**	**9,056,161**
Cash and cash equivalents at beginning of period		**9,056,161**	**-**
Cash and cash equivalents at the end of period		**11,229,118**	**9,056,161**

Notes

(forming part of the financial statements for the six months ended 30 September 2008)

1 Accounting policies

Emerging Metals Limited ("The Company") is a company domiciled in the British Virgin Islands. The condensed consolidated interim statements are as at and for the six months ended 30 September 2008.

The consolidated financial statements of the Company as at and for the period from 7 July 2007 (date of incorporation) to 31 March 2008 are available on request from the Company's registered office at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

The financial statements incorporate the principal accounting policies set out below.

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Company as at and for the period from 7 July 2007 (date of incorporation) to 31 March 2008.

These condensed consolidated interim financial statements were approved by the Board of Directors on 19 December 2008.

b) Basis of preparation

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in the period of the revision and future periods if the revision affects both current and future periods.

c) Exploration & Evaluation Assets

Exploration & evaluation assets are derived from the fair value paid as consideration for the investment. An annual impairment review is carried out each year with any impairments going through the income statement.

Notes (continued)

(forming part of the financial statements for the six months ended 30 September 2008)

1 Accounting policies (continued)

d) Land options

In the opinion of the Directors, land options should be and thus are stated at cost. This is estimated to be the current market value of the options. There will be no amortisation of the premium paid.

e) Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the higher of its net selling price and its value in use.

In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised whenever the carrying amount of an asset exceeds it's recoverable amount.

For an asset that does not generate cash inflows that are largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognised in the income statement whenever the carrying amount of the cash-generating unit exceeds its recoverable amount.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years.

f) Revenue

There is no revenue to date as the Company has not commenced trading.

Interest income has been earned during the period, which is accrued on a time apportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Notes (continued)

(forming part of the financial statements for the six months ended 30 September 2008)

1 Accounting policies (continued)

g) Financial instruments

Measurement
Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

Trade and other receivables
Trade and other receivables originated by the Company are stated at amortised cost less impairment losses.

Cash and cash equivalents
Cash and cash equivalents are measured at fair value and due on demand.

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisations.

h) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation.

Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

i) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Notes (continued)

(forming part of the financial statements for the six months ended 30 September 2008)

2 Other costs

	For the period from 1 April 2008 to 30 September 2008 (Unaudited)	For the period from 4 July 2007 (date of incorporation) to 31 March 2008
	£	£
Share option charge	-	1,201,674
Professional fees	898,530	437,996
Travel and transport	32,237	37,020
Office expenses	46,219	7,998
	976,986	1,684,688

The Company has no employees other than the Directors.

3 Intangible Fixed Assets

	Exploration and evaluation assets	Total
Cost	£	£
At 1 April 2008	-	-
Additions	98,553	98,553
At 30 September 2008	98,553	98,553
Amortisation		
At 1 April 2008	-	-
Amortisation for period	-	-
At 30 September 2008	-	-
Net book value		
At 30 September 2008	98,553	98,553
At 31 March 2008	-	-

Notes (continued)

(forming part of the financial statements for the six months ended 30 September 2008)

4 Land options

The consideration paid for the Tsumeb Option comprised £1,421,000 in cash, 21,899,698 ordinary shares issued at zero par value to Weatherly at a cost of £0.05 per share. An option was also granted to Weatherly to subscribe for up to 13,705,179 ordinary shares at £0.05 per share, exercisable at any time for five years from the date of completion of the Tsumeb Option Agreement.

Tsumeb Option Agreement

On 28 January 2008, the Company entered into an amended and restated option agreement with Ongopolo Mining Limited ("OML") under which the Company was granted an option to acquire all right, title and interest

The Company was granted an option to acquire all right, title and interest in and to the Tsumeb Slag Stockpiles (the "Tsumeb Option") in consideration of:

(i) the payment by the Company to Ongopolo Mining Limited, or as it directs, of £1,421,000 in cash;

(ii) the issue and allotment of 21,899,698 Ordinary Shares credited as fully paid to Weatherly; and

(iii) the grant to Weatherly of an option over 13,705,179 Ordinary Shares.

The grant of the Tsumeb Option was subject to a number of conditions, which were satisfied on 29 January 2008. The exercise term of the Tsumeb Option (the "Tsumeb Option Period") shall expire on the 30 month anniversary of the date of the satisfaction of the conditions, such period comprising a total of 24 months for completion of an initial programme of work, plus six months for a decision by the Company to proceed with commercial production from any portion of the Tsumeb Slag Stockpiles and announcement of that decision to AIM.

Under the Tsumeb Option Agreement, OML provides the Company with a number of warranties regarding the Tsumeb Slag Stockpiles. In particular, OML warrants to the Company that:

- it has the requisite power and authority to enter into and perform the Tsumeb Option Agreement;

- it is, and will remain during the Tsumeb Option Period, the legal and beneficial owner of 100 per cent. of the Tsumeb Slag Stockpiles; and

- no further consent, approval or authorisation of any governmental agency or other person is required by it for the entry into and performance of its obligations under the Tsumeb Option Agreement.

Under the Tsumeb Option Agreement, OML was required to provide the Company with a legal opinion from counsel duly qualified to practice in Namibia, confirming OML's 100 per cent. ownership of the Tsumeb Slag Stockpiles (the "OML Legal Opinion"). Under the Tsumeb Option Agreement, if OML was unable to supply the OML Legal Opinion, OML and the Company would enter a new agreement, agreed in good faith between the parties, establishing a contractual relationship between OML and the Company that would ensure that the Company was placed in the same economic position as was the intention under the Tsumeb Option Agreement – with the Company bearing the cost incurred and receiving the profit or other benefit arising out of the Tsumeb Slag

Notes (continued)

(forming part of the financial statements for the six months ended 30 September 2008)

1 Land options (continued)

Stockpiles. Under the Tsumeb Option Agreement, OML and the Company agreed that, in the event of termination of the Tsumeb Option Agreement, and in circumstances where the parties could not legally enter or enforce the Toll Gate Agreement for whatever reason, the parties agreed to take all such steps as necessary to return each other to the legal and financial position each was in prior to the execution of the Tsumeb Option Agreement. In particular, under the Tsumeb Option Agreement it is agreed that:

- Weatherly and/or OML shall return to EML all consideration paid under the Tsumeb Option Agreement together with interest at 2 per cent. above the base rate from time to time of Barclays Bank PLC per annum accruing monthly;
- Weatherly and/or OML shall return, transfer or cancel as directed by EML all Ordinary Shares issued and allotted to Weatherly or OML under the Tsumeb Option Agreement;
- Weatherly and/or OML shall return, cancel and/or extinguish all and any options over Ordinary Shares granted to Weatherly or OML pursuant to the Tsumeb Option Agreement; and
- OML shall pay the reasonable costs of EML incurred in the preparation, negotiation and completion of the obligations under the Tsumeb Option Agreement.

5 Share capital

	For the period from 1 April 2008 to 30 September 2008 (Unaudited)	**For the period from 4 July 2007 (date of incorporation) to 31 March 2008**
Authorised		
The Company is authorised to issue an unlimited number of no par value shares of a single class.		
Issued		
330,759,300 ordinary shares of £0.00 each		
Share premium		
1 share issued at incorporation		
71,528,234 shares at £0.0001 per share	7,153	7,153
214,584,704 shares at £0.0500 per share	10,729,235	10,729,235
21,899,698 shares at £0.0500 per share	1,094,985	1,094,985
21,956,663 shares at £0.12 per share	2,729,157	-
Total	**14,560,530**	**11,831,373**

Notes (continued)
(forming part of the financial statements for the six months ended 30 September 2008)

5 Share capital (continued)

Share Based Payments

A number of share options are in issue as at 30 September 2008, but no additional options were issued in the period from 1 April to 30 September 2008. The value of the share options in issue has been calculated, and this expense was recognised in the accounts to year end 31 March 2008.

6 Taxation

The Company is exempt from the provisions of the Income Tax Ordinance of the British Virgin Islands.

7 Notes to the cash flow statement

a) Operating loss before working capital changes

	For the period from 1 April 2008 to 30 September 2008 (Unaudited) £	For the period from 4 July 2007 (date of incorporation) to 31 March 2008 £
Loss before taxation	(490,885)	(1,498,576)
Adjustment for:		
Depreciation	-	-
	(490,885)	(1,498,576)

b) Working capital changes

	For the period from 1 April 2008 to 30 September 2008 (Unaudited) £	For the period from 4 July 2007 (date of incorporation) to 31 March 2008 £
Decrease/(increase) in trade and other receivables	30,078	(36,355)
Increase in trade and other payables	3,160	74,030
	33,238	(37,675)

Notes (continued)

(forming part of the financial statements for the six months ended 30 September 2008)

8 Financial instruments

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Notes	**Carrying amount 30 September 2008 (Unaudited) £**
Intangible Fixed Assets	*3*	**98,553**
Land options	*4*	**4,818,455**
Cash and cash equivalents	*1(g)*	**11,229,118**

The Company invests available cash and cash equivalents with an Isle of Man licensed bank, which has a strong history on the Island.

The Company has a nominal level of debtors, and as such the Company is able to determine that credit risk is considered minimal in relation to debtors.

The risk is managed by the Company by means of cash flow planning to ensure that future cash requirements are anticipated and, where financial instruments have to be sold to meet these requirements, the process is carried out in a controlled manner intended to minimise the liquidity risk involved.

Cash flow and funding risk

The Company is exposed to liquidity risk to the extent that it holds a land option for which no developed market exists. Therefore the Company might not be able to sell such a stake quickly at close to fair value.

Interest rate risk

The majority of the Company's current assets are cash held at bank. As a result, the Company is subject to risk due to fluctuations in the prevailing level of market interest rates.

Fair values of financial instruments

At 30 September 2008 the carrying amounts of cash resources, trade and other receivables, and trade and other payables approximate their fair values due to their short-term maturities.