Emerging Metals Limited

Interim Financial Statements

For the six month period ended 30 September 2010

Registration number: 1415559

Emerging Metals Limited

Contents *Page*

Emerging Metals Limited

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Equity shareholder funds decreased to £9,975,844 (31 March 2010: £35,867,184) - a decrease of 72.2% as a result of the May 2010 shareholder dividend payment of £25,352,097.
- Current assets valuation decreased to £10,001,338 (31 March 2010: £35,920,430).
- Holding in Kalahari Minerals Plc reduced to £nil (31 March 2010: £16,497,647) following sale of remaining 8,917,647 shares at £1.85 on the 16 April 2010.
- Holding in Extract Resources Limited reduced to £nil (31 March 2010: £1,740,508) following sale of 368,721 shares at AUD7.00 on the 19 July 2010.
- Our cash reserves following receipt of investment sale proceeds in April 2010 and payment of shareholder dividend in May 2010 remain extremely healthy at £9,990,019 (31 March 2010: £17,676,956).
- Net loss for the six months ended 30 September 2010 was £896,884 (30 September 2009: profit of £13,916,315 - includes £14,419,739 investment gains).
- Operating expenses for period below budget at £521,233 of which £329,953 related to a commission payment on the sale of Kalahari Shares (30 September 2009: Operating expenses - £347,952).
- The Board declared a Special Dividend of 7.13 pence per share on 16 April 2010 which was paid on 18 May 2010, being an aggregate amount of £25,352,097.
- As of the 30 November 2010, the Company's cash balances were £9,640,544, representing 2.71 pence per share.

Emerging Metals Limited

Chairmen's statement

Dear Shareholders,

Investing Policy
Since last writing to you in the company's annual accounts published on 22nd September, 2010, your Board has continued to seek investment opportunities as approved by shareholders at the General Meeting of the Company on 10th April 2009. At this meeting, the Company was reclassified as an "investing company" (as defined by the AIM Rules for Companies).

The Board anticipates that the cash it has retained will provide sufficient working capital for the Directors to continue to develop opportunities for investment in situations which are, in their opinion, undervalued or capable of producing a similar level of return as achieved with the realisation of the Kalahari investment. The Board intends therefore to continue to implement this Investing Policy.

The Company plans to target exposure to Investment Metals which include all metals other than base metals (such as copper and lead, but excluding for these purposes zinc) and bulk commodities metals (such as iron, potassium and aluminium) in addition to minor metals.

All of these opportunities may include interests in exploration permits and licences, mining projects under development, operating mines, smelters, slag stockpiles, refineries, and associated activities. These activities may be undertaken in the ordinary course of business and as an alternative to holding cash reserves on a day-to-day basis. The Directors continue to believe that current market conditions will provide good opportunities for a positive return. The Directors do not envisage that the Company's investment portfolio will be leveraged initially; however, this position may be reviewed should the Board become aware of available and commercially prudent financing arrangements. The Company will consider cross holdings of shares in circumstances that would benefit its broader investment strategy.

In evaluating possible additional opportunities in Investment Metals, the Directors take into account the goal of achieving a diversified exposure to different Investment Metals as well as the market outlook for individual elements, although there will be no maximum exposure limits. The Directors estimate that investments will be held for periods of up to five years.

The Directors believe that their collective experience in the areas of mining, acquisitions, accounting and corporate and financial management, together with the opinion of expert consultants in the evaluation and exploitation of Investment Metals opportunities, will enable the Company to achieve its objectives. Furthermore, the Directors continue to take an active role in the management and development of any future projects.

Investments
On the 26th April 2010, following shareholder approval, the Company's remaining shareholding of Kalahari Shares was sold to Nippon Uranium Resources (Australia) Proprietary Limited, a wholly owned subsidiary of Itochu Corporation of Japan. The number of shares sold was 8,917,647 at a price 185 pence per share, and the Company received gross proceeds of £16,497,647 resulting in an investment gain of £11,612,665.

In the same accounting period, the Company subsequently also disposed of its holding in Extract Resources Limited generating additional investment gains of £1,499,735.

Emerging Metals Limited

Chairmen's statement (continued)

Dividend payment
The Board declared a Special Dividend of 7.13 pence per share on 16th April 2010 which was paid on 18th May 2010, being an aggregate amount of £25,352,097.

Half Year Results
As expected, our half year results to 30th September 2010 show a comprehensive loss for the period of £896,884 (30th September 2009: profit £13,916,315 - including an investment gain of £14,427,398). This figure reflects the sale of our remaining investments and the subsequent shareholder dividend payment.
Following the implementation of operating efficiencies and on a like-for-like basis, the Company's running expenses are below budget at £191,280 (30th September 2009: £347,952). The Other Costs figure in the accounts of £521,233 includes a commission payment on the sale of Kalahari Shares of £329,953.

Following the payment of a dividend of £25,352,097 on 18th May 2010, equity shareholder funds have decreased to £9,975,844 (31st March 2010: £35,867,184) and our cash reserves have decreased to £9,990,019 (31st March 2010: £17,676,956). Investments stand at £nil (31st March 2010: £ 18,238,155).

Subsequent Events - Acquisition and Option over Uranium Concentrates
On the 12th November 2010, the Company announced that it had contracted for the physical delivery of 25,000 lbs triuranium octocide ("U3O8") and had entered into an option agreement for the physical delivery of a further 200,000 lbs U3O8.

The physical delivery contract is priced at US$58.00 for each pound of U3O8 delivered and is in respect of 25,000 lbs of U3O8. Delivery to a conversion facility in Canada is due on 17th January 2011 with cash payment (equivalent to £898,723 at £/US$1.6134) by no later than 18th January 2011.

The option contract is in respect of 200,000 lbs U3O8 for physical delivery by book transfer at a designated facility and expires on 31st January 2011. An option premium of US$500,000 (equivalent to £309,905 at £/US$ 1.6134) was paid on the 17th November 2010 and the additional option strike price is US$59.00 per pound U3O8, or a total US$11,800,000 (equivalent to £7,313,747 at £/US$ 1.6134).

The Director's made the decision to sell the option in respect of 200,000 lbs of U3O8 on the 30th November 2010 at a bid price of US$3.00 for settlement on the 15th December 2010, generating a net US$100,000 profit on the sale.

Finally, we would like to express our appreciation to the shareholders for their continued support.

Stephen Dattels
Co-chairman

James Mellon
Co-chairman

Emerging Metals Limited

Statement of comprehensive income

For the six months ended 30 September 2010

	Notes	For the period from 1 April 2010 to 30 September 2010 (Unaudited)	For the period from 1 April 2009 to 30 September 2009 (Unaudited)	For the year ended 31 March 2010 (Audited)
		£	£	£
Income				
Exchange losses		**(20,011)**	-	(61,521)
Unrealised gains on investments		**-**	14,419,739	2,814,733
Realised (losses) / gains on investments		**(296,434)**	-	11,612,665
		(316,445)	14,419,739	14,365,877
Operating expenses				
Directors' fees	*8*	**(99,191)**	(156,007)	(241,005)
Other costs	*3*	**(521,233)**	(347,952)	(396,888)
Impairment losses	*5*	**-**	-	(5,319,860)
		(620,424)	(503,959)	(5,957,753)
(Loss) / profit before interest income		**(936,869)**	13,915,780	8,408,124
Interest income	*1(e)*	**39,985**	535	646
(Loss) / profit before taxation		**(896,884)**	13,916,315	8,408,770
Taxation	*9*	-	-	-
(Loss) / profit for the period		**(896,884)**	13,916,315	8,408,770
Other comprehensive income		-	-	-
Total comprehensive (loss) / income for the period		**(896,884)**	13,916,315	8,408,770
Earnings per share	*15*	**(0.0025)**	0.0421	0.0254
Diluted earnings per share	*15*	**(0.0025)**	0.0393	0.0237

The Directors consider that the Company's results derive from continuing activities.

The notes on pages 8 to 18 form part of these financial statements.

Emerging Metals Limited

Statement of financial position

as at 30 September 2010

	Notes	Unaudited at 30 September 2010	Unaudited at 30 September 2009	Audited at 31 March 2010
		£	£	£
Assets				
Non-current assets				
Land options	*1(f),4*	**-**	4,818,455	-
Intangible fixed assets	*1(c),5*	**-**	501,405	-
		-	5,319,860	-
Current assets				
Investments	*1(f)*	**-**	34,703,396	18,238,155
Trade and other receivables	*1(f)*	**11,319**	6,231	5,319
Cash and cash equivalents	*1(f)*	**9,990,019**	683,176	17,676,956
		10,001,338	35,392,803	35,920,430
Total assets		**10,001,338**	40,712,663	35,920,430
Equity and liabilities				
Capital and reserves				
Share capital	*6*	**-**	-	-
Share premium	*6*	**15,804,554**	14,560,530	15,245,789
Share option reserve	*7*	**-**	3,504,144	1,201,674
Equity share based payment reserve	*1(j)*	**-**	151,557	201,124
Accumulated (loss) / profit		**(5,828,710)**	22,423,672	19,218,597
Total equity		**9,975,844**	40,639,903	35,867,184
Current liabilities				
Trade and other payables		**25,494**	72,760	53,246
Total liabilities		**25,494**	72,760	53,246
Total equity and liabilities		**10,001,338**	40,712,663	35,920,430

The notes on pages 8 to 18 form part of these financial statements.

Emerging Metals Limited

Statement of changes in equity

for the six months ended 30 September 2010

	Share Premium £	Share Option Reserves £	Share Based Option Payments £	Share Capital £	Accumulated Profits £	Total £
Balance at 31 March 2009	14,560,530	3,504,144	80,240	-	8,507,357	26,652,271
Total comprehensive income for the period						
Profit	-	-	-	-	13,916,315	13,916,315
Other comprehensive income for the period	-	-	-	-	-	-
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Shares issued	-	-	-	-	-	-
Share based payment reserve	-	-	71,317	-	-	71,317
Total contributions by and distributions to owners	-	-	71,317	-	13,916,315	13,987,632
Balance at 30 September 2009	14,560,530	3,504,144	151,557	-	22,423,672	40,639,903

	Share Premium £	Share Option Reserves £	Share Based Option Payments £	Share Capital £	Accumulated Profits £	Total £
Balance at 31 March 2010	**15,245,789**	**1,201,674**	**201,124**	**-**	**19,218,597**	**35,867,184**
Total comprehensive income for the period						
Loss	-	-	-	-	(896,884)	(896,884)
Other comprehensive income for the period	**-**	-	**-**	-	**-**	**-**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Exercise of share options	357,641	(1,201,674)	-	-	1,201,674	357,641
Dividend payments	-	-	-	-	(25,352,097)	(25,352,097)
Share based payment reserve	201,124	-	(201,124)	-	-	-
Total contributions by and distributions to owners	**558,765**	**(1,201,674)**	**(201,124)**	**-**	**(25,047,307)**	**(25,891,340)**
Balance at 30 September 2010	**15,804,554**	**-**	**-**	**-**	**(5,828,710)**	**9,975,844**

The notes on pages 8 to 18 form part of these financial statements.

Emerging Metals Limited

Statement of cash flows

for the six months ended 30 September 2010

	Notes	**For the period from 1 April 2010 to 30 September 2010 (Unaudited)**	For the period from 1 April 2009 to 30 September 2009 (Unaudited)	For the year ended 31 March 2010 (Audited)
		£	£	£
Net cash outflow from operating activities	*10*	**(835,326)**	(418,901)	(583,280)
Cash flows from investing activities				
Amount paid in cash for intangible fixed assets		**-**	-	-
Amount paid in cash for investments		**-**	(2,655,883)	(2,655,882)
Proceeds on sale of investments		**17,941,721**	-	16,472,899
Net cash inflow / (outflow) from investing activities		**17,941,721**	(2,655,883)	13,817,017
Cash flows from financing activities				
Increase in share premium		**558,765**	-	685,259
Dividends paid to equity holders		**(25,352,097)**	-	-
Net cash (outflow) / inflow from financing activities		**(24,793,332)**	-	685,259
(Decrease)/ increase in cash and cash equivalents		**(7,686,937)**	(3,074,784)	13,918,996
Cash and cash equivalents at beginning of period		**17,676,956**	3,757,960	3,757,960
Cash and cash equivalents at the end of period		**9,990,019**	683,176	17,676,956

The notes on pages 8 to 18 form part of these financial statements.

Notes

(forming part of the interim financial statements for the six months ended 30 September 2010)

1 Accounting policies

Emerging Metals Limited is a Company domiciled in the British Virgin Islands.

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

a) Statement of compliance

The interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations adopted by the International Accounting Standards Board (IASB).

b) Basis of preparation

The preparation of interim 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. The key estimate and judgement made by the Directors is the fair value of the land option.

A number of new standards, amendments to standards and interpretations are not yet effective for the period, and have not been applied in preparing these interim financial statements:

New/Revised International Accounting Standards / International Financial Reporting Standards (IAS/IFRS)	**Effective date (accounting periods commencing after)**
IAS 24 Related Party Disclosures - Revised definition of related parties	1 January 2011
IFRS 9 Financial Instruments	1 January 2013
IFRIC Interpretation	
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

The Directors do not expect the adoption of the other standards and interpretations to have a material impact on the Company’s interim financial statements in the period of initial application.

Notes (continued)

(forming part of the interim financial statements for the six months ended 30 September 2010)

1 Accounting policies (continued)

c) Intangible assets

Exploration rights and associated survey costs are capitalised as incurred and reviewed annually for impairment and are carried at cost less accumulated impairment losses.

d) Impairment

The carrying amounts of the Company's assets not carried at fair value through profit and loss are reviewed at least at each statement of financial position 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 would be recognised whenever evidence exists that the carrying value is not recoverable. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

An impairment loss is recognised and charged to earnings if the discounted expected future cash flows are less than the carrying amount. Fair value is estimated by discounting the expected future cash flows using a discount factor that reflects the market rate for a term consistent with the period of expected cash flows.

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.

e) Interest Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

f) 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.

Notes (continued)

(forming part of the interim financial statements for the six months ended 30 September 2010)

1 Accounting policies (continued)

f) Financial instruments (continued)

Land options

Land options were stated at fair value, as estimated by the Directors. This is estimated to be the current market value of the options. There will be no amortisation of the premium paid.

Investments

Investments related to holdings in two entities which were acquired to realise gains from fluctuations in the prices or margins of traders and are accounted for on a trading basis. These assets were valued at fair value based on quoted bid prices. Any realised and unrealised gains and losses are presented within 'Other Income'.

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 amortised cost and due on demand.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost.

g) 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.

h) 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 statement of financial position date. All differences are taken to the statement of comprehensive income.

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 interim financial statements for the six months ended 30 September 2010)

1 Accounting policies (continued)

i) Share based payments

Under IFRS 2 'Share Based Payments', the Company determines the fair value of options issued to Weatherly International plc as part consideration of the land option (as per the Tsumeb Option Agreement (note 4)) share option reserves in the statement of financial position.

The Company determines the fair value of options issued to Directors remuneration and recognises the amount as an expense in the statement of comprehensive income with a corresponding increase in equity.

j) Directors equity share based payments

The fair value of the incentive granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at the grant date and spread over the period during which the directors become unconditionally entitled to the incentives.

k) Dividends

Dividends are recognised as a liability in the year in which they are declared and approved by the Company's shareholders in the annual general meeting.

2 Operating segments

It is the Directors' opinion that the Company operates within a single segment.

3 Other costs

	For the period from 1 April 2010 to 30 September 2010 (Unaudited) £	For the period from 1 April 2009 to 30 September 2009 (Unaudited) £	For the year ended 31 March 2010 (Audited) £
Professional fees	**137,285**	213,714	305,560
Audit fee	**10,901**	11,825	19,025
Travel and transport expenses	**-**	3,045	3,045
Commission on sale of investments	**329,953**	-	-
Office expenses	**43,094**	119,368	69,258
	521,233	347,952	396,888

Notes (continued)

(forming part of the interim financial statements for the six months ended 30 September 2010)

4 Land option

The land option comprised the Tsumeb Option as described below and is stated at fair value. Fair value, as estimated by the Directors, as at 30 September 2010 is £nil (30 September 2009: £4,818,455). Please refer to note 5.

5 Impairment losses

The impairment losses recognised in the statement of comprehensive income, as a separate line item within operating profit are as follows:

	For the period from 1 April 2010 to 30 September 2010 (Unaudited)	For the period from 1 April 2009 to 30 September 2009 (Unaudited)	For the year ended 31 March 2010 (Audited)
	£	£	£
Intangible fixed assets	**-**	501,405	501,405
Cost of land options	**-**	4,818,455	4,818,455
	-	5,319,860	5,319,860

On the 31 March 2010 the Directors' opinion was that the carrying value of these assets were not deemed recoverable and exceeded their fair value and that the carrying values be written off anticipating the expiry at the end of July 2010. The option has now expired.

6 Share capital and share premium

	For the period from 1 April 2010 to 30 September 2010 (Unaudited)	For the period from 1 April 2009 to 30 September 2009 (Unaudited)	For the period from 1 April 2009 to 31 March 2010 (Audited)
	£	£	£
Authorised			
The Company is authorised to issue an unlimited number of no par value shares of a single class	**-**	-	-
Issued			
355,569,386 (30 September 2009: 330,759,300 ordinary shares of £0.00 each) ordinary shares of £0.00 each.	**-**	-	-
Share premium			
1 share at incorporation	**-**	-	-
71,528,234 shares at £0.0001 per share	**7,153**	7,153	7,153
214,584,704 shares at £0.0500 per share	**10,729,235**	10,729,235	10,729,235
21,899,698 shares at £0.0500 per share	**1,094,985**	1,094,985	1,094,985
22,746,663 shares at £0.1200 per share	**2,729,157**	2,729,157	2,729,157
13,705,179 shares at £0.0500 per share	**685,259**	-	685,259
3,952,084 shares at £0.05089 per share	**201,124**	-	-
7,152,823 shares at £0.0500 per share	**357,641**	-	-
Total	**15,804,554**	14,560,530	15,245,789

Notes (continued)

(forming part of the interim financial statements for the six months ended 30 September 2010)

6 Share capital and share premium (continued)

The shares issued during the period with share premium of £558,765 relate to the exercise of share options (please refer to note 7) and equity share-based payments following a resolution passed for the Directors of the Company to accept 50% of their remuneration in the form of new shares issued at mid-market prices (please refer to note 8).

7 Share based payments

On the 6 April 2010 the Company issued 7,152,823 (30 September 2009: nil) ordinary shares at no par value for a total consideration of £357,641 in respect of an exercise of the outstanding founder share options.

In summary, as at 30 September 2010, the value of the share options in issue is £nil (30 September 2009: £3,504,144)

8 Directors' Fees

	For the period from 1 April 2010 to 30 September 2010 (Unaudited)	For the period from 1 April 2009 to 30 September 2009 (Unaudited)	For the period from 1 April 2009 to 31 March 2010 (Audited)
	£	£	£
Mitchell Alland	**12,507**	71,582	70,676
Denham Eke	**49,184**	46,925	95,329
Stephen Dattels	**12,500**	12,500	25,000
James Mellon	**12,500**	12,500	25,000
Patrick Weller	**12,500**	12,500	25,000
Total	**99,191**	156,007	241,005

Notes (continued)

(forming part of the interim financial statements for the six months ended 30 September 2010)

9 Taxation

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

10 Notes to the cash flow statement

Reconciliation of (loss) / profit for the period to net outflow from operating activities

	For the period from 1 April 2010 to 30 September 2010 (Unaudited)	For the period from 1 April 2009 to 30 September 2009 (Unaudited)	For the period from 1 April 2009 to 31 March 2010 (Audited)
	£	£	£
(Loss) / profit for the period	**(896,884)**	13,916,315	8,408,770
Adjustment for:			
(Increase) / decrease in trade and other receivables	**(6,000)**	146	1,058
(Decrease) / increase in trade and other payables	**(27,752)**	13,060	(6,454)
Share based payment charge	**(201,124)**	71,317	120,884
Unrealised gains on investments	**-**	(14,419,739)	(2,814,733)
Impairment losses	**-**	-	5,319,860
Realised losses / (gains) on investments	**296,434**	-	(11,612,665)
Net cash outflow from operating activities	**(835,326)**	(418,901)	(583,280)

11 Financial risk management

The Company's financial instruments are exposed to a number of risks as detailed below:

Credit risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations.

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

	For the period from 1 April 2010 to 30 September 2010 (Unaudited)	For the period from 1 April 2009 to 30 September 2009 (Unaudited)	For the period from 1 April 2009 to 31 March 2010 (Audited)
	£	**£**	£
Cash and cash equivalents	**9,990,019**	683,176	17,676,956

Notes (continued)

(forming part of the interim financial statements for the six months ended 30 September 2010)

11 Financial risk management (continued)

Credit risk (continued)

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.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by the Company by means of cash flow planning to ensure that future cash requirements are anticipated. All liabilities are due within one month.

Market price risk

Market price risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity price will affect the Company's income or the value of its holdings of financial instruments.

All investments present a risk of loss of capital due to unexpected and unforeseen events in the financial markets, and these can have a material and unpredictable impact on the portfolio value. The maximum risk resulting from the portfolio is equivalent to their fair value.

	For the period from 1 April 2010 to 30 September 2010 (Unaudited)	For the period from 1 April 2009 to 30 September 2009 (Unaudited)	For the year ended 31 March 2010 (Audited)
	£	£	£
Land option	**-**	4,818,455	-
Intangible fixed assets	**-**	501,405	-
Investments	**-**	34,703,396	18,238,155

Notes (continued)

(forming part of the interim financial statements for the six months ended 30 September 2010)

11 Financial risk management (continued)

Interest rate risk

The Company holds current assets in the form of cash at bank. As a result, the Company is subject to risk due to fluctuations in the prevailing level of market interest rates. The weighted average interest rate at 30 September 2010 was 0.0152% (30 September 2009: 0.0152%) and all balances are held on demand.

The Directors do not regard that interest income is a core revenue stream of the Company and therefore fluctuations in interest rates will not adversely impact the continuing operations of the Company.

At 30 September 2010 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.

12 Significant shareholdings

Except for the interests disclosed in this note, the Directors are not aware of any holding of Ordinary Shares as at the date of these accounts representing 3% or more of the issued share capital of the Company:

Number of ordinary shares

	Number of Ordinary Shares	**Percentage of Issued Capital**
Vidacos Nominees Limited	133,091,841	37.43%
Mr Ronald Bruce Rowan	25,000,000	7.03%
Chase Nominees Limited	21,324,263	6.00%
HSBC Global Custody Nominee (Uk) Limited	19,221,007	5.41%
Ambrian Nominees Limited	12,705,179	3.57%
Hargreaves Lansdown (Nominees) Limited	12,473,137	3.51%
Directors interests		
Stephen Dattels[1]	21,224,263	5.97%
James Mellon[2]	31,537,443	8.87%

Notes to Directors' Interests:

1. Stephen Dattels' entire shareholding of 21,224,263 shares is held by Regent Mercantile Holdings Limited, a company which is owned by the trustee of a discretionary trust under which Stephen Dattels is a beneficiary.
2. James Mellon's shareholding consists of 29,537,443 shares which are held by Galloway Limited, a company which is indirectly wholly owned by the trustee of a settlement under which James Mellon has a life interest and a further 2,000,000 shares held in James Mellon's own name. Denham Eke is a Director of Galloway Limited.

Notes (continued)

(forming part of the interim financial statements for the six months ended 30 September 2010)

13 Related party transaction

The Company has entered into a service agreement with Burnbrae Limited for the provision of administrative and general office services. Mr James Mellon and Mr Denham Eke are both directors of Burnbrae Limited and the Company. During the six month period ended 30 September 2010 the Company paid £27,760 (30 September 2009: £15,450) under this agreement and as at 30 September 2010 an amount of £ nil (30 September 2009: £227) was owed to Burnbrae Limited.

During the six month period ended 30 September 2010 the Company paid £61,684 (30 September 2009: £29,712) and issued nil options (30 September 2009: 497,035) to Mr James Mellon and Mr Denham Eke in respect of Directors fees.

14 Subsequent events

On the 12 November 2010 the Company announced that it had contracted for the physical delivery of 25,000lbs of triuranium octocide ("U3O8") and had entered into an option agreement for the physical delivery of a further 200,000lbs U3O8.

The physical delivery contract was priced at US$58.00 for each pound of U3O8 delivered and was in respect of 25,000lbs U3O8. Delivery to a conversion facility in Canada is due on 17 January 2011 with cash payment (equivalent to £898,723 at £/$ 1.6134) by no later than 18 January 2011.

The option contract is in respect of 200,000lbs U3O8 for physical delivery by book transfer at a designated facility and expires on 31 January 2011. An option premium of US$500,000 (equivalent to £309,905 at £/$ 1.6134) was paid on 17 November 2010 and the additional option strike price is US$59.00 per pound U3O8, or a total US$11,800,000 (equivalent to £7,313,747 at £/$ 1.6134).

Due to the U308 market stalling faster than anticipated due to year end profit taking the Director's made the decision to sell the above mentioned options on the 30 November 2010 at a bid price of US$3.00 for settlement on the 15 December 2010 generating a net US$100,000 profit on the sale.

15 Basic and diluted earnings per share

The calculation of basic earnings per share of the Company is based on the net loss attributable to shareholders for the period of £896,884 (30 September 2009: profit £13,916,315) and the weighted average number of shares of 344,306,441 (30 September 2009: 330,759,300) in issue during the period.

The calculation of diluted earnings per share of the Company includes the weighted average number of share options and shares to be issued in respect of share based payments (see note 1(j)) for the period.

Notes (continued)

(forming part of the interim financial statements for the six months ended 30 September 2010)

15 Basic and diluted earnings per share (continued)

	Six month period ended 30 September 2010	Six month period ended 30 September 2009
	£	£
Retained Earnings for basic and diluted earnings per share:	**(896,884)**	13,916,315

	2010	2009
Weighted average number of shares for basic earnings per share	**355,569,386**	330,759,300
Effect of dilutive share options	**-**	23,843,329
Weighted average number of shares for diluted earnings per share	**355,569,386**	354,602,629