

Consolidated General Minerals Plc



Annual Report & Accounts

Year Ended 30 June 2011



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Further information on the Company is available on the Company's website: www.cgmplc.com

Registered Number: 5529561

Corporate Directory

Directors

Robert Adair (*Chairman – 2012**)
Jean-Pierre Conrad (*Executive Director – 2013**)
Marinko Vidovich (*Company Secretary – 2012**)
** term of office*

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Representative Office

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Switzerland

Website

www.cgmplc.com

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF
England

Solicitors to the Company

Ward Hadaway
Sandgate House, 102 Quayside
Newcastle Upon Tyne NE1 3DX
England

Registrars

Computershare Investor Services plc
The Pavilions, Bridgwater Road
Bristol BS99 1XZ
England

Company Number

5529561

Chairman's Review

Overview

As announced on 30 June 2011, we evaluated a number of investment propositions but we were unable to meet the AIM requirements in respect of our Mozambique project prior to the deadline set by the London Stock Exchange. As a result, trading in the Company's shares on the AIM market was suspended and ultimately cancelled in July 2011.

Following the resignation of Frank Vanspeybroeck as a Director and Chief Executive of the Company, it was notified on 12 November 2010 that Jean-Pierre Conrad, Nicolas Rouveyre, Ambrian Capital Plc and close associates had acquired an aggregate 26.86% of the Company, a significant interest in the Company. After consulting the Company's larger shareholders, the Board prepared a revised investment policy that was subsequently approved by shareholders. We believe that the new shareholders and the Board have extensive industry and sector insight with local relationships across the world, experience in the areas of mining and metal processing, corporate finance, execution skills and commodity trading that provide CGM with a good base from which to implement its new investing strategy described elsewhere in this Annual Report.

Since January 2011, the Company's management and corporate functions have been performed out of Switzerland and South Africa with a clear mandate from the Board to minimize costs especially whilst the Company has not acquired or developed an operating business. Since the change in the investing strategy, monthly corporate costs adjusted for non-recurring items have been reduced by approximately 40% on average when compared to 2010. Day to day management of the Company at the corporate level vests with Jean-Pierre Conrad and Kilian Carrarini, both based in Switzerland. Wouter Trollip, an engineer in metallurgy with over 30 years experience in the design, building and operating of processing plants, manages all technical issues for the Company out of Johannesburg, South Africa. Costs associated with this new corporate organisation are covered by a service agreement with Ambrian Resources AG based in Zug, Switzerland. This agreement provides for managerial and administrative functions to be conducted at cost for the benefit of the Company. The Company believes that at this stage of its development, this agreement represents a cost effective way of managing its activities. At board level, reductions in remuneration have been made in line with cost reductions asked from most of the Company's suppliers. This will hopefully translate into a material reduction in overheads, especially important during this transitory period.

One objective over the period under review and going forward is to protect and grow the Company's assets whilst implementing the Company's investing strategy but with a strong emphasis on downside protection. The Board decided that developing a cement business in Sub-Saharan Africa met the investment criteria of the Company's new strategy. Considering current valuations of African cement businesses, we are confident that substantial shareholder value can be created if we pursue, amongst others, a strategy of developing clinker grinding mill and cement packing operations in areas that offer a compelling competitive advantage in their unique access to intermodal logistic platforms (simultaneous access to road, rail and sea).

Cement plant in Mozambique

With a view to reduce the construction and commissioning risks associated with this project, the Company has entered into an agreement with CalMe SpA (“Calme”) to jointly develop the clinker grinding mill and cement packaging plant in Beira, Mozambique. Calme will also be the joint venture’s EPCM (Engineering, Procurement and Construction Management) contractor. Calme, a private family managed company, is a cement and lime producer in Italy with a strong engineering culture. Calme and the Company have agreed to a minimum total commitment of USD 8 million in equity and shareholder loans with CGM’s commitment being USD 4 million. We are negotiating with financial institutions in South Africa for the balance of the project’s funding requirements currently estimated at USD 16 million. We are confident that despite the current credit market vagaries, we will be in a position to obtain the necessary third party funding.

The plant has a design capacity of approximately 110 tonnes per hour and will supply quality cement at a reasonable price to the growing local market and certain export markets in landlocked Zimbabwe, Zambia, Malawi and the Katanga Province in the Democratic Republic of Congo. Basic and detailed engineering is now complete and subject to customary conditions precedent we will also finalize the long-term lease of a 4-hectare industrial site 6 kilometres from the port of Beira. Preparatory work on this industrial site, including an environmental impact review, has been initiated. Construction of the plant is expected to take approximately 12 to 14 months after the various permitting procedures have been finalized.

The Ministry of Planning and Development, the Ministry of Industry and Trade and the Central Bank of Mozambique have approved the investment. This provides the Company with the benefits of (i) tax incentives and exemptions under the Mozambican law, (ii) exemptions under foreign exchange controls, and (iii), protection of its investment under existing international treaties. The environmental review is currently experiencing a series of delays as we deal with coordination difficulties between various government offices involved in the project. This delay is regrettable and as we enter into the wet season, construction and ultimately commissioning could be delayed by nearly 6 months. It should be noted that management and our representatives in Mozambique are sparing no efforts in trying to drive forward the Company’s project in Mozambique.

Going Forward

We are engaged in discussions in the Horn of Africa, Western Africa and Central Africa to develop similar operations as that planned in Mozambique. These will offer similar advantages in their access to intermodal logistic platforms than those offered by the Beira location in Mozambique. Should we obtain the necessary clearance from the authorities for the countries we are targeting, the Company could fund additional projects from its cash resources and would aim to build its future working interest in installed capacity to well over one million tonnes of cement per annum.

During 2012, we are committed towards achieving marketability in the Company’s shares either through a listing or perhaps a corporate transaction with some other entity. The admission to an exchange or a corporate transaction will depend to a large extent on the opportunities available, the state of advancement of the Company’s projects and also the conditions prevailing on the capital markets.

CGM’s strategy continues to be focused on the acquisition of businesses and ventures active in natural resources with a particular emphasis on the minerals and metals sectors. The Board believes that current market conditions and the difficulties experienced by the junior natural resource sector to access funding could provide a string of opportunistic transactions in the near future. The Company’s sound financial position will allow it to consider such opportunities.

We look forward to what we believe will be an exciting period for the Company as we pursue our new strategy.

Robert Fm Adair

Robert F.M. Adair
Chairman of the Board

Highlights

Financial Highlights

- Cash position as at year end was USD 20.4 million (2010: USD 22.0 million)
- Net assets as at year end amounted to USD 20.2 million or US cents 41.7 per share (2010: USD 22.0 million or US cents 45.4 per share)
- Loss for the year amounted to USD 1.8 million (2010: USD 2.9 million)
- The Group has no debt or borrowings

Corporate Highlights

- The guarantee and warranties associated with the disposal of the Company's mining interest in China expired without any claims having been made
- At the Company's AGM in December 2010 the shareholders approved the Company's new investing policy
- The AIM regulator was not satisfied by June 2011 that the Company had invested or committed over half of its resources under the new investing policy. The stock exchange regulator therefore decided to cancel the admission of the Company's shares on AIM effective 1 July 2011
- In July 2011 the Company obtained the approval to invest in a clinker grinding mill and cement packaging plant in Mozambique. The project cost is estimated at USD 24 million

Corporate Strategy & Recent Developments

In September 2009 the Company completed the disposal of Westralian Resources Pty Ltd, the operating subsidiary through which it held its interest in the Guanzhuang gold mining project in China. As a result, the Company became an investing company under AIM Rule 15. Having failed to complete a reverse takeover or implement an investing policy within the required 12 months of becoming an investing company, CGM's shares were suspended from trading on AIM in September 2010. Following changes to certain significant and substantial shareholdings, the shareholders approved in December 2010 a revised investing strategy targeted at creating shareholder value by identifying and acquiring holdings in businesses and ventures active in natural resources with a particular focus on the minerals (including industrial minerals) and metals sectors.

With a strong emphasis on downside protection, the strategy of the Company will focus on investments:

- That demonstrate an ability to generate near term or immediate cash flows;
- That demonstrate a high degree of resilience throughout economic cycles;
- In sectors benefiting from probable industry consolidation;
- Which can benefit from the Company's commodity trading experience, financing, industry and technical know-how;
- In which the Company has a significant and active role; and
- That are not *grassroot* exploration plays or rely on unproven technology.

The Directors believe that their collective experience in the areas of natural resources, acquisitions, corporate and financial management together with the opinion of consultant experts in the evaluation of natural resources, commodity trading, minerals or metals projects, will assist them in the identification and assessment of suitable opportunities and ultimately provide the means to implement the Company's strategy.

Despite the progress made towards implementing its investment policy, the admission of the Company's shares to trading on AIM was cancelled. The Company was disappointed that the stock exchange regulator did not apply the large degree of discretion it is afforded under the AIM rules to recognize that not having spent or committed 50% or more of the Company's funds was less a function of the number of possible transactions engaged in than caution in committing capital without ensuring that risks be adequately mitigated. Subject to market conditions and the state of advancement of the Company's projects, it is the Company's intention to create the necessary conditions in the course of 2012 to create liquidity in the Company's shares.

In May 2011, the Company entered into an agreement with Calme to jointly build and operate a clinker grinding mill (clinker is fused material, primarily limestone used in the production of cement) and cement bagging plant in the Sofala Province, Mozambique (the "Beira Project"). Also Calme will be the joint venture's EPCM contractor. The value of this contract (approximately USD 2 million) will form a part of the equity to be contributed by Calme to the joint venture.

In July 2011, the Ministry of Planning and Development of Mozambique approved the Beira Project and the Company's intention is to start the construction the plant by the end of 2011 subject to finalizing the required permitting. The Company is experiencing delays in obtaining the necessary environmental license, as turnaround time from the responsible government bodies can be slow at times. Although the country is making headway (the World Bank "ease of doing business" ranking of Mozambique is 126 out of 183), the Company believes that the delay of approximately 6 months in obtaining the necessary licenses is a function of bureaucracy as well as some interference from competitors. Completion of the Beira Project is expected 12 to 14 months after all necessary licenses have been obtained. With a design capacity of 110 tonnes per hour, the plant is currently costed at USD 24 million of which USD 8 million will be contributed by the Company and Calme, the balance being raised with credit institutions. Using conservative operating and economic assumptions, this project has a payback period below three years and will generate an internal rate of return above 35%.

The Company is reviewing other business proposals that could result in a possible transaction or a series of transactions. The transactions contemplated are to develop two additional clinker grinding mills and cement packaging operations on the Atlantic coast of Sub-Saharan Africa. Negotiations have been initiated with a view to secure a site for a future plant in the immediate vicinity of a major intermodal logistic platform so as to supply the markets of Northern Democratic Republic of Congo, the Republic of Congo and Northern Angola.

The Company's objective remains to acquire interests in projects with good cash flow visibility, short paybacks and minimal downside risk. The current business environment and depressed valuations may throw up for CGM opportunities to invest in a limited number of ventures in which it believes embedded catalysts will provide it with attractive absolute returns.

Board of Directors

Robert Adair

Chairman

After graduating in geology from Oxford University, Robert Adair qualified as a Chartered Accountant and then specialised in oil and gas taxation. He is Executive Chairman of Melrose Resources Plc, a listed oil and gas group and also Terrace Hill Group Plc and Plexus Holdings Plc, both of which are quoted on AIM.

Jean-Pierre Conrad

Executive Director

Having started his career in the banking and health service industries, Jean-Pierre Conrad joined the Marc Rich group in 1994. He was responsible for the corporate finance activities in the metals and minerals trading division for what became Glencore International AG. Appointed chief financial officer of Xstrata AG in 1997, he left end of 2001 to pursue private ventures in the natural resource sector and consult for companies in turnaround or special situations.

Marinko Vidovich

Director and Company Secretary

Marinko Vidovich is a qualified chartered accountant and chartered secretary since 1987. With extensive experience in the commercial mining field, he held numerous company secretarial and financial directorship positions with mining companies listed on the Australian Stock Exchange. He is also currently a consultant with the Australian Institute of Management (WA).

Directors' Report

The Directors present their Annual Report, Audited Consolidated and Statutory Accounts of Consolidated General Minerals Plc (formerly China Goldmines Plc until 16 December 2010) for the year ended 30 June 2011.

Principal Activities and Business Review.

A review of activities is included in the *Corporate Strategy & Recent Developments* on page 6.

Corporate Structure

Consolidated General Minerals Plc ("CGM" or the "Company" and together with its subsidiaries, the "Group") is a public company limited by shares that is registered in England and Wales. The Company holds its interests in the Mozambican cement venture through Cimentos da Beira, Lda, a company incorporated on 25 February 2011 under the laws of Mozambique ("CdB"). CdB is a 99% subsidiary of CGM (UAE) FZE, a company incorporated on 16 March 2011 under the laws of Ras Al Khaimah ("CGM UAE"), which in turn is a wholly-owned subsidiary of Consolidated General Minerals (Schweiz) AG ("CGM Schweiz"). A company incorporated on 28 January 2011 under the laws of Switzerland, CGM Schweiz is a wholly-owned subsidiary of CGM. With the exception of CdB, all subsidiary undertakings of the Company are holding companies. CdB will build and operate a clinker grinding mill and cement packaging plant in Beira, Mozambique.

Results and Dividends

The Group results show a loss after taxation and discontinued operation attributable to the equity holders of the Company of USD 1,804,370 (2010: loss of USD 2,259,527).

Similarly to the 2010 fiscal year, the Directors do not propose that a dividend be paid for the period under review. It is the intention of the Company to review the dividend policy once operations generate available cash flows.

Political and Charitable Contributions

The Group made no political or charitable contributions for the period under review (2010: nil).

Key Performance Indicators

At this stage in the Company's development, the key performance indicators that the Directors monitor on a regular basis are management of liquid resources, which are cash flows and bank balances.

Principal Risks and Uncertainties

Foreign Exchange

The Group conducts its operations in a number of jurisdictions and is subject to fluctuations in exchange rates. In connection with the Beira Project in Mozambique, the Group will seek to minimise its exposure to currency risk once it commits to equipment and service purchases in currencies other than the US dollar. Finally, Mozambique maintains strict controls on access to foreign currency and the repatriation of funds.

Financial Risk Management

Please refer to Note 17 of the Notes to the Consolidated Financial Statements for details of the Group's financial risk management policies.

Risks associated with operating in Sub-Saharan Africa

The jurisdictions in which the Group might operate in the future may have less developed legal and regulatory than more established economies.

Land ownership in Mozambique

Under the laws of Mozambique ownership of land vests with the state. The state grants the right to use and develop the land which is evidenced in a license which allows the title holder to build and register any infrastructure under its name on such land. The Group's future operations in Mozambique are dependent on obtaining and maintaining the relevant licenses.

Completion risks

The Company may not be in a position to commence commercial operations at the Beira Project on time and within the stated cost. This risk, which also includes construction and design risk, generally results in time and/or cost overruns that will require a substantial increase in capital and/or interest expenses during construction. Because of the nature of the project, the Company believes this risk is minimal.

Market risks

Changing industry structures, or pricing volatility for inputs and also outputs could result in changes in the supply / demand patterns for cement in central Mozambique which could affect the economics of the project.

Future Developments

CGM strategy is to identify and develop or acquire holdings in natural resources, minerals and/or metals companies and/or ventures which the Directors believe are undervalued and will enhance shareholder value.

Accordingly the investment strategy for the Company has been determined setting the following guiding principles:

- The Company will employ a broad geographic focus for its business with an emphasis on Africa;

- The Company will target projects that demonstrate a sound investment case that meets or exceeds the Company's investment criteria. Investment criteria remain flexible across a range of commodity types, including but not limited to bulk commodities (iron, coal, manganese, etc.), base metals, industrial minerals as well as precious metals. Of significance to the Company is that any investment has to demonstrate a limited payback period and low operating leverage;
- The Company will aim to invest in projects that are advancing into the development / commissioning phase. The Company remains open to consider the acquisition of producing assets (or even ones that are in care and maintenance). The Company will also not rule out joint venture opportunities within its investment matrix, provided the potential for shareholder value uplift is evident;
- The size of the investment that the Company would consider will vary depending on the Company's ability to fund the acquisition and source both debt and equity funding;
- The Company will source investment opportunities from internal sources, consultants and advisors, banks and brokers and will evaluate opportunities internally and with the use of appropriate skilled and experienced consultants and advisors; and
- The Company believes it currently has the relevant skills to undertake and / or manage an operation or development project and can access or source the appropriate senior management to undertake the relevant positions for an operating mining asset.

Considering current valuations of African cement businesses, the Company believes that substantial shareholder value can be created if it pursues, amongst others, a strategy of developing clinker grinding mill and cement packaging operations in areas that offer a compelling competitive advantage in their unique access to intermodal logistic platforms. The first such investment is expected to be in Beira, Mozambique as more fully disclosed in *Corporate Strategy & Recent Developments* on page 6.

Directors and Their Interests

Directors who currently serve the Company, together with their biographical details, are set out on page 8. The Board of the Company announced the resignation of Frank Vanspeybroeck from the Board of Directors, with the appointment of Jean-Pierre Conrad as Executive Director on 19 November 2010.

Under the Company's Articles of Association, following their initial appointment, the Directors serve until appointed at the next Annual General Meeting of the Company. Each Director is required to retire from office and shall be eligible for reappointment at the third annual general meeting after the general meeting at which he or she was last appointed or reappointed.

The interests of the Directors in the share capital of the Company are as follows:

Directors	Number of Ordinary Shares	% of Issued Share Capital
Jean-Pierre Conrad	4,463,350	9.21%
Robert F.M. Adair	1,301,664	2.69%
Marinko Vidovich	166,670	0.34%

Substantial Shareholdings

At 13 December 2011 the substantial shareholders notified to the Company are as follows:

Name of Shareholder	Ordinary Shares	%
Lynchwood Nominees Limited	8,058,350	16.62%
Ambrian Nominees Limited	6,059,426	12.50%
HSBC Global Custody Nominee (UK) Limited <811597>	3,800,000	7.84%
HSBC Global Custody Nominee (UK) Limited <740468>	3,478,350	7.18%
BBHISL Nominees Limited	3,431,500	7.08%
The Bank of New York (Nominees) Limited	2,718,543	5.61%
Giltspur Nominees Limited	2,470,274	5.10%
HSBC Global Custody Nominees (UK) Limited <811469>	2,000,000	4.13%
Rock (Nominees) Limited	1,210,000	2.50%
State Street Nominees Limited	1,207,000	2.49%

Supplier Payment Policy

The Group applies a policy of agreeing terms of payment with suppliers as part of the commercial arrangements and making payments in accordance with these agreements. For the year under review, the average creditor payment period was 57 days (2010: 30 days).

The Company's policy, which also applies to the Group, is that payments are made to suppliers in accordance with agreed terms.

Authority to Buy Back Shares

The Company does not currently have authority to purchase its own ordinary shares. The Company did not purchase any of its own shares in the year ended 30 June 2011.

Health and Safety Policy

The Group has no formal health and safety policy in place in order to properly identify, assess and control risk in the working environment. A policy will be put into place prior to the Company entering into any operating or construction activity.

Employees

As at 30 June 2011, the Group had no employees (2010: 4).

Corporate Governance

The Directors support the highest standards of corporate governance and aim to observe the main requirements of the UK Code on Corporate Governance produced in 1992 by the Cadbury Committee as amended from time to time to the extent that they consider appropriate in light of the Company's size, stage of development and resources, as set out on pages 18 to 20.

The Directors are responsible for the Group's system of internal control and for reviewing its effectiveness. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Group's objectives. Any such system of internal financial control can only provide reasonable but not absolute assurance against material misstatement or loss.

Additional voluntary information on the work of the Remuneration Committee, a Statement of Remuneration Policy and an analysis of Remuneration for the period is included on page 16.

Directors

The Board is responsible for approving Company policy and strategy. It meets regularly throughout the year and there are a number of matters that are reserved for its decision. Management supply the Directors with appropriate and timely information and the Directors are free to ask for any further information they consider necessary. Copies of all press announcements made by the Company are also circulated to the Board. Directors may take independent professional advice at the Company's expense and each Director has access to the Company Secretary. The Company Secretary is charged with ensuring that the Company complies with all relevant regulations.

Given the investment position of the Company, CGM Board consists of a Non-executive Chairman, an Executive Director and one Non-executive Director. Their abbreviated CVs appear on page 8.

Remuneration Committee

The Remuneration Committee, being all members of the Board, is responsible for establishing and developing CGM's general policy on executive and senior management remuneration and determining specific remuneration packages for Executive Directors.

The Directors' Remuneration Report is set out in page 16.

Nomination Committee

Due to the commercial size of the Group, it is not considered necessary to have a Nominations Committee at this time in the Company's development and the Board reserves to itself the process by which a new Director is appointed.

Audit Committee

The Audit Committee is represented by all the members of the Board and meets at least twice a year and considers the Company's financial reporting (including accounting policies) and internal controls.

Supply of Information

To enable the Board to function effectively and allow the Directors to discharge their responsibilities, full and timely access is given to all relevant information. The Board regularly receives reports from the Executive Director. The Company has a policy whereby any employee may contact the Chairman or members of the Audit Committee at any time in relation to any concerns regarding conduct that is contrary to the values of the Group, and any concerns are treated in the strictest confidence.

Reappointment

Any Director appointed during the year is required, in accordance with the Company's Articles of Association, to retire and seek appointment by shareholders at the next Annual General Meeting. The Articles also require that each Director retire and seek reappointment at the third Annual General Meeting following his appointment or last reappointment.

Directors' Liability Insurance

In accordance with the Company's articles of association, the Company has a deed of indemnity to the extent permitted by law with each of the Directors. During the financial year the Company paid a premium in respect of a contract insuring the Directors of the Company against liability incurred as such permitted under legislation.

Going Concern

The Group and Company currently have USD 20.4 million of cash reserves and have determined a new investment strategy for the Company that is being implemented. The Directors believe that despite the loss for the year of USD 1,805,547, and the expenditure associated with funding the clinker grinding mill in Mozambique, the Company has adequate resources to continue in operational existence in the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disclosure of Relevant Information to Auditors

Each Director at the date of approval of this report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

- The Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The Board decided to change the auditors of the Company. The change of auditors was made in conjunction with the new orientation of the Company. Accordingly, a resolution to appoint Ernst & Young LLP as the Company's auditors, and to authorise the Directors to determine their remuneration, will be proposed at the forthcoming Annual General Meeting.

This report was approved by the Board and signed on its behalf by the Directors who are members of the Board as of the date hereunder and are listed on page 8.



Robert F.M. Adair
Chairman
17 December 2011



Jean - Pierre Conrad
Executive Director

Remuneration Report

Statement of Remuneration Policy

The Group's policy provides for a competitive package that reflects the Group's performance and is designed to attract and retain high calibre executives.

The Remuneration Committee

The Remuneration Committee reviews the performance of the Executive Directors and sets the scale and structure of their remuneration including bonus arrangements. The membership of the Committee comprises all the members of the Board.

30 June 2011 - Remuneration

Executive Directors Remuneration

Basic Directors fees paid on a quarterly basis are reviewed within the policy on an annual basis. There are no agreements between the Company and its Directors resulting in compensation for loss of office or employment that may occur as a result of a takeover bid.

Share/Option Scheme

There is no share or share option scheme in place.

Service Contracts

Service contracts for the former Executive Director and Chief Executive Officer Frank Vanspeybroeck and the current Non-executive Director Marinko Vidovich expired at the end of July 2010. Consulting fees since July 2010 were paid on a month-by-month basis, based on the remuneration provided for in the then terminated service contract. The last payments made to the former Executive Director Frank Vanspeybroeck and the current Non-executive Director Marinko Vidovich were made in November 2010 and December 2010, respectively.

The Company has entered into a service agreement with Ambrian Resources AG based in Zug, Switzerland. This agreement provides for certain support functions mostly managerial (at least two full time employees) and of an administrative nature (secretarial, accounting, etc.) to be conducted at cost for the benefit of the Company. Executive time such as, but not limited to, Jean-Pierre Conrad's full time allocation to the Company, is provided for a fee under this agreement. Jean-Pierre Conrad, a director and a significant shareholder in the Company, is also a director and shareholder in Ambrian Resources AG.

Directors' Remuneration

Basic Directors' fees have been paid quarterly since 1 January 2011 and have been reduced by 30% from previous periods to reflect the Company's change in investing strategy and the fact that it has yet to generate revenues. Accordingly, annual fees for the Chairman and other directors have been set at GBP 35,000 and GBP 17,500, respectively.

Name of Director	Directors' Fees 2011	Consulting Fees 2011	Total Remuneration 2011	Total Remuneration 2010
USD				
Frank Vanspeybroeck ¹	14,142	137,359	151,501	366,093
Marinko Vidovich ²	30,492	146,083	176,575	327,559
Robert F.M. Adair	67,379	89,085	156,464	87,349
Clive Donner ³	-	-	-	35,895
Evan Kirby ⁴	-	-	-	22,676
Jean-Pierre Conrad ⁵	16,461	77,770	94,231	-
Total	128,474	450,297	578,771	839,571

¹Bowlane Nominees Limited supplied the services of Frank Vanspeybroeck. He stopped acting as a director in November 2010.

²Jinan Limited supplied the services of Marinko Vidovich. He stopped acting as an executive in December 2010.

³Clive Donner was not a Director during 2011.

⁴Evan Kirby was not a Director during 2011.

⁵Ambrian Resources AG is a company that provides management and administrative services to the Company and its subsidiaries at cost. Jean-Pierre Conrad is a director of Ambrian Resources AG.

Corporate Governance

Principles of Corporate Governance

The Group's Board appreciates the value of good corporate governance not only in the areas of accountability and risk management but also as a positive contribution to business prosperity. The key objective is to enhance and protect shareholder value whilst reasonably attending to all stakeholders' interests.

Board Structure

The Board currently comprises the Non-Executive Chairman, an Executive Director and a Non-Executive Director who also acts as the Company Secretary. Directors have a particular responsibility to ensure that the strategies proposed by the Executive Director are fully considered. The day-to-day management of the Group is delegated to the Executive Director. It is the policy of the Group for the Executive Director to report and refer to the Board at regular intervals on all matters relating to the running of the Group. The Board aims to have quarterly meetings. Prior to each meeting, Directors are sent an agenda and Board packs on individual agenda items where applicable. Directors may request additional Board papers on any topic.

All Directors are subject to election by shareholders at the first opportunity after their appointment and thereafter every three years. Non-Executive Directors are not subject to specified terms as all Directors are subject to the three year re-election requirement. The Board considers this appropriate and will review the situation at regular intervals.

Under the terms of the Company's Articles of Association, all Directors retire by rotation on the basis of one-third their number each year, and are required to be re-appointed by the shareholders at an Annual General Meeting. In effect this means that all Directors are subject to re-election by shareholders at least every three years.

Committees of the Board

The following committees, which have written terms of reference, deal with specific aspects of the Group's affairs.

Remuneration Committee

The Remuneration Committee, is made up of the full Board, is responsible for making recommendations to the Board on the Group's framework of Executive remuneration and its cost. The committee determines the contract terms, remuneration and other benefits for the Executive Director. It is chaired by Robert Adair and has access to recruitment consultants when required. The Board itself determines the remuneration of the Non-Executive Directors. The report on Directors' remuneration is set out on page 16.

Audit Committee

The Audit Committee is made up of the full Board and is chaired by Robert Adair. Its prime tasks are to review the half-yearly and annual accounts before they are presented to the Board, focusing in particular on accounting policies and areas of management judgment, scope of internal control and estimation. The committee is responsible for monitoring the controls that are in force to ensure the integrity of the information reported to the shareholders. The committee acts as a forum for discussion of internal control issues and contributes to the Board's review of the effectiveness of the Group's internal control and risk management systems and processes. The Committee reviews annually the objectivity and independence of the external auditors.

The Audit Committee has considered the Group's circumstances and due to the close involvement of the Executive Director in operational, financial and risk management and control, and in view of the Group's size, it believes that shareholders would not benefit from the implementation of an internal audit function at this time. This will be reviewed, as the circumstances require.

Nomination Committee

Due to the commercial size of the Group, it is not considered necessary to have a Nomination Committee at this time in the Company's development and the Board reserves to itself the process by which a new Director is appointed.

Evaluation and Appraisal

The Board does not currently have a formal system in place for evaluating the performance of individual Directors and committees. The presence of an open environment where feedback is continually sought provides an informal process that enables the continual improvement of Directors and committees. The Board believes that this system is effective given the current size of the Board and the increasing executive requirements placed upon the Group's limited resources. The Board will consider the implementation of a formal evaluation process as appropriate.

Internal Control

The Directors are responsible for the Group's system of internal control and reviewing its effectiveness. The Board has designed the Group's system of internal control in order to provide the Directors with reasonable assurance that its assets are safeguarded, that transactions are authorised and properly recorded and that material errors and irregularities are either prevented or would be detected within a timely period. However, no system of internal control can eliminate the risk of failure to achieve business objectives or provide absolute assurance against material misstatement or loss.

The key elements of the control system in operation are:

- The Board meets regularly with a formal schedule of matters reserved to it for decision and has put in place an organisational structure with clear lines of responsibility defined and with appropriate delegation of authority;
- There are established procedures for planning, approval and monitoring of capital expenditure and information systems for monitoring the Group's financial performance against approved budgets and forecasts; and

- The Executive Director is required to undertake a full assessment process to identify and quantify the risks that face the Group's businesses and functions, and assess the adequacy of the prevention, monitoring and modification practices in place for those risks. In addition, Non-Executive Directors have un-restricted access to all information, members of senior management and consultant of the Company.

During the period, the Audit Committee has reviewed the effectiveness of the system of internal control as described above. The Board receives periodic reports from all committees when this is deemed pertinent by the Board giving due regard to the degree of development and size of the company.

There are no significant issues disclosed in the report and financial statements for the 2011 fiscal year and up to the date of approval of the report and financial statements that have required the Board to deal with any related material internal control issues.

Relations with Shareholders

The Group values its dialogue with both institutional and private investors. Effective two-way communication with fund managers, institutional investors and analysts is actively pursued and this encompasses issues such as performance, policy and strategy. During the year the Directors had a number of meetings with institutional investors whose combined shareholdings represented over 60% of the total issued share capital of the Company.

Private investors are encouraged to participate in the Annual General Meeting at which the Chairman presents a review of the results and comments on current business activity.

Statement by the Directors on compliance with the provisions of the Combined Code

The maintenance of effective corporate governance is a key priority of the Board. The Company is not required to comply with the requirements of the Combined Code. The Board fully supports the principles of openness, integrity and accountability on which the Combined Code is based and has applied those principles that are relevant to the Group's size and complexity as if the Company continued to be listed. As the business expands, procedures will be reviewed and considered by the Board.

Directors' Responsibilities in Relation to the Consolidated and Parent Company Financial Statements

The Directors are responsible for preparing the Annual Report and the Group and parent company financial statements in accordance with applicable United Kingdom law and International Accounting Standards (IFRS) adopted by the European Union.

The Directors are required to prepare financial statements for each financial year that present a true and fair view of the financial position of the Group and the Company and the financial performance and cash flows of the Group and the Company for that period. In preparing those financial statements, the Directors are also required to:

- select suitable accounting policies in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and apply them consistently;
- present information, including accounting policies in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, or other events and conditions on the Group and parent company's financial position and performance; and
- state that the Group and Company have complied with IFRSs, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent company's transactions and disclose with reasonable accuracy at any time the financial position and performance of the Group and company and enable them to ensure that the Group and company financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm they have discharged their responsibilities as noted above.

Independent Auditors' Report to the Members of Consolidated General Minerals Plc

We have audited the financial statements of Consolidated General Minerals plc for the year ended 30 June 2011 which comprise the Group and Company Statements of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statements of Changes in Equity, the Group and Company Statements of Cash Flow and the related Group and Company notes 1 to 20 and 1 to 14 respectively. 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.

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 Directors' Responsibilities Statement set out on page 21, 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 Ethical Standards for Auditors. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for an audit opinion.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Review, Highlights, Directors' Report, Remuneration Report and Corporate Governance statement to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis of qualified audit opinion

In the prior year the evidence available to the prior auditor was limited because of a lack of permissible access to the accounting records following the disposal of the Company's subsidiaries in Australia and China. The prior year financial statements contained amounts relating to mining and exploration

expenses amounting to USD 159,304, employee costs of USD 123,116, depreciation charge of USD 16,701, administration and other income of USD 2,464, foreign exchange losses of USD 2,889,921, a loss attributable to the non-controlling interest of USD 637,272 and the loss on disposal of the subsidiary which could not be verified by the prior auditor. Due to the lack of access to the Australian and Chinese company accounting records, the prior year auditor was unable to obtain sufficient appropriate audit evidence regarding the completeness and categorisation of these expenses by other audit procedures. In addition, as a result of the lack of permissible access to the Australian and Chinese companies, the prior auditor was also unable to obtain sufficient appropriate evidence regarding the completeness and categorisation of the Consolidated Statement of Cash Flows. The audit opinion on the financial statements for the period 30 June 2010 was modified accordingly. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures with the corresponding figures.

Qualified opinion on the financial statements

In our opinion, except for the possible effects on the corresponding figures of the matter described in the basis of qualified opinion paragraph above, 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 2011 and of the group's and the parent company's loss for the year then ended;
- ▶ have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- ▶ 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, the Remuneration report and the Corporate Governance statement for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to the corresponding figures, described above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

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.

Ernst & Young LLP

Daniel Trotman (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

17 December 2011

Notes:

1. The maintenance and integrity of the Consolidate General Minerals Plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated Statement of Comprehensive Income

For the year ended 30 June (in USD)	Note	2011	2010
Continuing operations	4		
Revenue		-	-
Corporate and administrative expenses	5	(1,438,246)	(1,246,703)
Consulting expenses	5	(307,373)	(406,095)
Operating loss	5	(1,745,619)	(1,652,798)
Foreign exchange gains / (losses)		27,806	(1,026,579)
Financial income		56,275	71,892
Loss before tax		(1,661,538)	(2,607,485)
Tax	7	-	-
Loss for the year from continuing operations		(1,661,538)	(2,607,485)
Discontinued operations			
Loss from discontinued operations	19	(144,009)	(289,314)
Loss for the year		(1,805,547)	(2,896,799)
Other comprehensive income / (loss)			
Foreign exchange translation differences		12,684	(4,094,887)
Exchange loss recognised on disposals		-	(147,712)
Other comprehensive income / (loss), net of tax		12,684	(4,242,599)
Comprehensive loss for the year		(1,792,863)	(7,139,398)
Loss for the year attributable to:			
Owners of Consolidated General Minerals Plc		(1,804,370)	(2,259,527)
Non-controlling interests		(1,177)	(637,272)
		(1,805,547)	(2,896,799)
Comprehensive loss for the year attributable to:			
Owners of Consolidated General Minerals Plc		(1,791,686)	(6,509,035)
Non-controlling interests		(1,177)	(630,363)
		(1,792,863)	(7,139,398)

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Financial Position

For the year ended at 30 June (in USD)	Note	2011	2010
Non-current Assets			
Property, plant and equipment	8	146,047	-
		146,047	-
Current Assets			
Trade and other receivables	9	27,467	276,201
Cash and cash equivalents	10	20,445,387	21,974,606
		20,472,854	22,250,807
Total Assets		20,618,901	22,250,807
Current Liabilities			
Trade and other payables	11	(395,593)	(234,636)
Total Liabilities		(395,593)	(234,636)
Net Assets		20,223,308	22,016,171
Equity			
Share capital	12	919,975	919,975
Share premium account	13	66,169,804	66,169,804
Foreign exchange reserve account	13	12,684	-
Retained earnings		(46,877,978)	(45,073,608)
Equity attributable to owners of the parent company		20,224,485	22,016,171
Non-controlling interests		(1,177)	-
Total Equity		20,223,308	22,016,171

The financial statements were approved by the Board of Directors and authorised for issue on 17 December 2011. They were signed on its behalf by:



Robert F.M. Adair, Chairman



Jean-Pierre Conrad, Director

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

(in USD)	Share Capital	Share Premium Reserve	Foreign Exchange Reserve	Reverse Acquisition Reserve	Retained Earnings	Total Shareholders' Equity	Non-Controlling Interest	Total Equity
Balance at 30 June 2009	919,975	66,169,804	4,249,508	61,344	(42,875,425)	28,525,206	(12,153)	28,513,053
Loss for the year	-	-	-	-	(2,259,527)	(2,259,527)	(637,272)	(2,896,799)
Other comprehensive loss:								
Exchange differences on translation of foreign operations	-	-	(4,101,796)	-	-	(4,101,796)	6,909	(4,094,887)
Exchange differences recognised on disposal of foreign operations	-	-	(147,712)	-	-	(147,712)	-	(147,712)
Comprehensive loss for the year	-	-	(4,249,508)	-	(2,259,527)	(6,509,035)	(630,363)	(7,139,398)
Reverse acquisition loss recognised on disposal of GRV	-	-	-	(61,344)	61,344	-	-	-
De-recognition of non-controlling interest on sale of Westralian	-	-	-	-	-	-	642,516	642,516
Balance at 30 June 2010	919,975	66,169,804	-	-	(45,073,608)	22,016,171	-	22,016,171
Loss for the year	-	-	-	-	(1,804,370)	(1,804,370)	(1,177)	(1,805,547)
Other comprehensive loss:	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	12,684	-	-	12,684	-	12,684
Comprehensive loss for the year	-	-	12,684	-	(1,804,370)	(1,791,686)	(1,177)	(1,792,863)
Balance at 30 June 2011	919,975	66,169,804	12,684	-	(46,877,978)	20,224,485	(1,177)	20,223,308

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June (in USD)	2011	2010 Restated
Loss for the period	(1,805,547)	(2,896,799)
Adjustments for:		
Interest received	(56,275)	(71,892)
Discontinued operations	144,009	-
Depreciation	-	768,274
Net foreign exchange movements	(53,549)	81,601
Operating cash flows before movements in working capital net of effects of discontinued operations	(1,771,362)	(2,118,816)
Decrease in inventory	-	1,246,749
Decrease / (increase) in trade and other receivables	(27,467)	(1,315)
Increase / (decrease) in trade and other payables	136,803	(3,206,284)
Net cash outflow from operating activities	(1,662,026)	(4,079,666)
Investing activities		
Proceeds on sale of subsidiaries, net of cash disposed	-	23,381,753
GRV liquidation payment received	137,153	-
Interest received	56,275	71,892
Payments for licences, exploration and development expenditure	-	(3,299,985)
Purchases of property, plant and equipment	(121,894)	(80,696)
Net cash (outflow) / inflow from investing activities	71,534	20,072,964
Net cash inflow / (outflow) from financing activities	-	-
Net (decrease) / increase in cash and cash equivalents	(1,590,492)	15,993,298
Cash and cash equivalents beginning of the year	21,974,606	6,192,290
Exchange rate adjustments	61,273	(210,982)
Cash and cash equivalents at end of year	20,445,387	21,974,606

The accompanying notes are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

1. General information

General Consolidated Minerals Plc is a company registered in England and Wales. The address of the registered office is given on page 2. The nature of the Group's operations and its principal activities are set out on page 9.

The functional currency of the Company is the US dollar ("USD") and the financial statements are presented in US dollars. Foreign operations are included in accordance with the policies set out in Note 2.

The Group and Company currently have USD 20.4 million of cash reserves and have determined a new investing strategy for the Company which is being implemented. The Directors believe that despite the loss for the year of USD 1,805,547, and the expenditure associated with funding the clinker grinding mill in Mozambique, the Company has adequate resources to continue in operational existence in the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2. Significant accounting policies

Basis of accounting

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

New IFRS's issued and effective for the current financial period and applied in these financial statements are as follows:

Standard	Date of adoption	Impact on initial application
IFRS 2	1 July 2010	Changes in share-based payments, amendment relating to group cash settled share based payments. This amendment did not have any impact on the current or previous year financial statements. Future transactions will be accounted for consistently with this amendment.
IFRS 3 "Business combinations"	1 July 2010	Changes based on yearly improvements on IFRS of May 2010. Amendments have been considered and did not have any impact.

Standard	Date of adoption	Impact on initial application
IFRS 7 "Financial instruments"	1 July 2010	Improving disclosure based on improvements to IFRS from May 2010 - improvements to credit risk disclosures. The revisions have been considered and did not have any impact on the financial instrument disclosure within these financials.
IFRS 8 "Operating segments"	1 July 2010	Changes based on yearly improvements on IFRS of April 2009. Amendments have been considered and did not have any impact.
IAS 1 "Presentation of Financial Statements"	1 July 2010	Changes based on yearly improvements on IFRS of April 2009 and May 2010. This amendment did not have any impact on the current or previous year financial statements. Future transactions will be accounted for consistently with this amendment.
IAS 7 "Statement of Cash Flows"	1 July 2010	Amendments have been applied and did not have any influence.
IAS 24 "Related party disclosures"	1 July 2010	Revision of definition of related parties. This amendment was fully applied.
IAS 27 "Consolidated and Separate Financial Statements"	1 July 2010	Changes based on yearly improvements on IFRS of May 2010. This amendment did not have any impact on the current or previous year financial statements. Future transactions will be accounted for consistently with this amendment.
IAS 32 "Financial instruments - classification of rights issues"	1 July 2010	This amendment relating to classification of right issues did not have any impact on the current or previous year financial statements. Future transactions will be accounted for consistently with this amendment.
IFRIC 19 "Extinguishing financial liability with equity instruments"	1 July 2010	Extinguishing financial liability with equity instruments. The adoption of the above pronouncements will have no material impact on the financial statements in the period of initial application.

The Group and the Company have not applied the following IFRS and IFRIC that are applicable to the Group and Company and that have been issued but are not yet effective:

- IFRS 1 First-time Adoption of IFRS – Replacement of fixed dates for certain exceptions with the date of transition to IFRS, effective for financial years beginning on or after 1 July 2011
- IFRS 7 Financial Instruments – New disclosures for de-recognition of financial instruments, effective for financial years beginning on or after 1 July 2011
- IFRS 9 Financial instruments, classification and evaluation – more detailed financial liability accounting - effective for financial years beginning on or after 1 January 2013
- IFRS 10 Consolidated Financial Statements – substitutes SIC 12 effective for financial years beginning on or after 1 January 2013
- IFRS 11 Joint Arrangements - effective for financial years beginning on or after 1 January 2013

IFRS 12	Disclosure of Interests in Other Entities - effective for financial years beginning on or after 1 January 2013
IFRS 13	Fair Value Measurement - effective for financial years beginning on or after 1 January 2013
IAS 1	Presentation of Financial Statements - Changes in presentation of other profits effective for financial years beginning on or after 1 July 2012
IAS 12	Income taxes - changes in view of recovery of the based assets based on effective for financial years beginning on or after 1 January 2012
IAS 19	Employee benefits - the company has no active employees yet but is planning to have such in the subsidiaries, changes are effective for financial years beginning on or after 1 January 2013
IAS 27	Consolidated and Separate Financial Statements - changes in 2011, rules about consolidated financials have been revised and are now included in IFRS 10 effective for financial years beginning on or after 1 January 2013
IAS 28	Accounting for Investments in Associates - effective for financial years beginning on or after 1 January 2013

The Directors anticipate that the adoptions of these Standards in future periods will have no material impact on the financial statements of the Group and the Company.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. The Group includes the following subsidiaries:

Name of company	Place of incorporation	Holding	Proportion of voting rights and shares held within the Group	Nature of business
Subsidiary Undertakings				
Cimentos da Beira Lda	Mozambique	Ordinary shares	99%	Operation of a clinker grinding mill
CGM (UAE) FZE	United Arab Emirates	Ordinary shares	100%	Investment holding company
Consolidated General Minerals (Schweiz) AG	Switzerland	Ordinary shares	100%	Investment holding company

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

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

Foreign currencies

The individual financial statements of each Group Company are presented in the currency of the primary economic environment in which it operates. For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in USD, which is the functional currency of the Company, and the reporting currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the re-translation of monetary items, are included in the profit or loss for the period. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in profit or loss for the period.

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, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign exchange reserve.

Assets and liabilities denominated in British pounds ("GBP") have been translated at USD 1.60204 (2010: USD 1.5071), Swiss francs ("CHF") denominated items have been translated at USD 1.20067. Income and expense items denominated in GBP have been translated at an average rate of USD 1.59088 (2010: USD 1.58231), and CHF denominated items have been translated at USD 1.0464.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Property, plant and equipment

Project evaluation and development expenditure comprise costs which are directly attributable to a project including but not limited to, preparing engineering studies and compiling pre-feasibility and feasibility studies.

Evaluation and development costs are accumulated in respect of each area of interest and relate to expenditure capitalised in respect of projects that are at pre-development stage. These projects are to be implemented in the foreseeable future.

When the Directors decide that a project it is not commercial, any accumulated costs in respect of that project are written off in the financial period the decision is made. Each project is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

Depreciation of plant and equipment is calculated on a reducing balance basis, so as to write off the cost of assets over their estimated useful lives.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Impairment of tangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Due to the incorporation of all subsidiaries in 2011 and the fact that there has been no activities so far the Impairment Test was not necessary. All capital is still in place therefore the participations are still valued at their historical cost basis.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is not recoverable and therefore impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

3. Critical accounting judgments, estimates and assumptions**Accounting for Cimentos da Beira, Lda (“CdB”)**

The agreement entered into between the Company and Calme SpA will ultimately result in a joint venture in which Calme SpA will hold 50% of the economic and voting rights of CdB subject to certain conditions. As at 30 June 2011, Calme SpA had no interest in CdB and management considers that the Company has control of this entity at this date.

Determination of Functional Currency

The functional currency of the company is the currency of the primary economic environment in which the company operates. In determining the functional currency of the Company, the Directors determined the currency in which a majority of the existing costs are denominated as the Company currently has no revenue. It is reasonable to conclude that the functional currency of the Company is the US dollar.

IFRS 2 Share Based Payment

Ambrian Resources AG has the right to receive the equivalent of USD 150,000 in shares of the Company at USD 0.4 a share subject to mechanical completion of the clinker grinding plant to be built by the Group in Mozambique in consideration for the 1% of Cimentos da Beira Lda held by Ambrian Resources AG. We consider that this to be a share based payments transaction with a non-employee. Under IFRS 2 a share based payment occurs if the identifiable consideration received, in our case the value of the 1% holding in Cimentos da Beira Lda, for shares granted appears to be less than the fair value of the equity instruments granted/issued. The value of this potential IFRS 2 charge will be measured at the time Ambrian Resources AG exercises its right to exchange its 1% holding in Cimentos da Beira Lda for the shares in the Company.

4. Operating segments

The Company is an investment company and is in the initial phase of developing activities in the cement sector in Mozambique. With no other activities than corporate functions, one segment is reported.

As the nature of the Group's business changed from the previous year, expenses included within operating losses in the consolidated statement of comprehensive income have been reclassified under two headings (as shown in note 5) for ease of comparison from the prior year to the current year. There is no impact on total costs reflected in operating loss in the comparatives.

5. Operating loss

Operating loss for the period has been derived after charging:

For the year ended 30 June (in USD)	2011	2010
Corporate and administrative expenses	(1,438,246)	(1,246,703)
Consulting expenses	(307,373)	(406,095)
Corporate and administrative expenses include:		
Fees payable for the audit of the Company's annual accounts	(68,915)	(151,667)
Fees payable to the Company's auditor for non-audit services	-	(14,953)

Consulting expenses have been reclassified in 2010 as stated in Note 4. Consultancy expenses in 2010 and 2011 include consulting and advisory service expenses rendered by third parties in conjunction with the disposal or possible acquisition of operations. Any consulting expenses attributable to services rendered by directors are included in the corporate and administrative expenses (see Director's remuneration page 16). Fees payable for the audit and non-audit services are shown separately. The according figures are included in the corporate and administrative expenses.

6. Staff costs and directors' emoluments

(a) Staff Costs

For the year ended at 30 June	2011	2010
Wages and salaries in USD	-	1,519
Insurance expenses (primarily D&O cover) in USD	32,309	10,120
	32,309	11,639

There were no social security costs or pension costs in the current or prior year.

The average monthly number of employees employed by the Group was:

For the year ended at 30 June	2011	2010
Exploration/development support staff	-	1
Administration	-	3
	-	4

(b) Directors' Emoluments

For the year ended at 30 June (in USD)	2011	2010
Directors' Emoluments	578,771	839,571

7. Tax

No liability to UK corporation tax arose on ordinary activities for the year ended 30 June 2011 or 30 June 2010 due to losses incurred in both years. The tax rate was 28% for the first 9 months of the year and 26% thereafter resulting in a 27.5% tax rate for the fiscal year.

The charge for the year can be reconciled to the loss per the income statement as follows:

For the year ended 30 June (in USD)	2011	2010
Loss before tax	(1,805,547)	(2,198,183)
Tax at the UK corporation tax rate of 27.5% (2010: 28%)	(496,525)	(615,491)
Tax effect of expenses that are not deductible in determining taxable profit	(7,647)	287,442
Tax effect of current year tax losses for which no deferred tax asset has been recognised	504,172	328,049
Tax expense for the year.	-	-

During the Budget speech on 23 March 2011, the Chancellor announced that the rate of mainstream corporation tax for the year ended 31 March 2012 will be 26%, and that further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014.

Deferred tax

As of the balance sheet date, the Group had unrecognised tax losses of approximately USD 4.3 million (2010: USD 2.4 million) available for offset against future profits. No deferred tax asset has been recognised in respect of these losses as it is not currently considered probable that there will be future taxable profits against which these tax losses can be utilised. These losses may be carried forward indefinitely.

8. Property, plant and equipment

(in USD)	Plant	Property	Total
Cost:			
At 30 June 2010	-	-	-
Additions	111,047	35,000	146,047
Exchange differences	-	-	-
Disposal on sale of subsidiaries	-	-	-
At 30 June 2011	111,047	35,000	146,047
Accumulated depreciation:			
At 30 June 2010	-	-	-
Charge for the year	-	-	-
Exchange differences	-	-	-
Impairment	-	-	-
Disposal on sale of subsidiaries	-	-	-
At 30 June 2011	-	-	-
Property, plant and equipment			
At 30 June 2011	111,047	35,000	146,047
At 30 June 2010	-	-	-

Plant and property relate solely to capitalized development costs associated with the clinker grinding mill project in Beira, Mozambique. These costs are not depreciated as the asset is not ready for its intended use.

9. Trade and other receivables

For the year ended at 30 June (in USD)	2011	2010
Other receivables	14,443	276,201
Prepayments	13,024	-
	27,467	276,201

The Directors consider that the carrying amounts of trade and other receivables approximates their fair value. All debtors are due within three months and none are overdue or impaired.

10. Cash and cash equivalents

For the year ended at 30 June (in USD)	2011	2010
Cash and cash equivalents	20,445,387	21,974,606

Bank balances and cash comprise cash held by the Group and short-term bank deposits with a maturity of three months or less. The carrying amount of these assets approximates their fair value.

11. Trade and other payables

For the year ended at 30 June (in USD)	2011	2010
Trade payables	182,946	147,476
Related parties	152,292	-
Other payables and accruals	60,355	87,160
	395,593	234,636

The Directors consider that the carrying amount of trade and other payables approximates their fair value.

12. Share capital

For the year ended at 30 June (in USD)	2011	2010
Issued and fully paid:		
48,475,411 ordinary shares of GBP 0.01 each	919,975	919,975
(2010: 48,475,411 ordinary shares of GBP 0.01 each)		

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

13. Reserves***Share Premium Reserve***

The share premium reserve is to record the excess over par value received on issue of shares. The Group has USD 66,169,804 of share premium reserves that did not change since 2010.

Foreign Exchange Reserve

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve. The reserve is recognised in profit and loss when the net investment is disposed of.

14. Contingent liabilities & commitments***Contingent liabilities***

There were no contingent liabilities of the Group at the end of the reporting period date.

Commitments

As at 30 June 2011 the group had no contractual obligations relating to any form of lease/ rental arrangements.

Under the service agreement with Ambrian Resources AG (see Note 15), the Company is liable until 1 January 2013 to (i) cover costs associated with an office infrastructure in Switzerland, (ii) pay for administrative services provided, and (iii), pay a monthly remuneration fee of CHF 28,000. This amount was reduced to a monthly remuneration fee of CHF 18,000 starting 1 July 2011.

In March 2011 Cimentos da Beira, Lda, a Group company, entered into an agreement with CMC Africa Austral, Lda and Cooperativa Muratori E Cementisti CMC di Ravenna to purchase industrial land in Beira, Mozambique. The purchase consideration under this agreement is USD 630,000 or USD 880,000 should CMC Africa Austral, Lda not be contracted to provide the civil work for the Beira Project. An initial instalment in the amount of USD 30,000 has been made upon execution of the agreement. The balance of the purchase consideration will be paid once certain customary conditions have been satisfied.

In May 2011 the Company entered into an agreement with Calme SpA whereby both parties will jointly build and operate clinker grinding mills and cement packing plants in Africa. In connection with the Beira Project, the Company will contribute the equivalent of USD 4 million in equity and shareholder loans into the Beira Project.

Also in May 2011 the Company entered into an EPCM (Engineering, Procurement and Construction Management) agreement with Calme SpA. The aggregate cost of the services to be provided under this agreement is expected to amount to approximately USD 2 million equivalent and will largely depend on certain cost components included in the agreement that are of a variable nature. Engineering design which is the first phase under this agreement is virtually completed. The EPCM agreement will be contributed as a portion of the equity and shareholder loans which Calme has committed in favour of the Beira Project.

15. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note.

Transactions between the Group and other related parties are disclosed below.

Trading transactions

During the year, Group companies entered into the following transactions with related parties who are not members of the Group:

(in USD)	Purchase of goods & services		Amounts due to related parties	
	2011	2010	2011	2010
Bowlane Nominees Ltd	137,359	326,535	-	-
Jinan Limited	146,083	288,000	-	-
Metallurgical Manag't Services (Pty) Ltd	-	4,282	-	-
Linq Corporate Pty Ltd	-	374,682	-	-
Ambrian Resources AG	286,594	-	152,292	-

Bowlane Nominees Ltd is a company that provides managerial services to the Group, on behalf of Frank Vanspeybroeck, a former director of the Company. Jinan Limited is a company that provided financial and accounting services to the Group, on behalf of Marinko Vidovich, a director of the Company. Metallurgical Management Services (Pty) Ltd is a company that provided metallurgical consultancy services to the Group. Evan Kirby is a director of this company and was a former director of the Company. Linq Corporate Pty Ltd, a company of which Clive Donner is a director, has provided corporate consultancy services. Clive Donner was a former director of the Company.

Ambrian Resources AG is a Swiss company that provides managerial and administrative services to the Group. Jean-Pierre Conrad is an executive of this company and a Director of the Company. Under this agreement, administrative services provided by Ambrian Resources AG are provided at cost to the Company. The Company also pays a monthly fee of CHF 28,000 to cover managerial services provided. This fee was subsequently reduced starting 1 July 2011 to CHF 18,000 per month.

Ambrian Resources AG holds 1% of Cimentos da Beira, Lda. Ambrian Resources AG has the right to receive the equivalent of USD 150,000 in shares of the Company at USD 0.4 a share subject to mechanical completion of the clinker grinding plant to be built by the Group in Mozambique in consideration for the 1% of Cimentos da Beira Lda held by Ambrian Resources AG. Subject to prevailing market conditions and should the opportunity arise, the Company will discharge its obligation, if any, to provide Company shares to Ambrian Resources AG either by issuing shares or purchasing the required number of shares in the market or a combination thereof. We consider that this to be a share based payments transaction with a non-employee. The value of this potential IFRS 2 charge will be measured at the time Ambrian Resources AG exercises its right to exchange its 1% holding in Cimentos da Beira Lda for the shares in the Company.

All services are provided under normal commercial terms. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

16. Financial instruments

The financial instruments of the Group are:

For the year ended at 30 June (in USD)	2011	2010
Financial assets		
Other receivable	14,443	276,201
Cash and cash equivalents	20,445,387	21,974,606
	<u>20,459,830</u>	<u>22,250,807</u>
Financial liabilities – measured at amortized cost		
Trade and other payables	(335,238)	(147,476)

No assets are impaired. All financial assets and liabilities are initially stated at fair value and measured at amortised cost, and all carrying values approximate fair values.

For financial instruments not traded in active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuations models.

17. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the Board of Directors as the Group believes that it is crucial for all Board members to be involved in this process. The Executive Director has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

Since the disposal of its operations in September 2009, the majority of the Group's cash is principally held in US dollars and this accordingly has eliminated foreign currency exchange risks as the US dollar is the Company's functional and reporting currency.

The Group's exposure in US dollars to foreign currency risk at the reporting date is as follows:

	2011			2010		
	GBP	CHF	AUD	GBP	CHF	AUD
Cash and cash equivalents	-	140,708	37,464	91,205	-	233,505
Trade and other receivables	-	-	-	3,524	-	172,202
Trade and other payables	(108,909)	(53,945)	(2,681)	(147,476)	-	-

Keeping all other variables constant, the table below shows the impact of a 10% variance in the respective currencies against the US dollar on the Group's results and equity position, all amounts in US dollars.

	2011			2010		
	GBP	CHF	AUD	GBP	CHF	AUD
Stronger currency	(10,891)	8,683	3,478	(5,275)	-	40,571
Weaker currency	10,891	(8,683)	(3,478)	5,275	-	(40,571)

Interest rate risk

The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The cash and cash equivalents for the Group of USD 20,445,387 (2009: USD 21,974,606) are subject to interest rate risks. The weighted average interest rate received on cash and cash equivalents by the Group was 0.27 % (2010: 0.5%).

Keeping all other variables constant, the table below shows the impact of a 10% variance in the respective of 0.27% interest received on the average cash and cash equivalents, shown in the Group balance sheet.

	2011		2010	
	%	USD	%	USD
Higher interest rate	0.29	5,627	0.55	8,516
Lower interest rate	0.24	(5,627)	0.45	(8,516)

Credit risk

The Directors consider that the Group has limited exposure to credit risk as the Group does not have significant receivable balances at the year end on which a third party may default on its contractual obligations. The credit risk on liquid funds is believed to be limited because the counter parties are reputable financial institutions. The carrying amount of the Group's financial assets represents its maximum exposure to credit risk. The US dollar cash balances USD 20,445,387 are secured in a term deposit account with a reputable bank in Switzerland which represents a concentration of risk.

Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the current nature of the Group's activities, being an investment company, the Group does not have ready access to credit facilities, with the primary source of funding being cash on hand.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the Consolidated Statement of Financial Position. All trade and other payables are non-interest bearing and due within 3 months of the balance sheet date.

Capital risk management

Capital is defined by the Group as cash at hand and equity.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment of shareholders, return capital to shareholders or issue new shares.

18. Ultimate controlling party

The Company has no ultimate controlling party.

19. Discontinued Operation

Financial year 2010

(a) Description

On 26 August 2009 the Company's then 100% owned subsidiary, Global Resource Ventures Limited ("GRV"), signed a Share Purchase Agreement with Cosmos Castle Management Limited, a company incorporated in the British Virgin Islands, to sell all of the issued securities of Westralian Resources Pty Ltd ("Westralian"). Settlement of the sale occurred on 29 September 2009, from which date Westralian and its 80% owned subsidiary Hunan Westralian Mining Co., Ltd ceased to be consolidated into the Group. GRV received total net cash consideration of USD 23,381,753 for the sale of Westralian. One of the provisions of the agreement was that USD 100,000 was to be held in trust by Hunan Westralian Mining/Cosmos, which the Company would be entitled if the warranty period expired without any claims being made. This was not repaid, despite the warranty period expiring without a claim being made. Management have determined that this USD 100,000 is in practice not recoverable as resources to be committed to recovering all or part of this amount would far outweigh any benefits. This receivable has been fully impaired in the 2011 financial statements.

On 12 May 2010 GRV was placed in voluntary administration, from which date GRV ceased to be consolidated into the Group. Prior to GRV being liquidated all outstanding loan balances were forgiven by China Goldmines, which resulted in the writing off of all remaining loan balances. An amount of USD 125,000 had been recognised as a receivable being the amount expected to be released by the administrator on completion of the liquidation process. USD 139,374 was received in the course of October 2010.

Financial information relating to the discontinued operations for the period to the respective dates of disposal is set out below.

(b) Financial performance and cash flow information

	Year Ended 30 June 2010 in USD	Year Ended 30 June 2010 in USD
Revenue	-	-
Expenses**	(144,009)	(3,821,611)
Operating loss	(144,009)	(3,821,611)
Foreign exchange gains	-	3,936,175
Financial income	-	3,647
Profit/(loss) before income tax	(144,009)	118,211
Income tax expense	-	-
Profit/(loss) after income tax expense of discontinued operation	(144,009)	118,211

	Year Ended 30 June 2010 in USD	Year Ended 30 June 2010 in USD
Loss on deconsolidation of subsidiaries before income tax	-	(407,525)
Income tax expense	-	-
Loss on deconsolidation of subsidiaries after income tax expense	(144,009)	(407,525)
Loss of discontinued operations	(144,009)	(289,314)
Loss from discontinued operation is attributable to:-		
Owners of Consolidated General Minerals Plc	(144,009)	347,958
Non-controlling interests	-	(637,272)
	(144,009)	(289,314)
Net cash outflow from operating activities	-	(2,315,633)
Net cash inflow/(outflow) from investing activities (2010 includes a net inflow of USD 23,381,753 from the sale of subsidiaries)	137,153	1,204,967
Net (decrease) in cash generated by the discontinued operations	137,153	(1,110,666)

(c) **Details of the sale of subsidiaries**

	Year Ended 30 June 2010 in USD	Year Ended 30 June 2010 in USD
Consideration received or receivable:		
Net cash (after costs of disposal) on sale of Westralian		23,867,217
Net cash on liquidation of GRV		125,000
Total disposal consideration		23,992,217
Carrying amount of net assets sold of Westralian		(23,748,645)
Carrying amount of net assets disposed of GRV		(156,291)
Recognition of foreign exchange reserve on sale of Westralian		5,152,296
Recognition of foreign exchange reserve on deconsolidation of GRV		(5,004,586)
Recognition of non-controlling interest on sale of Westralian		(642,516)
Loss on sale and deconsolidation before income tax		(407,525)
Income tax expense		-
Loss on sale and deconsolidation after income tax		(407,525)

The carrying amounts of assets and liabilities at the date of sale/deconsolidation were:

	Date of Sale / Deconsolidation in USD
Sale of Westralian:	
Cash	485,938
Trade and other receivables	442,047
Plant and equipment	2,130,182
Mining properties	22,725,630
Total assets	25,783,797
Trade and other liabilities	(2,035,152)
Total liabilities	(2,035,152)
Net assets of Westralian	23,748,645
Liquidation of GRV:	
Cash	148,355
Trade and other receivables	9,996
Total assets	158,351
Trade and other liabilities	(2,060)
Total liabilities	(2,060)
Net assets of GRV	156,291

**The table below analyses the impact of this transaction on the 2011 Group financial statements:

Description	Amount (USD)
Australian withholding tax that cannot be claimed back	(50,084)
Loss on Hunan Westralian Mining/Cosmos receivable	(106,078)
GRV liquidation payment received, net	12,153
Loss from discontinuing operations	(144,009)

20. Restatements relating to the year ended 30 June 2010

Consolidated Statement of Cash Flows

The reconciliation of Cash outflow from operating activities has been restated to reflect the reconciliation from the Loss for the period of USD 2,896,799 (the reconciliation from the Operating loss of USD 1,652,799 was reported in the 2010 financial statements). Reconciling items have accordingly been amended.

In addition, foreign exchange effects reflected in the Statement of Cash Flows have been restated for the year ended 30 June 2010 in order to reflect corrections in the calculation and classification of these effects. The exchange rate adjustment relating to cash and cash equivalents has been amended to USD (210,982) (USD (435,570) as reported in the 2010 financial statements). Net foreign exchange movements reflected in the Net cash outflow from operating activities have been amended to USD 81,601 (USD (720,389) as reported in the 2010 financial statements). The Net cash outflow from operating activities has been amended to a cash outflow of USD (4,079,666) (USD (3,855,078) as reported in the 2010 financial statements). The Net increase in cash and cash equivalents has been amended to USD 15,993,298 (USD 16,217,886 as reported in the 2010 financial statements).

Note 17- Financial risk management

The table detailing the Group's exposure in US dollars to foreign exchange risk at the reporting date has been restated to correct the prior year disclosure. A comparison of the restated disclosure to that as reported in the 2010 financial statements is below:

	2010 restated			2010 as previously reported		
	GBP	CHF	AUD	GBP	CHF	AUD
Cash and cash equivalents	91,205	-	233,505	46,780	-	-
Trade and other receivables	3,524	-	172,202	100,326	-	-
Trade and other payables	(147,476)	-	-	(155,687)	-	-

The table detailing sensitivity to a 10% variance in respective currencies against the US dollar has been restated to correct the prior year disclosure. A comparison of the restated disclosure to that as reported in the 2010 financial statements is below:

	2010 restated			2010 as previously reported		
	GBP	CHF	AUD	GBP	CHF	AUD
Stronger currency	(5,275)	-	40,571	2,620,000	-	-
Weaker currency	5,275	-	(40,571)	(2,620,000)	-	-

Company Statement of Comprehensive Income

For the year ended 30 June (in USD)	Note	2011	2010
Continuing operations			
Revenue		-	-
Corporate and administrative expenses		(1,370,531)	(1,246,701)
Consulting services		(235,353)	(406,095)
Impairment losses		-	(3,889,401)
Operating loss	3	(1,605,884)	(5,542,197)
Foreign exchange gains / (losses)		25,312	(1,026,579)
Financial income		56,275	71,892
Loss on disposal		(144,009)	-
Loss before tax		(1,668,306)	(6,496,884)
Tax	5	-	-
Loss for the year		(1,668,306)	(6,496,884)
Comprehensive loss for the year		(1,668,306)	(6,496,884)

The accompanying notes are an integral part of these financial statements.

Company Statement of Financial Position

Company Number: 5529561

For the year ended at 30 June (in USD)	Note	2011	2010
Non-current Assets			
Investments in subsidiary	6	318,330	-
		318,330	-
Current Assets			
Trade and other receivables	7	22,467	276,201
Cash and cash equivalents	8	20,245,326	21,974,606
		20,267,739	22,250,807
Total Assets		20,586,123	22,250,807
Current Liabilities			
Trade and other payables	9	(238,258)	(234,636)
Total Liabilities		(238,258)	(234,636)
Net Assets		20,347,865	22,016,171
Equity			
Share capital		919,975	919,975
Share premium		66,169,804	66,169,804
Retained earnings		(46,741,914)	(45,073,608)
Total Equity		20,347,865	22,016,171

The financial statements were approved by the Board of Directors and authorised for issue on 17 December 2011. They were signed on its behalf by:



Robert F.M. Adair, Chairman



Jean-Pierre Conrad, Director

The accompanying notes are an integral part of these financial statements.

Company Statement of Changes in Equity

(in USD)	Share Capital	Share Premium Reserve	Retained Earnings	Total Shareholders' Equity
Balance at 30 June 2009	919,975	66,169,804	(38,576,724)	28,513,055
Loss for the year	-	-	(6,496,884)	(6,496,884)
Comprehensive loss for the year	-	-	(6,496,884)	(6,496,884)
Balance at 30 June 2010	919,975	66,169,804	(45,073,608)	22,016,171
Loss for the year	-	-	(1,668,306)	(1,668,306)
Comprehensive loss for the year	-	-	(1,668,306)	(1,668,306)
Balance at 30 June 2011	919,975	66,169,804	(46,741,914)	20,347,865

The accompanying notes are an integral part of these financial statements

Company Statement of Cash Flows

For the year ended 30 June (in USD)	2011	2010 Restated
Loss for the year	(1,668,306)	(6,496,884)
Adjustments for:		
Interest received	(56,275)	(71,892)
Loss on disposal	144,009	-
Impairment	-	3,889,401
Net foreign exchange movements	(51,286)	(33,763)
Operating cash flows before movements in working capital net of effects of discontinued operations	(1,631,858)	(2,713,138)
(Increase) in trade and other receivables	(22,467)	(21,677)
Increase / (decrease) in trade and other payables	3,621	(9,331)
Net cash outflow from operating activities	(1,650,704)	(2,744,146)
Investing activities		
Loans repaid by Group companies	-	19,766,507
GRV liquidation payment received	137,153	-
Investment in Group companies	(318,330)	-
Interest received	56,275	71,892
Net cash (outflow) / inflow from investing activities	(124,902)	19,838,399
Net cash inflow / (outflow) from financing activities	-	-
Net (decrease) / increase in cash and cash equivalents	(1,775,606)	17,094,253
Cash and cash equivalents at beginning of period	21,974,606	5,092,749
Exchange rate adjustments	46,326	(212,396)
Cash and cash equivalents at end of period	20,245,326	21,974,606

The accompanying notes are an integral part of these financial statements.

Notes to the Company Financial Statements

1. General information

General Consolidated Minerals Plc is a company registered in England and Wales.

The functional currency of the Company is the US dollar ("USD") and the financial statements are presented in US dollars.

The Company currently has USD 20.2 million of cash reserves and has determined a new investment strategy for the Company which is being implemented. The Directors believe that despite the loss for the year of USD 1,688,306 and the expenditure associated with funding the clinker grinding mill in Mozambique, the Company has adequate resources to continue in operational existence in the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2. Significant accounting policies

The Company financial statements are presented as required by the Companies Act 2006. As permitted by that Act, the Company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below. New IFRS's issued and effective for the current financial period and applied in these financial statements are as follows:

Standard	Date of adoption	Impact on initial application
IFRS 2	1 July 2010	Changes in share-based payments, amendment relating to Company cash settled share based payments. This amendment did not have any impact on the current or previous year financial statements. Future transactions will be accounted for consistently with this amendment.
IFRS 3 "Business combinations"	1 July 2010	Changes based on yearly improvements on IFRS of May 2010. Amendments have been considered and did not have any impact.
IFRS 7 "Financial instruments"	1 July 2010	Improving disclosure based on improvements to IFRS from May 2010 - improvements to credit risk disclosures. The revisions have been considered and did not have any impact on the financial instrument disclosure within these financials.
IFRS 8 "Operating segments"	1 July 2010	Changes based on yearly improvements on IFRS of April 2009. Amendments have been considered and did not have any impact.

IAS 1 "Presentation of Financial Statements"	1 July 2010	Changes based on yearly improvements on IFRS of April 2009 and May 2010. This amendment did not have any impact on the current or previous year financial statements. Future transactions will be accounted for consistently with this amendment.
IAS 7 "Statement of Cash Flows"	1 July 2010	Amendments have been applied and did not have any influence.
IAS 24 "Related party disclosures"	1 July 2010	Revision of definition of related parties. This amendment was fully applied.
IAS 27 "Consolidated and Separate Financial Statements"	1 July 2010	Changes based on yearly improvements on IFRS of May 2010. This amendment did not have any impact on the current or previous year financial statements. Future transactions will be accounted for consistently with this amendment.
IAS 32 "Financial instruments - classification of rights issues"	1 July 2010	This amendment relating to classification of right issues did not have any impact on the current or previous year financial statements. Future transactions will be accounted for consistently with this amendment.
IFRIC 19 "Extinguishing financial liability with equity instruments"	1 July 2010	Extinguishing financial liability with equity instruments. The adoption of the above pronouncements will have no material impact on the financial statements in the period of initial application.

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The Company has not applied the following IFRS and IFRIC that are applicable to the Company, have been issued but are not yet effective:

IFRS 1 -	First-time Adoption of IFRS – Replacement of fixed dates for certain exceptions with the date of transition to IFRS, effective for financial years beginning on or after 1 July 2011
IFRS 7	Financial Instruments – New disclosures for de-recognition of financial instruments, effective for financial years beginning on or after 1 July 2011
IFRS 9	Financial instruments, classification and evaluation – more detailed financial liability accounting - effective for financial years beginning on or after 1 January 2013
IFRS 10	Consolidated Financial Statements – substitutes SIC 12 effective for financial years beginning on or after 1 January 2013
IFRS 11	Joint Arrangements - effective for financial years beginning on or after 1 January 2013
IFRS 12	Disclosure of Interests in Other Entities - effective for financial years beginning on or after 1 January 2013
IFRS 13	Fair Value Measurement - effective for financial years beginning on or after 1 January 2013
IAS 1	Presentation of Financial Statements - Changes in presentation of other profits effective for financial years beginning on or after 1 July 2012
IAS 12	Income taxes - changes in view of recovery of the based assets based on effective for financial years beginning on or after 1 January 2012

IAS 19	Employee benefits - the company has no active employees yet but is planning to have such in the subsidiaries, changes are effective for financial years beginning on or after 1 January 2013
IAS 27	Consolidated and Separate Financial Statements - changes in 2011, rules about consolidated financials have been revised and are now included in IFRS 10 effective for financial years beginning on or after 1 January 2013
IAS 28	Accounting for Investments in Associates - effective for financial years beginning on or after 1 January 2013

The Directors anticipate that the adoptions of these Standards in future periods will have no material impact on the financial statements of the Company.

Foreign currencies

The Company financial statements are presented in the currency of the primary economic environment in which it operates. The functional and presentational currency of the Company is USD.

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the re-translation of monetary items, are included in the profit or loss for the period.

Assets and liabilities denominated in British pounds ("GBP") have been translated at USD 1.60204 (2010: USD 1.5071), Swiss francs ("CHF") denominated items have been translated at USD 1.20067. Income and expense items denominated in GBP have been translated at an average rate of USD 1.59088 (2010: USD 1.58231), and CHF denominated items have been translated at USD 1.0464.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Investments

Investments held as non-current assets are held at cost less provisions for impairment.

Impairment

At each balance sheet date, the Company reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is not recoverable and therefore impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Critical accounting judgments, estimates and assumptions

Functional Currency of the Entity

The functional currency of the company is the currency of the primary economic environment in which the company operates. In determining the functional currency of the Company, the Directors determined the currency in which a majority of the existing costs are denominated as the Company currently has no revenue. It is reasonable to conclude that the functional currency of the Company is the US dollar.

IFRS 2 Share Based Payment

Ambrian Resources AG has the right to receive the equivalent of USD 150,000 in shares of the Company at USD 0.4 a share subject to mechanical completion of the clinker grinding plant to be built by the Group in Mozambique in consideration for the 1% of Cimentos da Beira Lda held by Ambrian Resources AG. We consider that this to be a share based payments transaction with a non-employee. Under IFRS 2 a share based payment occurs if the identifiable consideration received, in our case the value of the 1% holding in Cimentos da Beira Lda, for shares granted appears to be less than the fair value of the equity instruments granted/issued. The value of this potential IFRS 2 charge will be measured at the time Ambrian Resources AG exercises it's right to exchange its 1% holding in Cimentos da Beira Lda for the shares in the Company.

3. Operating loss

Operating loss for the period has been derived after charging:

For the year ended 30 June (in USD)	2011	2010
Corporate and administrative expenses	1,370,531	1,246,703
Consulting expenses	235,353	406,095
Impairment of receivables	-	3,889,401
Corporate and administrative expenses include:		
Fees payable for the audit of the Company's annual accounts	58,915	151,667
Fees payable to the Company's auditor for non-audit services	-	14,953

As the nature of the Group's business changed from the previous year, expenses included within operating losses in the Company statement of comprehensive income have been reclassified under two headings (as above) for ease of comparison from the prior year to the current year. There is no impact on total costs reflected in operating loss in the comparatives.

Consulting expenses include consulting and advisory service expenses rendered by third parties in conjunction with the disposal or possible acquisition of operations. Any consulting expenses attributable to services rendered by directors are included in the corporate and administrative expenses (see Director's remuneration page 16). Fees payable for the audit and non-audit services are shown separately. These figures and the impairment of receivables are included in the corporate and administrative expenses in 2010.

4. Staff costs and Directors' Emoluments

(a) Staff Costs

For the year ended at 30 June	2011	2010
Wages and salaries in USD	-	1,519
Insurance expenses (primarily D&O cover) in USD	32,309	10,120
	32,309	11,639

There were no social security costs or pension costs in the current or prior year.

The average monthly number of employees employed by the Group was:

For the year ended at 30 June	2011	2010
Exploration/development support staff	-	1
Administration	-	3
	-	4

(b) Directors' Emoluments

For the year ended at 30 June (in USD)	2011	2010
Directors' emoluments	578,771	839,571

5. Tax

No liability to UK corporation tax arose on ordinary activities for the year ended 30 June 2011 or 30 June 2010 due to losses incurred in both years. The tax rate was 28% for the first 9 months of the year and 26% thereafter resulting in a 27.5% tax rate for the fiscal year.

The charge for the period can be reconciled to the loss per the income statement as follows:

For the year ended 30 June (in USD)	2011	2010
Loss before tax	(1,668,306)	(6,496,884)
Tax at the current tax rate of 27.5% (2010: 28%)	(458,784)	(1,819,128)
Tax effect of expenses that are not deductible in determining taxable profit	(6,961)	287,442
Tax effect of current year tax losses for which no deferred tax asset has been recognised	465,745	1,531,686
Tax expense and effective tax rate for the period	-	-

Deferred tax

As of the balance sheet date, the Company had unrecognised tax losses of approximately USD 4.1 million (2010: USD 2.4 million) available for offset against future profits. No deferred tax asset has been recognised in respect of these losses as it is not currently considered sufficiently probable that there will be future taxable profits against which these tax losses can be utilised. These losses may be carried forward indefinitely.

6. Investments

For the year ended at 30 June (in USD)	Shares in Group undertakings	
	2011	2010
Cost		
Opening balance	-	195,224
Additions	318,330	-
Disposals	-	(195,224)
Closing balance	318,330	-
Impairment		
Opening balance	-	(195,224)
Impairment charge	-	-
Disposals	-	195,224
Closing balance	318,330	-
Net book value	318,330	-

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

Name of company	Place of Incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary Undertakings				
Cimentos da Beira Lda	Mozambique	Ordinary shares	99%	Operation of a clinker grinding mill
CGM (UAE) FZE	Dubai	Ordinary shares	100%	Investment holding company
Consolidated General Minerals (Schweiz) AG	Switzerland	Ordinary shares	100%	Investment holding company

The Company has no one ultimate controlling party.

7. Trade and other receivables

For the year ended at 30 June (in USD)	2011	2010
Other receivables	14,443	276,201
Prepayments	8,024	-
	22,467	276,201

The Directors consider that the carrying amounts of trade and other receivables approximates their fair value. All debtors are due within three months and none are overdue or impaired.

8. Cash and cash equivalents

For the year ended 30 June (in USD)	2011	2010
Cash	20,245,326	21,974,606

Bank balances and cash comprise cash held by the Company and short-term bank deposits with a maturity of three months or less. The carrying amount of these assets approximates their fair value.

9 Trade and other payables

For the year ended at 30 June (in USD)	2011	2010
Trade payables	110,926	147,476
Due to affiliates	68,602	-
Other payables and accruals	58,730	87,160
	238,258	234,636

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying amount of trade payables approximates to their fair value.

10. Related party transactions

Transactions between the Company and other related parties are disclosed below.

Trading transactions

During the year, the Company entered into the following transactions with related parties:

(in USD)	Purchase of goods & services		Amounts due to related parties	
	2011	2010	2011	2010
Bowlane Nominees Ltd	137,359	326,535	-	-
Jinan Limited	146,083	288,000	-	-
Metallurgical Manag't Services (Pty) Ltd	-	4,282	-	-
Linq Corporate Pty Ltd	-	374,682	-	-
Ambrian Resources AG	286,594	-	152,292	-

Bowlane Nominees Ltd is a company that provides managerial services to the Company, on behalf of Frank Vanspeybroeck, a former director of the Company. Jinan Limited is a company that provided financial and accounting services to the Company on behalf of Marinko Vidovich, a director of the Company. Metallurgical Management Services (Pty) Ltd is a company that provided metallurgical consultancy services to the Group. Evan Kirby is a director of this company and was a former director of the Company. Linq Corporate Pty Ltd, a company of which Clive Donner is a director, has provided corporate consultancy services. Clive Donner was a former director of the Company.

Ambrian Resources AG is a Swiss company that provides managerial and administrative services to the Company. Jean-Pierre Conrad is an executive of this company and a Director of the Company. Under this agreement, administrative services provided by Ambrian Resources AG are provided at cost to the Company. The Company also pays a monthly fee of CHF 28,000 to cover managerial services provided. This fee was subsequently reduced starting 1 July 2011 to CHF 18,000 per month.

Ambrian Resources AG holds 1% of Cimentos da Beira, Lda. Ambrian Resources AG has the right to receive the equivalent of USD 150,000 in shares of the Company at USD 0.4 a share subject to mechanical completion of the clinker grinding plant to be built by the Group in Mozambique in consideration for the 1% of Cimentos da Beira Lda held by Ambrian Resources AG. Subject to prevailing market conditions and should the opportunity arise, the Company will discharge its obligation, if any, to provide Company shares to Ambrian Resources AG either by issuing shares or purchasing the required number of shares in the market or a combination thereof. We consider that this to be a share based payments transaction with a non-employee. The value of this potential IFRS 2 charge will be measured at the time Ambrian Resources AG exercises its right to exchange its 1% holding in Cimentos da Beira Lda for the shares in the Company.

During the fiscal year, the Company established a number of subsidiaries (see Note 6). These subsidiaries were capitalized for an aggregate amount of USD 318,330.

All services are provided under normal commercial terms. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

11. Financial instruments

The financial instruments of the Company are:

For the year ended at 30 June (in USD)	2011	2010
Financial assets – loans and receivables		
Trade and other receivables	14,443	276,201
Cash and cash equivalents	20,245,326	21,974,606
	20,259,769	22,250,807
Financial liabilities – measured at amortised cost		
Trade and other payables	(179,528)	(147,476)

No assets are impaired. All financial assets and liabilities are initially stated at fair value and measured at amortised cost, and all carrying values approximate fair values.

For financial instruments not traded in active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuations models.

Cash and cash equivalents comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

12. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the Board of Directors as the Company believes that it is crucial for all Board members to be involved in this process. The Executive Director has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

Since the disposal of its operating subsidiaries in September 2009, the majority of the Company's cash is held in US dollars and this accordingly has eliminated foreign currency exchange risks as the US dollar is the Company's functional and reporting currency.

The Company's exposure in US dollars to foreign currency risk at the reporting date is as follows:

	2011			2010 Restated		
	GBP	CHF	AUD	GBP	CHF	AUD
Cash and cash equivalents	-	20,641	37,464	91,205	-	233,505
Trade and other receivables	-	-	-	3,524	-	172,202
Trade and other payables	(108,909)	(53,945)	(2,681)	(147,476)	-	-

Keeping all other variables constant, the table below shows the impact of a 10% variance in the respective currencies against the US dollar on the Group's results and equity position, all amounts in US dollars.

	2011			2010 Restated		
	GBP	CHF	AUD	GBP	CHF	AUD
Stronger currency	(10,891)	(3,324)	3,478	(5,275)	-	40,571
Weaker currency	10,891	3,324	(3,478)	5,275	-	(40,571)

Interest rate risk

The Company is exposed to movements in market interest rates on cash and cash equivalents. The Company's policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The cash and cash equivalents for the Group of USD 20,245,326 (2009: USD 21,974,606) are subject to interest rate risks. The weighted average interest rate received on cash and cash equivalents by the Group was 0.27 % (2010: 0.5%).

Keeping all other variables constant, the table below shows the impact of a 10% variance in the respective of 0.27% interest received on the average capital, shown in the Group's.

	2011		2010	
	%	USD	%	USD
Higher interest rate	0.29	5,627	0.55	8,516
Lower interest rate	0.24	(5,627)	0.45	(8,516)

Credit risk

The Directors consider that the Company has limited exposure to credit risk as the Company does not have significant receivable balances at the year end on which a third party may default on its contractual obligations. The credit risk on liquid funds is believed to be limited because the counter parties are reputable financial institutions. The carrying amount of the Company's financial assets represents its maximum exposure to credit risk. The US dollar cash balances USD 20,245,326 are secured in a term deposit account with a reputable bank in Switzerland, which represents a credit risk.

Liquidity risk

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Company. Due to the current nature of the Company's activities, it does not have ready access to credit facilities, with the primary source of funding being cash on hand and complementarily equity raisings.

The financial liabilities of the Company's are confined to trade and other payables as disclosed in the Company Statement of Financial Position. All trade and other payables are non-interest bearing and due within 3 months of the balance sheet date.

Capital risk management

Capital is defined by the Company as cash at hand and equity.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment of shareholders, return capital to shareholders or issue new shares.

13. Ultimate controlling party

The Company has no ultimate controlling party.

14. Restatements relating to the year ended 30 June 2010

Statement of Cash Flows

Interest received of USD 71,892 has been included as a reconciling item in the reconciliation of Loss for the year to Net cash outflow from Operating activities as this was excluded in the 2010 financial statements.

Foreign exchange effects reflected in the Statement of Cash Flows have been restated for the year ended 30 June 2010 in order to reflect corrections in the calculation and classification of these effects. Cash flows from Loans repaid by Group companies have been amended to USD 19,838,399 (USD 20,118,393) as reported in the 2010 financial statements) resulting in an amended Net cash inflow from investing activities of USD 19,766,507 (USD 20,046,501 as reported in the 2010 financial statements). The exchange rate adjustment relating to cash and cash equivalents has been amended to USD (212,396) (USD (446,695) as reported in the 2010 financial statements). Net foreign exchange movements reflected in the Net cash outflow from operating activities have been amended to USD (33,763) (USD (151,350) as reported in the 2010 financial statements). The Net cash outflow from operating activities has been amended to a cash outflow of USD (2,744,146) (USD (2,789,841) as reported in the 2010 financial

statements). The Net increase in cash and cash equivalents has been amended to USD 17,094,253 (USD 17,328,552 as reported in the 2010 financial statements).

Note 12- Financial risk management

The table detailing the Company's exposure in US dollars to foreign exchange risk at the reporting date has been restated to correct the prior year disclosure. A comparison of the restated disclosure to that as reported in the 2010 financial statements is below:

	2010 Restated			2010 as previously reported		
	GBP	CHF	AUD	GBP	CHF	AUD
Cash and cash equivalents	91,205	-	233,505	14,580,722	-	-
Trade and other receivables	3,524	-	172,202	100,326	-	-
Trade and other payables	(147,476)	-	-	(155,687)	-	-

The table detailing sensitivity to a 10% variance in respective currencies against the US dollar has been restated to correct the prior year disclosure. A comparison of the restated disclosure to that as reported in the 2010 financial statements is below:

	2010 Restated			2010 as previously reported		
	GBP	CHF	AUD	GBP	CHF	AUD
Stronger currency	(5,275)	-	40,571	2,620,000	-	-
Weaker currency	5,275	-	(40,571)	(2,620,000)	-	-