

Berkeley
MINERAL RESOURCES PLC

ANNUAL REPORT AND ACCOUNTS

30 JUNE 2009

HEAD OFFICE

3rd Floor
19/20 Grosvenor Street
London W1K 4QH

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DIRECTORS AND ADVISERS

DIRECTORS

M A Alikhani
Y Ben Israel

Executive Chairman
Non-Executive Director

REGISTERED OFFICE

3rd Floor
19/20 Grosvenor Street
London W1K 4QH

Registered No. 2401127

NOMINATED ADVISORS

Seymour Pierce Ltd
20 Old Bailey
London EC4M 7EN

AUDITORS

Whitefield & Co.
8 Wolsey Mansions
Wolsey Road, Moor Park
Middlesex HA2 6HL

SOLICITORS

Bryan Cave
88 Wood Street
London EC2 7AJ

REGISTRARS

Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire HD8 0LA

CHAIRMAN'S REVIEW

ZAMBIA

At the commencement of the period under review, BMR entered into an agreement with Zincorous Investments Limited ("ZIL"), a company registered in Zambia, and Dorset Solutions Limited ("Dorset"), a company registered in Switzerland, granting BMR the mining rights to process zinc and lead from certain tailings dumps at the Kabwe Mine in Zambia.

Subsequently, BMR has announced the acquisition of further mining rights and now possesses those rights to tailing dumps 57, 21 and 22 at Kabwe. Formal completion of the acquisition of rights to dumps 21 and 22 will take place upon receipt of relevant Certificates of Ownership from Zambia Consolidated Copper Mines (ZCCM) and other Zambian authorities, which are expected within the next month.

The estimated reserves in the dumps are as follows:

Dump 57:

Waeltz Kiln slag	1.24m tons
Grading	5.49% combined zinc-lead
Zinc equivalent	52,100t
Lead equivalent	16,100t

Dump 21 and 22:

Imperial Smelting Furnace (ISF) slag	588,000 tons
Grading	9.65% combined zinc-lead
Zinc equivalent	46,040t
Lead equivalent	10,701t
Current combined market price	US\$100m

Total current metal value of dumps 57, 21 and 22 is estimated to be in excess of US\$200m. The locations of the dumps appear on the Company's updated website at <http://www.bmrplc.com>. According to the Company's latest projections, after refurbishment of the on-site gravitational and flotation plant, its Kabwe project should become cash-positive six months after starting production which is scheduled for Q2 2010. This is based on selling concentrates grading 55% combined zinc-lead. There is established demand for this product in South Africa and Asian markets.

In accordance with the Zambian Government's Copperbelt Environment Project, BMR will be relocating the residues arising from its operations to an environmentally safe site.

In parallel with the granting of mining rights, BMR has entered into a management agreement, commencing immediately, pursuant to which ZIL and Dorset will provide a professional management team for the project for the period up to 1 April 2010 when full scale production is scheduled to commence.

PRIOR ACTIVITY - VOICE QUALITY MARKET

The prior activity comprising software and patents has a residual value of £92,575 which we hope to realise.

GOING CONCERN

The convertible loan of £300,000 received in November 2007 from Quazer Group Corporation was converted into shares of 1p each in July 2008. The Zambian business represents an attractive opportunity and we have recently announced a placing of shares to raise an additional £170,000 working capital. The Directors are confident in their ability to obtain further finance as necessary to meet further working capital requirements.

RESULTS FOR THE YEAR

The loss for the year ended 30 June 2009 amounted to £409,430 compared with a loss of £2,142,265 for the prior year. The overheads in 2008 included amortisation of intangible assets of £1,710,048.

OUTLOOK

We have waited until base metal prices have staged a recovery before putting in place the next stage of development at our tailings processing business at Kabwe. We look forward to the commencement of production and are now in negotiations with potential off-take partners for the supply of zinc and lead concentrates.

Demand is increasing for both these metals, notably from the Asian automotive industries where China alone is forecast to manufacture in excess of 10 million vehicles annually in 2009 and beyond. At the same time, the pipeline of world base metals production set to come on-stream, especially of lead, is severely limited.

The outlook for the Company is now quite positive; we have acquired the rights to dumps containing significant amounts of metal, we expect to commence full scale production in April 2010 and we expect that the business will be cash generative shortly thereafter.

M A Alikhani
Executive Chairman

26 November 2009

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements, for the year ended 30 June 2009.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company's performance during the year and expected future developments are described in the Executive Director's Review on page 3.

RESULTS AND DIVIDENDS

The results for the year are set out in the Company Income Statement on page 14. The directors do not recommend the payment of a dividend on the ordinary shares (2008: nil).

Key performance indicators for the Company are as follows:-

	<i>Year ended 30 June 2009</i>	<i>Year ended 30 June 2008</i>
	<i>£</i>	<i>£</i>
Total assets	160,339	290,523
Cash and cash equivalents	95	58,649
Creditors	(1,218,202)	(1,266,720)
Loss for the year	(409,430)	(2,142,265)
Loss per share	0.16p	0.95p

PRINCIPAL ACTIVITIES

The Company's principal activity is tailings processing at Kabwe mines in Zambia. The Company continues to market its voice quality technologies.

DIRECTORS AND THEIR INTERESTS

The names of the directors who served throughout the period, except where shown otherwise, are as follows:

M A Alikhani
Y Ben Israel

In accordance with the Articles of Association, Y Ben Israel retires and, being eligible, offers himself for re-election. The Director standing for re-election has no service contract with the Company.

The interests (as defined in the Companies Act) of the directors holding office during the period to date or at date of resignation in the share capital are shown below.

	<i>ordinary shares of 1p 30 June 2009 or date of resignation</i>	<i>ordinary shares of 1p 30 June 2008 or date of appointment if later</i>
M A Alikhani*	3,378,994	3,378,994
Y Ben Israel	1,070,000	1,070,000

* 1,950,000 shares disclosed under M Alikhani are held by W.B. Nominees Ltd.

Other than as set out above, none of the directors at 30 June 2009 held any interest in shares of the Company during the year. All of the interests reported are beneficial.

Details of the directors' share options are provided in Note 17.

NON-EXECUTIVE DIRECTOR

Y BEN ISRAEL

Yoram Ben Israel, aged 41, is an experienced businessman with excellent management credentials.

BERKELEY MINERAL RESOURCES PLC

In 1993 Yoram moved to Moscow, and founded Mega Management, which was the exclusive distributor of Fila Sports, Wilson Sporting Goods, and Calvin Klein in all the CIS countries. From 1994 to 2002 he was involved as a shareholder in strategy for Bank Rossiya in Russia. During the 1990's he served on the board of directors of the Smolny Business Centre in St Petersburg until its sale in 1995.

In 2000 he relocated to London, where he has been managing a private investment company, with a wide-ranging portfolio of listed and unlisted companies. Since 2007 he has been involved in uranium mining projects with Tenex, the Russian nuclear energy agency. He is also chairman of Wagon Service, a train service company providing services to Russian railways.

SUBSTANTIAL SHAREHOLDINGS

On 16 November 2009 the Company was aware of the following interests in 3 per cent. or more of the Company's ordinary share capital:

<i>Shareholder</i>	<i>No. of ordinary shares</i>	<i>% holding</i>
Barclayshare Nominees Limited	34,625,634	13.53
HSDL Nominees Limited IWEB	8,794,972	3.44
HSDL Nominees Limited	9,255,837	3.62
LR Nominees Ltd	16,116,184	6.30
Lynchwood Nominees Limited	14,554,380	5.69
TD Waterhouse Nominees Europe Ltd	27,918,972	10.91

TRANSACTIONS WITH DIRECTORS AND RELATED PARTIES

Related party transactions are shown in Note 21.

ISSUES OF SHARES AND OPTIONS

During the year 30 million ordinary shares of 1p each were issued.

ANNUAL GENERAL MEETING

SPECIAL BUSINESS

Resolutions will be proposed at the Annual General Meeting, as set out in the formal notice on pages 29 to 35.

The following notes relate to Resolutions 4 to 6 which will constitute Special Business:

- (1) Resolution 4 – The Directors currently have a general authority to allot unissued shares of the Company, but this expires on the conclusion of the Annual General Meeting. Resolution 4 is proposed as an Ordinary resolution to provide the Directors with authority to issue ordinary shares (see the detailed resolution and notes on page 29 of this document).
- (2) Resolution 5 – is to authorise the Directors to allot relevant securities up to a nominal value of £2.5m. This will provide the Directors with the authority to issue ordinary shares of £0.01 for cash when the Board considers it to be in the best interest of shareholders (see the detailed resolution on pages 29 and 30 of this document).
- (3) Resolution 6 – adoption of new Articles of Association (see notes on pages 32 to 35). The new Articles showing all the changes to the current Articles are available for inspection at the registered office, 3rd floor, 19-20 Grosvenor Street, London W1K 4QH.

ENVIRONMENTAL MATTERS

The Company undertakes a review of environmental matters prior to deciding to proceed with an investment in a new operation. Once the investment is made the environmental implications are monitored on a regular basis and where necessary improvements are proposed.

CREDITOR PAYMENT POLICY

The Company's policy is normally to pay trade creditors according to agreed terms of business. These terms are usually agreed with the trade creditors before they provide any goods or services. The Company's policy is to adhere to the payment terms providing the relevant goods or services have been supplied in accordance with the agreements. The average number of days in respect of trade creditors at 30 June 2009 was 280 (2008: 311) days based on the average daily amount invoiced by supplier during the year.

DISCLOSURE OF INFORMATION TO THE AUDITORS

In accordance with the provisions of Section 418 of the Companies Act 2006, the directors who held office at the date of approval of this Director's report confirm that, so far as they are each aware, there is no relevant audit information, being information needed by the auditors in connection with preparing this report, of which the auditors are unaware. Having made enquiries of fellow directors and the Company's auditors, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

Whitefield & Co have expressed their willingness to continue in office as auditors.

A resolution proposing the re-appointment of the auditors Whitefield & Co. will be put to shareholders at the Annual General Meeting.

Approved by the board of directors and signed on behalf of the board.

M A Alikhani
Director
19/20 Grosvenor Street
London W1K 4QH

26 November 2009

CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance and the guidelines set out in the Principles of Good Corporate Governance and Code of Best Practice (the “Combined Code”). Whilst AIM companies are not obliged to comply with the Combined Code, the Directors do intend to comply with the Combined Code so far as is appropriate having regard to the size and nature of the Company. The Board will take such measures so far as practicable to comply with the Combined Code and in addition, the Quoted Companies Alliance (“QCA”) Guidelines for AIM Companies.

The Board has put in place the corporate governance procedures they believe are appropriate for the Company.

The Board retains full and effective control over the Company. The Company holds regular Board meetings at which financial, operational and other reports are considered and, where appropriate, voted on. Apart from the regular meetings, additional meetings are arranged when necessary to review strategy, planning, operational, financial performance, risk and capital expenditure and human resources and environmental management. The Board is also responsible for monitoring the activities of the executive management. To enable the Board to perform its duties, all Directors have full access to all relevant information and to the service of the Company Secretary. If necessary the Non-Executive Directors may take independent professional advice at the Company’s expense.

A statement of the directors’ responsibilities in respect of the financial statements is set out on page 11. Below is a brief description of the role of the board and its committees, including a statement regarding the Company’s system of internal financial control.

THE WORKINGS OF THE BOARD AND ITS COMMITTEES

THE BOARD OF DIRECTORS

The board currently comprises one executive and one non-executive director. The non-executive director is independent of management and free from any business or other relationship which could materially interfere with the exercise of his independent judgement. The board meets on average every two months and is responsible, inter alia, for setting and monitoring Company strategy, reviewing trading performance, ensuring adequate funding, examining major acquisition opportunities, formulating policy on key issues and reporting to shareholders.

THE AUDIT COMMITTEE

The Audit Committee comprised the following directors during the period to date:

M Alikhani and Y Ben Israel.

The committee provides a forum for reporting by the Company’s external auditors. Meetings are held not less than twice annually.

The Audit Committee is responsible for reviewing a wide range of financial matters including the annual and half year results, financial statements and accompanying reports before their submission to the board and monitoring the controls which are in force to ensure the integrity of the financial information reported to the shareholders. The Audit Committee also advises the board on the appointment of external auditors and on their remuneration both for audit and non-audit work.

THE REMUNERATION COMMITTEE

The Remuneration Committee, which is currently chaired by Y Ben-Israel, comprised the following directors during the period to date:

Y Ben Israel
M Alikhani

The Committee is responsible for recommending to the board the terms and conditions of employment of the executive directors.

THE NOMINATION COMMITTEE

The Nomination Committee, which currently comprises Y Ben-Israel and M Alikhani, is responsible for proposing to the board any new appointments of executive or non-executive directors.

Internal Financial Control

The Board is responsible for establishing and maintaining the Company's system of internal financial control.

Internal financial control systems are designed to meet the particular needs of the Company and the risk to which it is exposed, and by their nature can provide reasonable assurance but not absolute assurance against material misstatement or loss.

The directors are conscious of the need to keep effective internal financial control, particularly in view of the cash constraints that the Company has faced over the year under review. Due to the relatively small size of the Company's operations, the directors are very closely involved in the day-to-day running of the business and as such have less need for a detailed formal system of internal financial control. The directors have reviewed the effectiveness of the procedures presently in place and consider that they are still appropriate to the nature and scale of the operations of the Company.

GOING CONCERN

The Directors feel comfortable that with potential new opportunities available and with an appropriate business plan, there is a reasonable chance that they can raise the additional funds necessary to meet the needs for the next 12 months to 31 December 2010.

For the *Zambian* business, the Directors advise that initial trading will be done on an off-take basis whereby the Company will have no initial outlay and will secure shared revenue, giving the Company positive cash flow.

For these reasons the Directors continue to adopt the going concern basis in preparing the financial statements.

REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee (the “Committee”) is chaired by Y Ben-Israel and comprised, during the year to date, Y Ben Israel and M Alikhani. Remuneration packages are determined with reference to market remuneration levels, individual performance and the financial position of the Company.

Executive directors are granted a retainer which is reviewed at regular intervals.

The executive director does not have a service contract.

Directors

The remuneration of the individual directors is as follows:

Director	Fees	Salary	Total 2009	Total 2008
	£	£	£	£
M A Alikhani	2,000	60,000	62,000	62,000
Y Ben Israel	2,000	48,000	50,000	50,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total	4,000	108,000	112,000	112,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

On behalf of the Remuneration Committee.

Y Ben Israel

Committee Chairman

26 November 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006 and with United Kingdom Generally Accepted Accounting Practice (United Kingdom Reporting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State that the financial statements comply with IFRSs as adopted by the European Union;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

REPORT OF THE INDEPENDENT AUDITORS **to the Members of Berkeley Mineral Resources Plc**

We have audited the financial statements of Berkeley Mineral Resources Plc for the year ended 30 June 2009 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 auditors' 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 AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements have been properly prepared in accordance with the Companies Act 2006 and Article 4 of the IAS Regulation. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report as described in the contents section and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report, the Chairman's Statement and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the Company financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or

error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the Company's affairs as at 30 June 2009 and of its losses for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 2006 and Article 4 of the IAS Regulation; and
- the information given in the Directors' Report is consistent with the financial statements.

EMPHASIS OF MATTER – GOING CONCERN

Without qualifying our opinion, we draw attention to the disclosures made in note 2 of the financial statements concerning the Company's ability to continue as a going concern which would depend upon obtaining additional financing to meet the ongoing costs. This indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern as it is not practicable to determine or quantify them.

Whitefield & Co

Registered Auditors
Wolsey Road
Moor Park
Middlesex
HA2 6HL

26 November 2009

INCOME STATEMENT**Year ended 30 June 2009**

	<i>Notes</i>	<i>2009</i> £	<i>2008</i> £
Sales		167,718	–
Purchases		(146,014)	–
Gross Profit		21,704	–
Administrative expenses		(420,114)	(2,115,150)
OPERATING LOSS	6	(398,410)	(2,115,150)
Finance income		829	129
Finance costs	8	(11,849)	(27,244)
LOSS BEFORE TAXATION		(409,430)	(2,142,265)
Taxation	9	–	–
LOSS FOR THE YEAR		(409,430)	(2,142,265)
LOSS PER SHARE			
Basic and diluted	10	(0.16)p	(0.95)p

All recognised gains and losses have been included in the income statement.

All of the activities are continuing.

BALANCE SHEET**As at 30 June 2009**

	<i>Notes</i>	<i>2009</i> £	<i>2008</i> £
NON-CURRENT ASSETS			
Research and development	11(b)	92,574	182,574
Plant and equipment	11(a)	–	–
Investment	12	40,000	40,000
		<u>132,574</u>	<u>222,574</u>
CURRENTS ASSETS			
Trade and other debtors	13	27,670	9,300
Cash and cash equivalents	14	95	58,649
		<u>27,765</u>	<u>67,949</u>
TOTAL ASSETS		<u>160,339</u>	<u>290,523</u>
CURRENT LIABILITIES			
Trade and other payables	15	(1,245,966)	(1,266,720)
NET CURRENT LIABILITIES		(1,218,201)	(1,198,771)
TOTAL LIABILITIES		<u>(1,245,966)</u>	<u>(1,266,720)</u>
NET LIABILITIES		<u>(1,085,627)</u>	<u>(976,197)</u>
EQUITY			
Share capital	17	10,009,771	9,709,771
Share premium	18	2,705,939	2,705,939
Merger reserve	18	1,824,000	1,824,000
Accumulated loss	18	(15,625,337)	(15,215,907)
TOTAL DEFICIT		<u>(1,085,627)</u>	<u>(976,197)</u>
Non equity shareholders funds	17	195,799	195,799
Equity attributable to the shareholders of the Company		<u>(1,281,426)</u>	<u>(1,171,996)</u>
		<u>(1,085,627)</u>	<u>(976,197)</u>

These financial statements were approved by the Board of Directors on 26 November 2009.

Signed on behalf of the Board of Directors by
M A Alikhani
Director

CASH FLOW STATEMENT**Year ended 30 June 2009**

	<i>Notes</i>	2009 £	2008 £
NET CASH OUTFLOW			
FROM OPERATING ACTIVITIES	19	(347,534)	(201,563)
INVESTING ACTIVITIES			
Interest received		829	129
NET CASH GENERATED FROM INVESTING ACTIVITIES		829	129
FINANCING ACTIVITIES			
Interest paid	8	(11,849)	–
Loan received during the year		–	300,000
Investments		–	(40,000)
Shares issued		300,000	–
NET CASH USED IN FINANCING ACTIVITIES		288,151	260,000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(58,554)	58,566
Cash and cash equivalents at beginning of year		58,649	83
CASH AND CASH EQUIVALENTS AT END OF YEAR		95	58,649

NOTES TO THE ACCOUNTS

Year ended 30 June 2009

1. IFRS

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

2. GOING CONCERN

The Company was loss making in the current year, recording a loss of £409,430.

The Directors feel comfortable that with potential new opportunities available and with an appropriate business plan, there is a reasonable chance that they can raise the additional funds necessary to meet the needs for the next twelve months to 31 December 2010.

For the Zambian business, the Directors advise that initial trading will be done on an off-take basis whereby the Company will have no initial outlay and will secure shared revenue, giving the Company positive cash flow.

For these reasons the Directors continue to adopt the going concern basis in preparing the financial statements.

3. GENERAL INFORMATION

Berkeley Mineral Resources Plc is a company incorporated in England and Wales under the Companies Act 1985. It was incorporated on 5 July 1989 under the name of Ashchurch Exploration Plc. Following various change of names, it became Tecteon Plc on 14 September 2001. On 3 March 2008 the Company changed its name to Berkeley Mineral Resources Plc. The registered office is detailed on page 2. The Company's principal activities are stated in the Director's Report.

The financial information is presented in pounds sterling.

International Financial Reporting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards, Interpretations and Amendments were not effective and have not been applied in the preparation of, these financial statements.

		<i>Effective Date: Accounting periods beginning on or after:</i>	<i>EU Adopted</i>
IFRS 3	Business combinations - Comprehensive revision on applying the acquisition method	1 July 2009	Yes
IAS 38	Intangible Assets - Measuring the fair value of an intangible asset acquired in a business combination	1 July 2009	Not yet

The comparative figures are for the year ended 30 June 2008.

4. SIGNIFICANT ACCOUNTING POLICIES**Basis of accounting**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have also been prepared in accordance with IFRS adopted for use in the European Union and therefore comply with Article 4 of the EU IAS Regulation.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are carried at fair value or amortised cost and in accordance with International Financial Reporting Standards. The principal accounting policies adopted, which have been consistently applied, are set out below.

Business combinations

The acquisition of subsidiaries and minority interests is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquisition, plus any costs directly attributable to the business combination. The acquiree's identifiable assets,

NOTES TO THE ACCOUNTS (CONT)

Year ended 30 June 2009

4. SIGNIFICANT ACCOUNTING POLICIES (CONT)

liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for resale in accordance with IFRS 5 Non Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Where the Company makes further acquisitions of investments it already holds, the assets and liabilities of the investment are reassessed and their revised fair values are recognised. Goodwill is accordingly adjusted.

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of consideration given over the Company's interest in the fair value of identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition and is capitalised as an asset on the balance sheet. To the extent that such excess purchase consideration relates to the acquisition of mining properties and leases, that amount is capitalised within property, plant and equipment as mining properties and leases.

IFRS 3 requires that negative goodwill is recognised immediately in the income statement. The negative goodwill that arises on the acquisition of a subsidiary under IFRS 3 is credited in full to the income statement.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Sales of goods are recognised when goods are delivered and title has passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

In preparing the financial information of the individual company, 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 retranslation of monetary items, are included in profit or loss account for the period.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statement for the period except for differences arising on the re-translation of non-monetary items where gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting financial information, the assets and liabilities of the Company'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 Company's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

Operating loss

Operating loss is stated before investment income and finance costs.

Tax

The tax expense represents the sum of the tax payable and deferred tax. The tax payable is based on taxable profit for the year. 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 information 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.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Property Plant and Equipment

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

<input type="checkbox"/>	Plant and equipment	20%
<input type="checkbox"/>	Furniture and fittings	20%
<input type="checkbox"/>	Office and computer equipment	20%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

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.

NOTES TO THE ACCOUNTS (CONT)

Year ended 30 June 2009

4. SIGNIFICANT ACCOUNTING POLICIES (CONT)

Impairment of tangible assets

At each balance sheet date, the Company 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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs (i.e. the mine).

The 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.

Intangible fixed asset

Intangible fixed asset relates to voice quality and comfort listening solutions which the Company has been developing. This asset was being amortised at 15% per annum. The Company increased the amortisation taking into account, the level of activity and its likely residual value.

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is 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 in 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

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Financial Instruments**Initial recognition and measurement**

All financial instruments are recognised on the balance sheet. Financial instruments are initially recognised when the Company becomes party to the contractual terms of the instruments and are measured at cost, which is the fair value of the consideration given for financial asset or received for financial liability or equity instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement on initial recognition. Transaction costs are included in the initial measurement of the financial instrument. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets

The Company's principal financial assets are trade debtors and other receivables, deposits and cash and cash equivalents at fair value.

De-recognition

Financial assets (or a portion thereof) are de-recognised when the Company realises the rights to the benefits specified in the contract, the rights expire or the Company surrenders or otherwise loses control of the contractual rights that comprise the financial asset. On de-recognition, the difference between the carrying amount of the financial asset and proceeds receivable is included in the income statement.

Financial liabilities (or a portion thereof) are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. On de-recognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and amount paid for it is included in the income statement.

5. REVENUE

An analysis of the Group's revenue is as follows:

	<i>Year ended</i> 30 June 2009	<i>year ended</i> 30 June 2008
	£	£
Sale of goods (see below)		
Other operating income	167,718	–
Investment Income	829	129
	<u>168,547</u>	<u>129</u>

6. OPERATING LOSS

Loss from operations has been arrived at after charging:

	<i>Year ended</i> 30 June 2009	<i>year ended</i> 30 June 2008
	£	£
Amortisation	90,000	1,710,048
Depreciation of property, plant and equipment	–	30,373
Staff costs (see note 7)	162,000	181,719

The analysis of auditors' remuneration is as follows:

	<i>2009</i>	<i>2008</i>
	£	£
Fees payable to the Company's auditors for the audit of the Company's annual accounts	<u>14,500</u>	<u>14,500</u>

NOTES TO THE ACCOUNTS (CONT)

Year ended 30 June 2009

7. STAFF COSTS

	Year ended 30 June 2009	<i>year ended</i> <i>30 June 2008</i>
	No	No
The average monthly number of employees (excluding executive Directors) was	1	1
Number of Directors	2	2
	3	3
	£	£
Emoluments for qualifying services: Highest paid Director	62,000	62,000
Staff costs including Directors: Wages and salaries	162,000	181,719

Total staff costs include amounts payable to Directors of £112,000 (2008: £112,000).

No retirement benefits are accruing to Directors under pension schemes. There is no amount payable in respect of retirement benefits to either Directors or employees under any pension scheme in either period.

8. FINANCE COSTS

	<i>Year ended</i> 30 June 2009	<i>year ended</i> <i>30 June 2008</i>
	£	£
Bank charges	117	–
Interest on loans	11,732	27,244
Total finance costs	11,849	27,244

9. CURRENT TAX

The Company is carrying forward estimated tax losses of £5.8m (2008: £5.4m) in the United Kingdom. No deferred tax provision has been made in respect of these carried forward losses due to the uncertainty over the availability of taxable profit against which these losses may be offset in the foreseeable future.

In March 2007 the UK Government announced that they would introduce legislation that would reduce the corporation tax rate to 28% with effect from 1 April 2008. This legislation was enacted in June 2007. With effect from the balance sheet date any deferred tax balances will be stated at 28% of those amounts.

10. LOSS PER SHARE

From continuing operations:

The calculation of the basic and diluted loss per share is based on the following data:

	<i>Year ended</i> 30 June 2009	<i>year ended</i> <i>30 June 2008</i>
	£	£
Loss for the purposes of basic and diluted loss per share being attributable to equity holders of the Company	409,430	2,142,265
Statutory number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	253,991,686	225,882,097
Basic and diluted loss per share	0.16p	0.95p

The outstanding share options are anti-dilutive as the Company has made a loss during the current and prior year.

11(a). PROPERTY PLANT AND EQUIPMENT

	<i>Office Equipment</i> £
Cost or valuation	
At 1 July 2007	271,461
Addition	–
At 30 June 2008 and 2009	<u>271,461</u>
Accumulated Depreciation	
At 1 July 2007	241,088
Charge for the year	30,373
At 30 June 2008 and 2009	<u>271,461</u>
Net book value	
30 June 2009	<u>–</u>
30 June 2008	<u>–</u>

11(b). RESEARCH & DEVELOPMENT AMORTISATION

Cost	
	£
Cost brought forward as at 1 July 2007 and 2008	4,066,984
Additions	–
Cost as at 30 June 2008 and 2009	<u>4,066,984</u>
Amortisation	
	£
Balance at 1 July 2007	(2,174,362)
Charge for the year	(1,710,048)
Balance at 30 June 2008	(3,884,410)
Charge for the year	(90,000)
Balance at 30 June 2009	<u>(3,974,410)</u>
Net book value	
	£
At 30 June 2009	<u>92,574</u>
At 30 June 2008	<u>182,574</u>

12. INVESTMENTS

	£
Zambia	
As at 1 July 2008	40,000
Additions	–
As at 30 June 2009	<u>40,000</u>

The investment relates to the acquisition of mining rights to tailing dumps in Kabwe, Zambia.

NOTES TO THE ACCOUNTS (CONT)

Year ended 30 June 2009

13. TRADE AND OTHER DEBTORS

	<i>30 June</i> <i>2009</i>	<i>30 June</i> <i>2008</i>
	£	£
Other debtors	27,670	9,300
	<u>27,670</u>	<u>9,300</u>

The Directors consider that the carrying amount of other receivables approximates their fair value.

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and balances in bank, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash, are subject to an insignificant risk of changes in value and have an original maturity of three months or less.

15. TRADE AND OTHER PAYABLES

	<i>30 June</i> <i>2009</i>	<i>30 June</i> <i>2008</i>
	£	£
Trade creditors	162,983	155,817
Loans	100,000	400,000
Other creditors	549,597	279,386
Taxation	352,630	352,630
Accruals	80,756	78,887
<i>Total</i>	<u>1,245,966</u>	<u>1,266,720</u>

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 280 (2008: 311) days.

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

Included under loans are the following:

- £300,000 loan from Quazer Group Corporation was converted to shares in July 2008.
- £100,000 loan from Amata Invest & Trade Ltd (Belize) which has been secured by a debenture charge over the tangible and intangible assets of the Company. Interest charge of 10% per annum is payable on the loan.

16. FINANCIAL INSTRUMENTS***Capital Risk Management***

The Company manages its capital to ensure that entities in the Company will be able to continue as a going concern while maximising the return to shareholders. The capital structure of the Company at 30 June 2009 consists of cash and cash equivalents, financial assets carried at fair value and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 18.

Externally Imposed Capital Requirement

The Company is not subject to externally imposed capital requirements.

Significant Accounting Policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognised, in respect of each class of asset, financial liability and equity instrument are disclosed in note 3 to the financial statements

Categories of Financial Instruments

	<i>Carrying value</i>	
	30 June	<i>30 June</i>
	2009	<i>2008</i>
	£	<i>£</i>
Financial assets		
Fair value through profit and loss (FVTPL) held for trading	40,000	40,000
Loans and Receivables (including cash and cash equivalents)	27,765	67,949
Financial Liabilities		
Short – term borrowings and payables at amortised cost	1,218,201	1,266,720

Financial Risk Management

The Board of Directors monitors the financial risks relating to the operations of the Company. These risks include market risk (primarily liquidity currency and interest rate risk) and credit risk.

Foreign Currency Risk Management

The Company is exposed to foreign exchange risk associated with fluctuations in the relative value of the Zambian Kwacha. These risks are mitigated to the extent considered necessary by the Board of Directors.

Foreign Currency Sensitivity Analysis

The Company is mainly exposed to Zambian Kwacha. At present there is no foreign exchange risk as no transactions have occurred in Zambian Kwacha.

Interest Rate Risk**Profile**

At the reporting date the interest rate profile of the Company's interest- bearing financial instruments was:

Fixed rate instruments	30 June	<i>30 June</i>
	2009	<i>2008</i>
	£	<i>£</i>
Financial liabilities	100,000	100,000

The Company does not account for any fixed rate financial assets and liabilities as fair value through profit or loss, and the Company does not designate interest rate swaps as hedging instruments under a fair value accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company's exposure and credit ratings of its counterparties are monitored by the Board of Directors and limits have been established to ensure that the aggregate value of transactions is spread amongst approved counterparties.

The Company's principal financial assets are cash and cash equivalents, financial asset investments and trade receivables. Cash equivalents and financial asset investment represent investments in money market and liquidity investment funds and amounts held on deposit with financial institutions.

The credit risk on money market and liquidity investments funds is limited because the counterparties are banks with high credit ratings assigned by international credit- rating agencies. The Company has no significant concentration of credit risk.

Liquidity Risk Management

Ultimate responsibility for the liquidity risk management rests with the Board of Directors. The Board of Directors monitors the level of liquid assets available to the Company and the level of funding required to meet its short, medium and long-term requirements.

NOTES TO THE ACCOUNTS (CONT)**Year ended 30 June 2009****Liquidity and interest risk tables**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest (one year for long term loans and 6 months for short term loan) and principal cash flows.

	Weighted average effective interest rate %	Up to 1 year £	1–5 years £	Total £
30 June 2009				
Long term loans	10.0	–	110,000	110,000
	<u>10.0</u>	<u>–</u>	<u>110,000</u>	<u>110,000</u>
30 June 2008				
Long term loans	10.0	–	105,000	105,000
	<u>10.0</u>	<u>–</u>	<u>105,000</u>	<u>105,000</u>

The repayment terms in respect to the loans are detailed in note 15.

The following table details the Company's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate %	Up to to 1 year £	1–5 years £	Total £
30 June 2009				
Variable interest rate instruments	2.0	95	–	95
	<u>2.0</u>	<u>95</u>	<u>–</u>	<u>95</u>
30 June 2008				
Variable interest rate instruments	2.0	58,649	–	58,649
	<u>2.0</u>	<u>58,649</u>	<u>–</u>	<u>58,649</u>

Refer to note 2 for details in relation to material uncertainties in respect to the Company's ability to meet its future obligations.

Commodity Price Risk

Historically, commodity prices have displayed wide ranges and are affected by numerous factors over which the Company does not have any control. These include world production levels, international economic trends, currency exchange fluctuations, expectations for inflation, speculative activity, consumption patterns and global or regional political events.

Other risks

Due to the nature and extent of the Company's financial assets and liabilities, it is not unduly exposed to price risks and cash flow risks.

17. SHARE CAPITAL

	2009 <i>No.</i>	2009 £	2008 <i>No.</i>	2008 £
Authorised:				
Ordinary shares of 1p each	500,000,000	5,000,000	500,000,000	5,000,000
Non-equity deferred shares of 1p each	19,579,925	195,799	19,579,925	195,799
Deferred shares of 4p each	181,378,766	7,255,151	181,378,766	7,255,151
	<u>700,958,691</u>	<u>12,450,950</u>	<u>700,958,691</u>	<u>12,450,950</u>
	<i>2009 No</i>	<i>2009 £</i>	<i>2008 No</i>	<i>2008 £</i>
ISSUED AND FULLY PAID:				
Ordinary shares of 1p each	255,882,097	2,558,821	225,882,097	2,258,821
Non-equity deferred shares of 1p each	19,579,925	195,799	19,579,925	195,799
Deferred shares of 4p each	181,378,766	7,255,151	181,378,766	7,255,151
	<u>456,840,788</u>	<u>10,009,771</u>	<u>426,840,788</u>	<u>9,709,771</u>

The deferred 1p shares confer no rights to vote at a general meeting of the Company or to a dividend. On a winding-up the holders of the deferred shares are only entitled to the paid up value of the shares after the repayment of the capital paid on the ordinary shares and £5,000,000 on each ordinary share.

The deferred shares of 4p each have no rights to vote or to participate in dividends and carry limited rights on return of capital.

On 24 July 2008, 30 million Ordinary Shares were issued at 1 pence per share in exchange for the convertible loan.

SHARE OPTIONS

The Company has a share option scheme for the directors and staff. As the exercise price has been significantly higher than the market price during the period, no expense has been recognised for share based payments in respect of the share options (2008: £nil).

EQUITY SETTLED SHARE OPTION SCHEME

	Exercise price	30 June 2009 or date of resignation
M Alikhani	1p	7,000,000
Y Ben Israel	1p	5,000,000
Other staff and consultants	1p	16,750,000
		<u>28,750,000</u>

Exercisable at any time before 7 May 2014.

18. RESERVES

	<i>Share capital</i> £	<i>Share premium</i> £	<i>Merger reserve</i> £	<i>Accumulated loss</i> £	<i>Total</i> £
At 1 July 2007	9,709,771	2,705,939	1,824,000	(13,073,642)	1,166,068
Net loss for the year	–	–	–	(2,142,265)	(2,142,265)
	<u>9,709,771</u>	<u>2,705,939</u>	<u>1,824,000</u>	<u>(15,215,907)</u>	<u>(976,197)</u>
At 30 June 2008	9,709,771	2,705,939	1,824,000	(15,215,907)	(976,197)
Net loss for the year	–	–	–	(409,430)	(409,430)
Shares issued	300,000	–	–	–	300,000
	<u>10,009,771</u>	<u>2,705,939</u>	<u>1,824,000</u>	<u>(15,625,337)</u>	<u>(1,085,627)</u>

NOTES TO THE ACCOUNTS (CONT)

Year ended 30 June 2009

19. NOTES TO THE CASHFLOW STATEMENT

	<i>30 June 2009</i>	<i>30 June 2008</i>
	£	£
Operating loss from continuing operations	(398,410)	(2,115,150)
Depreciation & amortisation of fixed assets	90,000	1,740,421
Increase in debtors	(18,370)	108,144
Decrease in creditors	(20,754)	65,022
Net cash outflow	(347,534)	(201,563)

20. SHARE-BASED PAYMENTS

Three were no share based payments during the year.

21. RELATED PARTY TRANSACTIONS

Year ended 30 June 2009

Directors

Name	<i>Directors'</i>		
	<i>fees</i>	<i>Salary</i>	<i>Total</i>
	£	£	£
M A Alikhani	2,000	60,000	62,000
Y Ben-Israel	2,000	48,000	50,000
Total	<u>4,000</u>	<u>108,000</u>	<u>112,000</u>

Year ended 30 June 2008

Directors

Name	<i>Directors'</i>		
	<i>fees</i>	<i>Salary</i>	<i>Total</i>
	£	£	£
M A Alikhani	2,000	60,000	62,000
Y Ben-Israel	2,000	48,000	50,000
Total	<u>4,000</u>	<u>108,000</u>	<u>112,000</u>

22. BUSINESS SEGMENTS

The Company comprises of the following main business segments:

- Minerals processing
- Voice Technology

	Minerals processing 2009	Minerals processing 2008	Voice Technology 2009	Voice Technology 2008	Consolidated 2009	Consolidated 2008
	£	£	£	£	£	£
Revenue	167,718	-	-	-	167,718	-
Segment Result	21,704	-	-	(1,710,048)	21,704	(1,710,048)
Unallocated expenses	-	-	-	-	(420,114)	(405,102)
Net result from operating activities	-	-	-	-	(398,410)	(2,115,150)
Net finance expense	-	-	-	-	(11,020)	(27,115)
Loss for the period	-	-	-	-	(409,430)	(2,142,265)

Geographical segments

The activities are managed on a worldwide basis.

23. COMMITMENTS

- a) Under an Agreement dated 8 October 2009 the Company has contracted to issue 30 million ordinary shares of 1p each of the Company at a price of 2p each, and to pay £230,000 in cash for the mining rights to tailing dumps in the Kabwe region of Zambia. The above total consideration of £830,000 is payable over a period of six months ending 30 April 2010.
- b) In parallel with the acquisition of the above mining rights, the Company has entered into a Management Agreement with Zincorous Investments, a company registered in Zambia and Dorset Solutions Limited, a company registered in Switzerland, collectively referred to as DSL which will provide a professional management team for the project up to 1 April 2010.

Under the Management Agreement dated 8 October 2009 the Company is due to pay DSL total management fees of £240,000 which is payable over a period of six months ending on 1 April 2010.

24. EVENTS AFTER THE BALANCE SHEET DATE

On 2 October 2009 Masoud Alikhani purchased 2 million ordinary shares of 1p each at a price of 1p per share.

On 13 October 2009 Masoud Alikhani purchased a further 866,964 ordinary shares of 1p each at a price of 2.95p per share. Following this transaction, Mr Alikhani had a beneficial interest in 6,214,380 Ordinary Shares representing 2.43 per cent. of the Company's issued share capital.

On 10 November 2009 the Company announced it had raised £170,000 (before expenses) by way of a Placing of 17 million new ordinary shares of 1p each at a price of 1p per share. In addition, Wills & Co was issued 943,396 shares at the mid market share price of 2.12p on 9 November 2009 in lieu of £20,000 of fees for the provision of research and Investor Relations services. Application was made to the London Stock Exchange for the 17,943,396 ordinary shares to be admitted to trading on AIM on 24 November 2009. Following the placing, the number of ordinary shares of 1p each in issue was 273,825,493.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at 11.00 am on 18 December 2009 at 19-20 Grosvenor Street, London W1K 4QH for the purpose of considering and if thought fit, passing the following resolutions, of which Resolutions 1 to 4 will be proposed as Ordinary Resolutions and Resolution Number 5 and 6 will be proposed as Special resolutions:

Ordinary business

1. To receive the Company's annual accounts for the financial year ended 30 June 2009 together with the directors' report and auditors' report on these accounts.
2. To re-appoint Whitefield & Co to hold office as auditor from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company and to authorise the Directors to agree their remuneration.
3. To re-elect Yoram Ben Israel as a Director of the Company.

Special business

To consider and, if thought fit, pass Resolution 4, which will be proposed as an Ordinary Resolution, and Resolutions 5 and 6 which will be proposed as Special Resolutions:

4. That, in accordance with section 551 of the Companies Act 2006 (the "2006 Act") the Directors of the Company be and are generally and unconditionally authorised to allot Relevant Securities (as defined in the notes to this resolution):
 - 4.1 comprising equity securities (as defined by section 560 of the 2006 Act) up to an aggregate nominal value of £2.5m:
 - (a) to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
 - (b) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusion or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
 - 4.2 in any other case, up to an aggregate nominal value of £2.5m, provided that these authorities, unless duly renewed, varied or revoked by the Company, expire on the date being fifteen months from the date of the passing of this resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution, save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted after such expiry and, the Directors may allot Relevant Securities in pursuance of such an offer or agreement notwithstanding that the authority conferred by this resolution has expired

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot relevant securities under section 80 of the Companies Act 1985 but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.
5. That, subject to the passing of Resolution 4, the Directors be given the general power to allot equity securities (as defined by section 560 of the 2006 Act) for cash, either pursuant to the authority conferred by Resolution 5 or by way of a sale of treasury shares, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:

- 5.1 the allotment of equity securities in connection with an offer by way of a rights issue:
- (a) to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
 - (b) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusion or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, records dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
- 5.2 the allotment (otherwise than pursuant to paragraph 5.1 above) of equity securities up to an aggregate nominal amount of £2.5m representing approximately 92 per cent. of the Company's current issued share capital.

The power granted by this resolution will expire on the date being fifteen months from the date of the passing of this resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution (unless renewed, varied or revoked by the Company prior to or on such date), save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and, the Directors may allot equity securities in pursuance of such an offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 89(1) of the Companies Act 1985 did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

6. That:

- 6.1 the Articles of Association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of Section 28 of the Companies Act 2006, are to be treated as provisions of the Company's Articles of Association; and
- 6.2 the Articles of Association produced to the meeting and initialled by the chairperson of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

Registered office
19/20 Grosvenor Street
London W1K 4QH

By order of the Board
M A Alikhani
26 November 2009

Notes to the Notice of Annual General Meeting

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
 - 6 p.m. on 16 December 2009; or,
 - if this Meeting is adjourned, at 6 p.m. on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy please refer to the notes on the Form of Proxy.

Appointment of proxy using hard copy proxy form

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and
- received by Capita Registrars no later than 11:00 am on 16 December 2009.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

7. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

8. In order to revoke a proxy instruction you will need to inform the Company using the following method:

By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, the revocation notice must be received by Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU no later than 11:00 am on 16 December 2009.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

9. As at 12 noon on 25 November 2009, the Company's issued share capital comprised 270,882,097 ordinary shares of 1 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 12 noon on 25 November 2009 is 270,882,097.

Documents on display

10. The following documents will be available for inspection at the registered office of the Company on any weekday (excluding public holidays) during normal office hours from the date of this Notice until the time of the Meeting and for at least 15 minutes prior to the Meeting and during the Meeting:

- A copy of the proposed new articles of association of the Company, together with a copy of the existing articles of association of the Company marked to show the changes being proposed.

Notes to Resolution 4

In Resolution 4 "Relevant Securities" means:

- Shares in the Company other than shares allotted pursuant to:
- an employee share scheme (as defined by section 1166 of the 2006 Act);
- a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
- a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security.
- Any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the 2006 Act). References to the allotment of Relevant Securities in the resolution include the grant of such rights.

The notes on the following pages give an explanation of Resolution 6. Resolution 6 is proposed as a special resolution. This means that for the resolution to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 6: Adoption of new articles of association

It is proposed in Resolution 6 to adopt new articles of association (the "New Articles") in order to update the Company's current articles of association (the "Current Articles") primarily to take account of the coming into force of the Companies (Shareholders' Rights) Regulations 2009 (the "Shareholders' Rights Regulations") and the implementation of the last parts of the Companies Act 2006.

The principal changes introduced in the New Articles are summarised below. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006 or the Shareholders' Rights Regulations have not been noted below. The New Articles showing all the changes to the Current Articles are available for inspection, as noted on page 6 of this document.

Principal Changes to the Company's Articles of Association

- The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. The Companies Act 2006 provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Companies Act 2006 the objects clause and all other provisions which are contained in a company's memorandum, for existing companies at 1 October 2009, are deemed to be contained in the company's articles of association but the company can remove these provisions by special resolution.

Further the Companies Act 2006 states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have an objects clause. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Companies Act 2006, are treated as forming part of the Company's articles of association as of 1 October 2009. Resolution 6 confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of shareholders.

- Articles which duplicate statutory provisions

Provisions in the Current Articles which replicate provisions contained in the Companies Act 2006 are in the main amended to bring them into line with the Companies Act 2006.

- Form of resolution

The Current Articles contain a provision that, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective. This provision is being amended as the concept of extraordinary resolutions has not been retained under the Companies Act 2006.

The Current Articles enable members to act by written resolution. Under the Companies Act 2006 public companies can no longer pass written resolutions. These provisions have therefore been removed in the New Articles.

- Variation of class rights

The Current Articles contain provisions regarding the variation of class rights. The proceedings and specific quorum requirements for a meeting convened to vary class rights are contained in the Companies Act 2006. The relevant provisions have therefore been amended in the New Articles.

- Convening general meetings and annual general meetings

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to new provisions in the Companies Act 2006. In particular a general meeting to consider special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required.

- Votes of members

Under the Companies Act 2006 proxies are entitled to vote on a show of hands. The time limits for the appointment or termination of a proxy appointment have been altered by the Companies Act 2006 so that the articles cannot provide that they should be received more than 48 hours before the meeting or, in the case of a poll taken more than 48 hours after a meeting, more than 24 hours before the time for taking of a poll, with weekends and bank holidays being excluded for this purpose. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held

by the shareholder. Multiple corporate representatives may be appointed. The New Articles reflect these new provisions.

- Electronic and web communications

Provisions of the Companies Act 2006 which came into force in January 2007 enable companies to communicate with members by electronic and/or website communications. The New Articles continue to allow communications to members in electronic form and, in addition, they also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within a period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

- Directors' indemnities and loans to fund expenditure

The Companies Act 2006 has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In particular, a company can now indemnify a director against liability incurred in connection with the activities of a company which acts as a trustee of an occupational pension scheme. In addition, the existing exemption allowing a company to provide money for the purpose of funding a director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies. The New Articles reflect these wider provisions in the Companies Act 2006.

- Joint holders

In order to make the flow of information more efficient between the Company and its shareholders who hold shares jointly, the New Articles are being amended so that where there are joint shareholders, anything agreed or specified with the Company by any one joint shareholder will have been deemed to have been agreed or specified with the Company by all the joint shareholders.

- Conflicts of interest

It is also proposed to include in the New Articles provisions covering changes introduced by the Companies Act 2006 on 1 October 2008 relating to directors' conflicts of interest.

The Companies Act 2006 sets out directors' general duties which largely codify the existing law but with some changes. Under the Companies Act, from 1 October 2008, a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Companies Act 2006 also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The New Articles give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position. There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

- Authorised share capital and unissued shares

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any

time allot because allotment authority continues to be required under the Companies Act 2006, save in respect of employee share schemes.

- Redeemable shares

Under the Companies Act 1985, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The Companies Act 2006 enables directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the directors would need shareholders' authority to issue new shares in the usual way.

- Provision for employees on cessation of business

The Companies Act 2006 provides that the powers of the directors of a company to make provision for a person employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary, may only be exercised by the directors if they are so authorised by the company's articles or by the company in general meeting. The New Articles provide that the directors may exercise this power.

- Use of seals

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

- Suspension of registration of share transfers

The Current Articles permit the directors to suspend the registration of transfers. Under the Companies Act 2006 share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

- Vacation of office by directors

The Current Articles specify the circumstances in which a director must vacate office. The New Articles update these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department for Business, Innovation and Skills.

- Voting by proxies on a show of hands

The Shareholders' Rights Regulations have amended the Companies Act 2006 so that it now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The Current Articles have been amended to reflect these changes.

- Voting by corporate representatives

The Shareholders' Rights Regulations have amended the Companies Act 2006 in order to enable multiple representatives appointed by the same corporate member to vote in different ways on a show of hands and a poll. The New Articles remove provisions in the Current Articles dealing with voting by corporate representatives on the basis that they are dealt with in the Companies Act 2006.