

Belmore Resources (Holdings) Plc

Annual Report 2005

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DIRECTORS AND ADVISERS

Directors Walter Ian Logan Forrest (*Chairman*)
Patrick Gerald Mahony (*Managing and Finance Director*)
George Emo (*Technical Director*)

Company Secretary Patrick Gerald Mahony

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CHAIRMAN'S STATEMENT

Since completing its initial public offering in March 2005, your Company has been actively exploring its Clare licences in South West Ireland and at Dromore in Northern Ireland.

The summer drilling programme in Clare, while initially somewhat disappointing, has provided valuable information regarding structural complexity, on the basis of which several drilling targets are being developed by detailed geochemical and geophysical surveys. These targets will be tested by a drilling programme to commence shortly.

The summer drilling programme maintained all the important licences in good standing in addition to which three further significant licences have been awarded to the Company. 19th Century zinc production is recorded on one of these, and it should be borne in mind that Belmore's licences at Milltown contain approximately 400,000 tonnes of drill indicated ore grading 12% zinc plus lead and 79 grams per tonne silver.

Following a further share placing in the summer and through diligent husbanding of cash resources, the Company is well financed to carry out its imminent drilling programme in Clare and its continued ground geophysics and deep overburden geochemical sampling at Dromore.

The current record strength of metal markets is encouraging and Management is alert to opportunities which may arise in the corporate sector or for organic development.

The Company incurred a loss of €84,531 during the year ended 31st August 2005, of which €27,549 relates to the cost of listing on OFEX and €15,869 relates to Amortisation of Goodwill. Exploration expenditure amounted to €154,239. The Net Asset Value of the Company increased by €638,760 during the year, and cash reserves at year end amounted to €444,020.

I take this opportunity to thank my fellow directors and our consultants for their endeavours and our shareholders for their support. Exploration requires patience, can be frustrating, but also very rewarding.

W. Ian L. Forrest
Chairman

REVIEW OF OPERATIONS

CLARE LICENCES

Background

A high-grade base metal pod of mineralisation was discovered during previous drilling at Milltown indicating a resource of approximately 400,000 tonnes grading 12% zinc plus lead and 79 grams per tonne silver. Seven mineralised holes were drilled at Milltown with one hole giving an intersection of 18.4 metres grading 13.4% zinc plus lead and 54 g/t silver. Arsenopyrite (up to 5%) occurs in the high grade mineralised section at Milltown. As the occurrence is often associated with gold, the high grade mineralisation will be analysed for gold in the coming months.

Silica/haematite (iron formation) was discovered in a drill-hole at Bunavory, two kilometres east of Milltown. Similar iron formations occur at all the major Irish deposits, Tynagh, Silvermines, Lisheen and Galmoy.

The area is northwest of the Pallas Green and Caherconlish areas, County Limerick, where the Minco/Falconbridge Joint Venture has discovered significant Reef hosted Zinc/Lead mineralisation.

2005 Diamond Drilling Programme

A new drilling programme was completed in September 2005.

<i>Licence</i>	<i>Drillhole</i>	<i>Depth (metres)</i>	<i>Comments</i>
Pl 2895	2895-3-05	139.5m	No mineralisation
Pl 3643	3643-5-05	406.5m	Kilmurry. Thick Reef with pyritic breccia and steep dips suggesting proximity to a fault
Pl 3787	3787-1-05	262.5m	No mineralisation but strong alteration at base of Reef
Pl 3789	3789-3-05	394.5m	Clonloun. Trace mineralisation in Reef. Hole confirms presence of a large fault
Pl 3863	3863-2-05	187.5m	Hole is on footwall side of Spencil Hill fault. Main target is hanging wall side
Pl 3788	2788-44-05	109.5m	Trace mineralisation on west side of Milltown pod
Pl 3788	3788-45-05	97.5m	Bunavory. No mineralisation
Pl 3788	3788-46-05	73.5m	Trace mineralisation on east side of Milltown pod

A total of 8 drillholes (1671 metres) were completed on 6 licences

While none of the holes intersected significant mineralisation, they indicated that geological/structural targets existed at Clonloun, Pl 3789, Kilmurry, Pl 3643 and Spencil Hill, Pl 3863. In these areas the drilling indicated structural complexities and further work is required to define drill targets prior to a drilling programme which will commence early in 2006.

Work completed since the 2005 Drilling Programme

As a follow up to the drilling programme outlined above Induced Polarisation (IP) Geophysical Surveys were carried out at Spencil Hill and Clonloun and Geochemical Surveys were completed at Clonloun and at Kilmurry.

The geophysics (a total of 4.5 line kilometres at the two localities) identified chargeability anomalies at Clonloun and at Spencil Hill. Additional IP is needed in both areas to confirm the extent of the anomalies and to ensure that subsequent drill-holes are completed in the best possible locations.

A 100m × 100m grid soil geochemical survey was completed at Kilmurry and a total of 157 soil samples were submitted to OMAC Laboratories for ICP-MS analysis for Copper, Lead, Zinc, Arsenic and Magnesium. A strong coincident Zn/Pb/As anomaly was detected in Rossroe Townland. This anomaly coincides with an old mineral showing recorded by a previous licence-holder and the anomaly has been partially tested by

early drilling. No other anomalies were located but the area remains geologically promising and lenses of pyrite in the Reef may be analogous to pyrite bodies hosted in Reef in County Limerick, where significant Zn/Pb mineralisation has been found by the Minco/Falconbridge Joint Venture.

A second soil geochemical survey was completed at Clonlough, where 140 soil samples and 30 deep overburden samples were collected. Results of this survey are awaited.

Arsenic analysis is also being included in the geochemical and deep overburden sampling that is being carried out in Clare and any arsenic anomalies will be checked for gold.

Three new prospecting licences, PL 2590, PL 3642 and PL 3679 have been acquired this year and are currently being evaluated. One licence, 3729, has been surrendered. This increases the licensed area from 361 km² to 391 km². Licence 3679, in particular, contains old Pb/Zn/Calcite mines at Ballyhickey and Kilbrickan, both of which were exploited in the 19th Century and which may point to more extensive base of Reef mineralisation in the area. An evaluation of the historical information on these licences has commenced and this will lead to geophysical and geochemical work prior to diamond drilling. This licence will also be explored for gold.

Work programme for 2006

The results of the Clonlough geochemistry will be evaluated as soon as they are available. Additional geophysics (approximately 5.5 line kilometres of IP) was completed, during January 2006, at Spencil Hill, Kilmurry and Clonlough to better define drill targets.

When data compilation is completed on the three new licences programmes of geochemistry and geophysics will also commence on these to locate drill targets.

The next phase of diamond drilling will include drill-holes to test the base of Reef at Clonlough and Spencil Hill and possibly at Kilmurry. Further drilling will follow on the new licences especially PL 3679.



SUMMARY OF CLARE LICENCES

Licence Numbers

Belmore's Interest

2895, 3787, 3788, 3789, 3863, 3508 and 3643	Under a joint venture agreement with Central Mining Finance Limited, Belmore has a 50% interest in these licences. Belmore has an option to earn a further 20% by expending an additional €634,869 on these licence blocks.
2590, 3642 and 3679	100%.

DROMORE LICENCE BLOCK BR2/02

Summary of work carried out in 2005 and proposals for 2006

The Company currently holds one prospecting licence in Northern Ireland. The licence covers an area of 259 km², south and east of Omagh, County Tyrone, and grants exploration rights for PGE's, nickel, copper and base metals.

Reconnaissance fieldwork over selected areas of the licence was completed in August 2005. Laboratory analysis, collation, examination and interpretation of results were completed during September 2005. A number of geochemical/ structural anomalies were identified. Follow-up fieldwork has commenced and will concentrate on Exploration Target 1 (see figure below).

Exploration Target 1 is a Zn, Pb, Cu, As, Cr and Ni soil geochemical anomaly, which appears to be associated with a structural lineament. Ground field work commenced in January 2006. This programme consists of three parts:

1. heavy mineral stream sampling,
2. ground geophysics,
3. deep overburden geochemical sampling.

Stream sampling

Three NE-SW trending streams, which traverse the area of interest, were identified for heavy mineral stream sampling. A total of ten sites were chosen for detailed concentrated sampling. Results are expected shortly.

Geophysics

The objective of this survey is to locate and map a suspected structural lineament, which appears to relate to the identified geochemical anomaly. An area of 1.2km² will be surveyed using magnetics and VLF. Each location will be recorded by GPS coordinates. All results will be computer logged and mapped

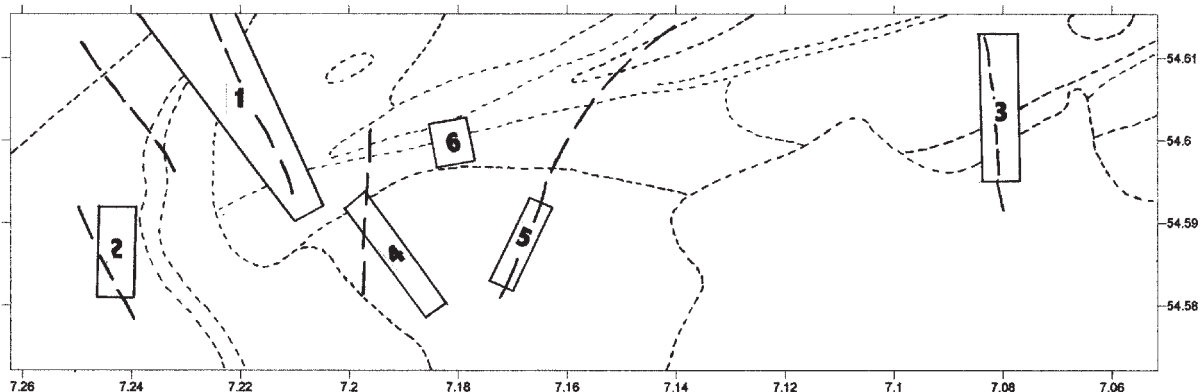
Geochemical sampling

52 deep overburden soil samples will be collected over the target area for geochemical analysis. A hand-operated pionjar sampling drill will be employed for this operation.

Other work

Geological mapping of this target area will proceed concurrently with the execution of the geochemical and geophysical work. Weather permitting this ground work will be completed shortly.

Phase II Exploration Target Map



Scale 1:50,000



- Recommended targets for further exploration
- - - - Lithological boundaries
- · - · Inferred lineament

Northern Sector of Licence
Block BR 2/02 (Dromore)

DIRECTOR'S REPORT

The directors present their annual report together with the audited consolidated financial statements for the year ended 31 August 2005.

Group results and activities

A loss of €84,531 was recorded for the year. Net assets of the company at 31 August 2005 amounted to €752,747. No dividends or transfers to reserves are proposed.

The company's main activity is the exploration for base metals and other minerals in Ireland and Northern Ireland. The directors have reviewed the financial position of the group and are satisfied that the group will continue to operate at its projected level of activity for the foreseeable future.

Details of the company's affairs and the development of its various activities during the year, important events since the year end and details of the group's plans for the next year are outlined under the heading Review of Operations on pages 4 to 7.

Directors

The directors and secretary who served during the year and their interests in the share capital of the company are as follows:

<i>Name</i>	<i>Description of instrument</i>	<i>31 August 2005</i>	<i>31 August 2004</i>
Patrick G. Mahony	Ordinary shares	5,664,360	5,664,360
George Emo	Ordinary shares	5,664,390	5,664,390
Walter Ian Logan Forrest	Ordinary shares	5,664,400	5,664,400

There were no changes in shareholdings between 31 August 2005 and the date of signing the financial statements.

All the above shareholdings are beneficially held.

In accordance with the Articles of Association of the Company, P.G. Mahony retires by rotation and, being eligible, offers himself for re-election.

The company has entered into a consulting agreement dated 1st February 2005 with Allied Consulting Geologists Limited ("ACG") (which is a connected person of George Emo) pursuant to which ACG has been engaged to manage the group's exploration in both Ireland and Northern Ireland, as determined from time to time by the board of directors of the company, for a period of 1 year from the date of the agreement. The total amount paid to ACG during the year amounted to €13,420.

Significant shareholdings

So far as the directors are aware, at the date of signing the financial statements, the following shareholders own 3% or more of the issued share capital of the company:

	<i>Ordinary Shares of €0.01 each</i>	<i>Percentage of Issued Share Capital</i>
Starvest Plc	3,551,831	12.22%
Global Finance and Petroleum Products Inc	1,807,166	6.22%
Raven Nominees/66539	1,500,000	5.16%

Going concern

With the funds raised in 2005 and the Company's exploration plans in Ireland and Northern Ireland, the directors are confident that the company will have adequate financial resources to continue in operational existence for the foreseeable future. Consequently the directors consider it appropriate to prepare the financial statements on a going concern basis.

Details of directors

Walter Ian Logan Forrest

Mr. Forrest is a Chartered Accountant based in Geneva specialising in finance, banking and tax consulting.

He is chairman of Polymet Mining Corporation, a TSX Venture Exchange company which is developing a low-grade polymetallic deposit in Minnesota, USA. He is also a director of the following public companies: Mengold Resources Inc, a TSX Venture Exchange company in the natural resources sector, Caledonia Mining Corporation, a Toronto listed gold, diamond and base metal mining and exploration company and Georex S.A., a French oil services personnel company with an OTC facility.

Patrick Gerald Mahony

Mr. Mahony is a Chartered Accountant based in Dublin.

He has twenty six years experience in mineral and oil and gas exploration, is a director of Gold Oil Plc, an AIM listed oil and gas exploration company, and several other private companies.

George Emo

Mr. Emo is a professional geologist of the Institute of Geologists of Ireland. He has twenty- six years' experience in mineral exploration and mining in Ireland, Europe and North America. He is a former president of the IAEG

He is a director of Allied Consulting Geologists Limited.

Health and safety of employees

The well being of the company's employees is safeguarded through strict adherence to health and safety standards. The Safety, Health and Welfare at Work Act, 1989 imposes certain requirements on employers and the company has taken the necessary action to ensure compliance with the Act, including the adoption of a safety statement.

Books of account

The Directors believe that they comply with the requirements of Section 202 of the Companies Act, 1990 with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the company are maintained at 103 Rathfarnham Wood, Dublin 14.

Political donations

The Company made no political donations during the year

Auditors

The auditors, Fitzpatrick Morris Barrett, have indicated their willingness to continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

On behalf of the board

Walter Ian Logan Forrest
Director

Patrick G. Mahony
Director

6th March 2006

**STATEMENT OF DIRECTORS RESPONSIBILITIES
in respect of the financial statements**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the group and of the company and of the profit or loss for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2003 and all Regulations to be construed as one with those Acts.

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.

On behalf of the board

Walter Ian Logan Forrest
Director

Patrick G. Mahony
Director

6th March 2006

REPORT OF THE INDEPENDENT AUDITORS

We have audited the financial statements of Belmore Resources (Holdings) Plc and Subsidiary as set out on pages 13 to 22. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. 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'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

As described in the Statements of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and Irish Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and Irish Accounting Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts 1963 to 2003, and all Regulations to be construed as one with those Acts. We also report to you whether in our opinion: proper books of account have been kept by the company; whether, at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the company's balance sheet and its profit and loss account are in agreement with the books of account.

We report to the shareholders if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not given and, where practicable, include such information in our report.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 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.

Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in note concerning the uncertainties as to:

- The realisation by the company of expenditure on exploration properties of €219,187 in the balance sheet.

In view of the significance of this uncertainty we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2005 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Acts 1963 to 2003, the European Communities (Companies: Group Accounts) Regulations, 1992 and all Regulations to be construed as one with those Acts.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the directors' report is consistent with the financial statements.

The net assets of the company, as stated in the Balance Sheet are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 31 August 2005 a financial situation which under Section 40(1) of the Companies (Amendment) Act 1983 would require the convening of an extraordinary general meeting of the company.

Fitzpatrick Morris Barrett
Chartered Accountants and Registered Auditors

74 Pembroke Road
Ballsbridge
Dublin 4

6th March 2006

STATEMENT OF ACCOUNTING POLICIES for the year ended 31 August 2005

The following accounting policies have been applied consistently in dealing with the items which are considered material in relation to the company's financial statements.

1. Basis of preparation

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention, and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland.

2. Exploration costs

The company uses the full cost method of accounting for exploration costs. Under this method all costs associated with exploration, whether or not productive, are capitalised until the results of the projects, which are based on geographical areas, mainly counties, are known. The recovery of exploration costs is dependent on the successful production of economic quantities of base metals and other materials. If commercial production is achieved, the unit of production basis will be used to amortise all remaining balances in the proportion that current production in a year bears to total estimated recoverable reserves. Provision for impairment is made where a project is abandoned or considered to be of no further interest to the group or its anticipated income potential is less than carrying value of the project on the balance sheet.

3. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The charge for depreciation is calculated to write down the cost of assets to their estimated residual values by equal annual instalments over their expected useful lives, which are as follows:

Fixtures, fittings and equipment — 12.5% Straight Line

4. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

5. Deferred taxation

Full provision is made for deferred tax where material.

6. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 August 2005

	<i>Notes</i>	<i>2005</i> €	<i>2004</i> €
Administrative expenses		(83,596)	(74,659)
Operating loss — continuing operations	2	(83,596)	(74,659)
Interest payable and similar charges	3	(935)	(499)
Loss on ordinary activities before taxation		(84,531)	(75,158)
Tax on loss on ordinary activities	4	—	—
(Loss) for the year		(84,531)	(75,158)
Profit and loss account at beginning of year		(75,158)	—
Profit and loss account at end of year		(159,689)	(75,158)
Loss per Ordinary Share	5	0.0037	0.0119

The company had no recognised gains and losses in the financial year or the preceding financial year other than those dealt with in the profit and loss account.

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

Walter Ian Logan Forrest
Director

Patrick G. Mahony
Director

6th March 2006

CONSOLIDATED BALANCE SHEET
as at 31 August 2005

	Notes	2005		2004	
		€	€	€	€
Fixed assets					
Intangible assets	6		356,722		218,352
Tangible assets	7		—		793
			<u>356,722</u>		<u>219,145</u>
Current assets					
Debtors	8	8,304		5,016	
Cash at bank and in hand		444,020		9,147	
		<u>452,324</u>		<u>14,163</u>	
Creditors (amounts falling due within one year)					
Borrowings	9	—		(29,954)	
Other creditors		(56,299)		(89,367)	
		<u>(56,299)</u>		<u>(119,321)</u>	
Net current assets/(liabilities)			<u>396,025</u>		<u>(105,158)</u>
Total assets less current liabilities			<u><u>752,747</u></u>		<u><u>113,987</u></u>
Capital and reserves					
Called up share capital	10		290,569		189,145
Share premium account	11		621,867		—
Profit and loss account	11		(159,689)		(75,158)
Equity shareholders' funds	12		<u><u>752,747</u></u>		<u><u>113,987</u></u>

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

Walter Ian Logan Forrest
Director

Patrick G. Mahony
Director

6th March 2006

COMPANY BALANCE SHEET
as at 31 August 2005

	Notes	2005		2004	
		€	€	€	€
Fixed assets					
Financial assets			189,144		189,144
Current assets					
Debtors	8	202,064		1	
Cash at bank and in hand		437,281		7,468	
		<u>639,345</u>		<u>7,469</u>	
Creditors (amounts falling due within one year)					
Borrowings		—		(29,954)	
Other creditors	9	(16,913)		(32,348)	
		<u>(16,913)</u>		<u>(62,432)</u>	
Net current assets/(liabilities)			<u>622,432</u>		<u>(54,963)</u>
Total assets less current liabilities			<u>811,576</u>		<u>134,181</u>
Capital and reserves					
Called up share capital	10		290,569		189,145
Share premium account	11		621,867		—
Profit and loss account	11		(100,860)		(54,964)
Shareholders' funds	12		<u>811,576</u>		<u>134,181</u>

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

Walter Ian Logan Forrest
Director

Patrick G. Mahony
Director

6th March 2006

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 August 2005

	<i>Notes</i>	<i>2005</i> €	<i>2004</i> €
Reconciliation of operating loss to net cash outflow from operating activities			
Operating loss		(83,596)	(74,659)
Depreciation		16,662	6,084
(Increase) in debtors		(3,288)	(5,016)
(Decrease) in creditors		(33,068)	89,367
Net cash outflow from operating activities		<u>(103,290)</u>	<u>15,776</u>
Cash flow statement			
Net cash outflow from operating activities		(103,290)	15,776
Returns on investments and servicing of finance	<i>16</i>	(935)	(499)
Capital expenditure	<i>16</i>	(154,239)	(66,535)
Acquisitions and disposals	<i>16</i>	—	(158,694)
		(258,464)	(209,952)
Financing	<i>16</i>	723,291	219,099
Increase in cash in the year		<u>464,827</u>	<u>9,147</u>
Reconciliation of net cash flow to movement in net debt			
	<i>17</i>		
Increase in cash in the year		464,827	9,147
Cash inflow from decrease in debts and lease financing		—	(29,954)
Change in net funds / (debt) resulting from cash flows		464,827	(20,807)
Net funds/(debt) at 1 September 2004		<u>(20,807)</u>	<u>—</u>
Net funds/(debt) at 31 August 2005		<u>444,020</u>	<u>(20,807)</u>

NOTES**(forming part of the consolidated financial statements)****1. Continuing operations**

The profit and loss account has been prepared on the basis that the company has only continuing operations in accordance with the Companies (Amendment) Acts, 1983 and 1986.

The directors have reviewed the carrying values of the intangible assets costs in the balance sheet and note that the realisation of the company's investment is dependent upon the successful future outcome of exploration and development. The company continues to evaluate its mineral exploration properties with a view to identifying drilling prospects where feasible. Based on the evaluation procedures performed to date the directors are satisfied that the carrying values are appropriate.

Taking the above into account the directors are satisfied that sufficient funding will be available to the company to enable it to trade at its projected level of operations for the foreseeable future. On this basis the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

The directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. The financial statements do not include any adjustments that would result if the director's plans were not successful.

2. Statutory and other information

	<i>2005</i>	<i>2004</i>
	€	€
Operating loss is stated after charging:		
Depreciation of intangible assets	15,869	5,290
Depreciation of tangible assets	794	318
Auditors' remuneration	<u>7,815</u>	<u>3,000</u>
and after crediting:		
Profit on foreign currencies	<u>5,727</u>	<u>(414)</u>

3. Interest payable and similar charges

	<i>2005</i>	<i>2004</i>
	€	€
Convertible loan notes	<u>935</u>	<u>499</u>

4. Taxation

The company is an investment holding company and at the balance sheet date had no liability to account to the Revenue Commissioners for corporation tax and accordingly no provision has been made in the financial statements.

5. Loss per share

The loss per share is calculated by dividing the weighted average number of ordinary shares in issue into the loss after taxation for the year.

6. Intangible fixed assets

	<i>Exploration costs</i> €	<i>Goodwill</i> €	<i>Total</i> €
Cost			
At 1 September 2004	64,948	158,694	223,642
Additions	154,239	—	154,239
At 31 August 2005	<u>219,187</u>	<u>158,694</u>	<u>377,881</u>
Provision for diminution in value			
At 1 September 2004	—	5,290	5,290
Charge for year	—	15,869	15,869
At 31 August 2005	<u>—</u>	<u>21,159</u>	<u>21,159</u>
Net book values			
At 31 August 2005	<u>219,187</u>	<u>137,535</u>	<u>356,722</u>
At 31 August 2004	<u>64,948</u>	<u>153,404</u>	<u>218,352</u>

7. Tangible assets

	<i>Fixtures, fittings and equipment</i> €
Cost or valuation	
At 1 September 2004	2,381
Additions during year	—
At 31 August 2005	<u>2,381</u>
Depreciation	
At 1 September 2004	1,588
Charge for the year	793
At 31 August 2005	<u>2,381</u>
Net book values	
At 31 August 2005	<u>—</u>
At 31 August 2004	<u>793</u>

8. Debtors

	<i>Group</i>		<i>Company</i>	
	<i>2005</i>	<i>2004</i>	<i>2005</i>	<i>2004</i>
	€	€	€	€
Other debtors	<u>8,304</u>	<u>5,016</u>	<u>202,064</u>	<u>1</u>

9. Creditors (amounts falling due within one year)

	<i>Group</i>		<i>Company</i>	
	<i>2005</i>	<i>2004</i>	<i>2005</i>	<i>2004</i>
	<i>€</i>	<i>€</i>	<i>€</i>	<i>€</i>
Borrowings				
Convertible Loan Notes	—	29,954	—	29,954
	—	29,954	—	29,954
Other creditors				
Trade creditors	504	37,524	—	—
Amounts owed to group\connected undertaking	—	—	—	9,151
Amounts owed to connected companies	-	22,518	—	—
Accruals and deferred income	55,795	29,325	16,913	23,327
	56,299	89,367	16,913	32,478
Total creditors	56,299	119,321	16,913	62,432

10. Share capital

	<i>Group and Company</i>	
	<i>2005</i>	<i>2004</i>
	<i>€</i>	<i>€</i>
Authorised		
500,000,000 Ordinary shares of €0.01 each	5,000,000	5,000,000
Allotted, called up and fully paid equity		
Balance beginning of year	189,145	189,145
Issued during year	101,424	—
Balance end of year	290,569	189,145

Summary of shares issued during the year:

On 1 December 2004, the Company issued 1,000,000 Ordinary Shares of €0.01 each for cash, at a price of €0.05 per share.

On 23 March 2005, the Company issued 5,000,000 Ordinary Shares of €0.01 each for cash, at a price of €0.05 per share.

On 23 March 2005, the Company issued 120,000 Ordinary Shares of €0.01 each in settlement of Corporate Finance fees in relation to the OFEX listing, at a price of €0.05 per share.

In March & April 2005, the Company issued 522,395 Ordinary Shares of €0.01 each on conversion of convertible loan notes at a price of €0.04 per share.

On 6 June 2005, the Company issued 3,500,000 Ordinary Shares of €0.01 each for cash, at a price of €0.0575 per share.

11. Equity reserves

	<i>Group</i>			<i>Company</i>		
	<i>Share premium account</i>	<i>Profit and loss account</i>	<i>Total</i>	<i>Share premium account</i>	<i>Profit and loss account</i>	<i>Total</i>
	€	€	€	€	€	€
At 1 September 2004	—	(75,158)	(75,158)	—	(54,964)	(54,964)
Premium on issue of shares	621,867	—	621,867	621,867	—	621,867
(Loss) for the year	—	(84,531)	(84,531)	—	(45,896)	(45,896)
At 31 August 2005	<u>621,867</u>	<u>(159,689)</u>	<u>462,178</u>	<u>621,867</u>	<u>(100,860)</u>	<u>521,007</u>

12. Reconciliation of movements in shareholders' funds

	<i>Group</i>		<i>Company</i>	
	<i>2005</i>	<i>2004</i>	<i>2005</i>	<i>2004</i>
	€	€	€	€
Total recognised losses for the year	(84,531)	(75,158)	(45,896)	(54,964)
Proceeds of issue of equity shares	723,291	189,145	723,291	189,145
Net additions to shareholders' funds	638,760	113,987	677,395	134,181
Opening shareholders' funds	113,987	—	134,181	—
Closing shareholders' funds	<u>752,747</u>	<u>113,987</u>	<u>811,576</u>	<u>134,181</u>

13. Capital commitments

Capital commitments at 31 August 2005 amounted to €140,000 (2004 — €197,857).

14. Related party transactions

The company has identified the following transactions which are required to be disclosed under the terms of FRSS "Related Party Transactions"

Transactions with related companies

<i>Name of company</i>	<i>Relationship</i>	<i>Opening balance</i>	<i>Net movement for year</i>	<i>Closing balance</i>
		€	€	€
Panares Resources Inc.	Common Shareholdings	(22,518)	22,518	—
Allied Consulting Geologists	Common Shareholdings	(3,684)	3,684	—

During the year Allied Consulting Geologists provided services totalling €13,420 to Belmore Resources Limited

15. Group undertakings

The company owns 100% of the issued-share capital of Belmore Resources Limited.

16. Gross cash flows

	2005 €	2004 €
Returns on investments and servicing of finance		
Interest paid	(935)	(499)
Capital expenditure		
Payments to acquire intangible assets	(154,239)	(64,948)
Payments to acquire tangible assets	—	(1,587)
	<u>(154,239)</u>	<u>(66,535)</u>
Acquisitions and disposals		
Payments on acquisition of group interests	—	(158,694)
Financing		
Issue of ordinary share capital	723,291	189,145
Other new short term loans	—	29,954
	<u>723,291</u>	<u>219,099</u>

17. Analysis of changes in net funds/(debt)

	<i>Opening balance</i> €	<i>Cash flows</i> €	<i>Other changes</i> €	<i>Closing balance</i> €
Cash at bank and in hand	9,147	434,873		444,020
Debt due within one year	(29,954)	—	29,954	—
Net debt	<u>(20,807)</u>	<u>434,873</u>	<u>29,954</u>	<u>444,020</u>

18. Approval of financial statements

The board of directors approved the financial statements on 6th March 2006.

NOTICE OF ANNUAL GENERAL MEETING

Belmore Resources (Holdings) Plc

("the Company")

Notice is hereby given that the Annual General Meeting of Belmore Resources (Holdings) Plc will be held at The Offices of Fitzpatrick Morris Barrett, 74 Pembroke Road, Dublin 4, on 4th April 2006 at 2.00 p.m. for the purpose of transacting the following business:

Ordinary Business:

- (1) To consider and, if approved, adopt the Accounts for the year ended 31st August 2005 and the report of the Directors and Auditors thereon.
- (2) To re-elect Patrick Gerald Mahony as a Director
- (3) To authorise the Directors to fix the remuneration of the Auditors.

Special Business:

- (4) To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"That, for the purpose of Section 20 of the Companies (Amendment) Act, 1983, the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot and issue relevant securities (within the meaning of Section 20(10) of the said Act) up to a maximum amount of the authorised but un-issued share capital of the Company. The authority hereby conferred shall expire on the date of the next Annual General Meeting or, if earlier, the date being 15 months after the passing of this resolution, unless previously renewed, varied or revoked by the Company in General Meeting save that the may make an offer or agreement before the expiry of this authority which would or might require relevant securities to be allotted or issued after this authority has expired and the Directors may allot and issue relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired."

- (5) To consider and if thought fit, to pass the following resolution as a Special Resolution:

"That, subject to the passing of Resolution No. 4 before this meeting, the Directors be and are hereby empowered pursuant to Section 24 of the Companies (Amendment) Act, 1983, with such power expiring on the date of the next Annual General Meeting of the Company or, if earlier, the date being 15 months after the passing of this resolution, to allot equity securities (within the meaning of Section 23 of the said Act) for cash pursuant to the authority conferred on the Directors by Resolution No.4 as if sub-section 1 of the said Section 23 did not apply to any such allotment, provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with any offer of equity securities open for any period fixed by the Directors by way of rights, open offer or otherwise in favour of Ordinary Shareholders but subject to such exclusion or other arrangements as the Directors may deem necessary or expedient to deal with legal or practical problems in respect of overseas shareholders, fractional entitlements or otherwise, and
- (b) (in addition to the authority conferred by paragraph (a) of this Resolution No.5) the allotment of equity securities up to a maximum of 20% of the issued share capital of the company

and shall expire on the date of the next Annual General Meeting of the Company or, if earlier, the date being 15 months after the passing of this resolution, PROVIDED THAT the Company

may, before such expiry, may make an offer or agreement which would or might require relevant securities to be allotted or issued after this authority has expired and the Directors may allot and issue relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.”

By Order of the Board

P G Mahony
Company Secretary

Registered Office:
103 Rathfarnham Wood
Dublin 14

6th March 2006

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend, speak and vote on his/her behalf. A proxy need not be a member of the Company. Forms of proxy, to be valid, must be delivered to the Company's Registrars, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, not less than 48 hours before the time appointed for the meeting. The appointment of a proxy will not preclude a shareholder from attending and voting at the meeting.
2. Copies of the consulting agreement with Allied Consulting Geologists Limited will be available for inspection by members at the Company's registered office during normal business hours from the date of this Notice until the date of the Meeting and at the venue of the meeting for a period of 15 minutes prior to the Meeting and during the Meeting.

FORM OF PROXY

Belmore Resources (Holdings) Plc

(“the Company”)

I/We (Block Letters)
of
being a member/members of the above-named Company hereby appoint the Chairman of the Meeting or *
.....
of
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 2.00 p.m. on 4th April 2006 at The Offices of Fitzpatrick Morris Barrett, 74 Pembroke Road, Dublin 4, and at any adjournment thereof. I/We direct that my/our vote(s) be cast on the Resolutions as indicated by an X in the appropriate box.

ORDINARY RESOLUTIONS

To consider and, if thought fit, adopt the accounts for the year ended 31st August 2005 and the reports of the Directors and auditors thereon

For **Against**

To re-elect Patrick Gerald Mahony as a Director

To authorise the Directors to fix the remuneration of the Auditors

To authorise the Directors to allot and issue relevant securities pursuant to Section 20 of the Companies (Amendment) Act, 1983

SPECIAL RESOLUTION

To authorise the Directors to allot and issue equity securities as if Section 23(1) of the Companies(Amendment) Act, 1883 did not apply

*If it is desired to appoint another person as a proxy these words should be deleted and the name and address of the proxy, who need not be a member of the Company, inserted. Unless otherwise directed, and in respect of any other resolution properly moved at the Meeting, the proxy will vote, or may abstain from voting, as he thinks fit.

DATED THIS day of 2006

SIGNATURE

Notes:

- (1) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (who need not be a member of the Company) of his own choice to attend and, on a poll, to vote in his place.
- (2) Forms of Proxy together with any Power of Attorney or other authority under which it is executed or a notarially certified copy thereof, must be completed and to be valid, must reach the Registrar of the Company at Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland not less than forty eight (48) hours before the time appointed for the holding of the meeting or of any adjournment of the meeting.
- (3) Copies of the Directors’ contracts of service and letters of appointment with the Company or with any of its subsidiaries, and the register of Directors’ interests in the shares of the Company are available for inspection at the Registered Office during normal business hours (Saturdays and Sundays excepted), until the Annual General Meeting and at the Annual General Meeting for a period of 15 minutes before the commencement until the conclusion of the Annual General Meeting.
- (4) The appointment of a proxy does not preclude a member from attending and voting at the meeting.
- (5) If the appointor is a corporation, this form of proxy must be under its common seal or under the hand of an officer or attorney duly authorised.
- (6) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote of the other registered holders(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
- (7) If you wish to appoint as proxy someone other than the Chairman of the Meeting, please delete the words “the Chairman of the Meeting” and insert the name and address of the person you wish to appoint in the space provided. A proxy need not be a member.
- (8) Only those shareholders on the register of members at 2nd April 2006 at 2.00 p.m. shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. If the meeting is adjourned by more than forty eight (48) hours, then to be so entitled, shareholders must be entered on the Company’s register of members at the time which is forty eight (48) hours before the time appointed for holding the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.



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Computershare Investor Services (Ireland) Limited
P.O. Box 954
Dublin 18
Ireland

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