

Belmore Resources (Holdings) Plc

Annual Report 2007

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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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Dublin 14

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Registrars Computershare (Investor Services (Ireland)) Limited
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Auditors FMB
Chartered Accountants
Longboat
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CHAIRMAN'S STATEMENT

Exploration

Following the active exploration in County Clare in 2006, three further holes were drilled early in 2007 with a view to defining the extent of black matrix breccias which host much of the mineralisation at the Lisheen, Silvermines and Galmoy deposits. In two of the drill holes, the breccia was developed and minor mineralisation encountered. However, it is now clear that the shallow mineralisation, grading some 12% zinc, with lead and silver, is of limited extent in the Milltown licences.

In 2007, we conducted an extensive review of the Company's exploration options. In June, we announced that we had raised approximately €100,000 by way of a private placement to fund the ongoing working capital requirement. The Company is currently drilling a deeper hole to test the base of the Waulsortian Reef beneath the old Kilbricken Lead and Silver Mine in prospecting licence 3679. The reef lies below a substantial calcite deposit, which makes its position analogous with Milltown and which may indicate significant mineralisation at depth.

We have reviewed the prospectivity of the Dromore licence in Northern Ireland and, as a result, we now believe that the expenditure required to continue the exploration work to maintain the licence in good standing is not warranted, and therefore we have decided not to retain this licence.

Financial

The loss of €178,661 for the year ended 31 August, 2007 included €103,208 in respect of exploration costs written off following our withdrawal from exploration in Northern Ireland, and a charge of €15,869 for write-down of goodwill. Following the aforementioned share subscription for €102,790, the Company held cash of €142,439 at the year-end. The total number of shares in issue is 31,390,200.

Outlook

The prospectivity of the Donegal licences, which were awarded during the year, is currently being assessed. However, it is unlikely that access will be obtained to drill the currently identified zinc prospect thereon, and therefore we have decided not to pursue this particular prospect on the licence.

The Company continues to seek projects but is conscious that the current level of mining activity around the World means that there is a premium on finding technical management for prospects, which are not located in Ireland. We continue to monitor this situation closely.

We shall continue to maintain the current low level of expenditure until an appropriate opportunity arises and, for this effort, I thank my directors and consultants as well as shareholders for their patience.

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.

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 lies to the northwest of the recent Minco/Xstrata and Connemara/Teck/Cominco discoveries in the Pallas Green and Caherconish areas of County Limerick.

Recent Exploration

Three diamond drillholes were drilled in December 2006 and January 2007. Two of these drillholes were completed at the historic Ballyhickey mine site. Both drillholes intersected the Ballyhickey vein structure and also tested the base of the Waulsortian Reef. Minor mineralisation was encountered in both drillholes and black matrix breccias were developed especially in drillhole 3679/2.

The third drillhole was designed to test a strong geochemical anomaly in Moyreisk Townland and it tested the prospective Reef but no mineralisation was found.

The existing magnetics information for the area was re-examined and used to better define geological structures.

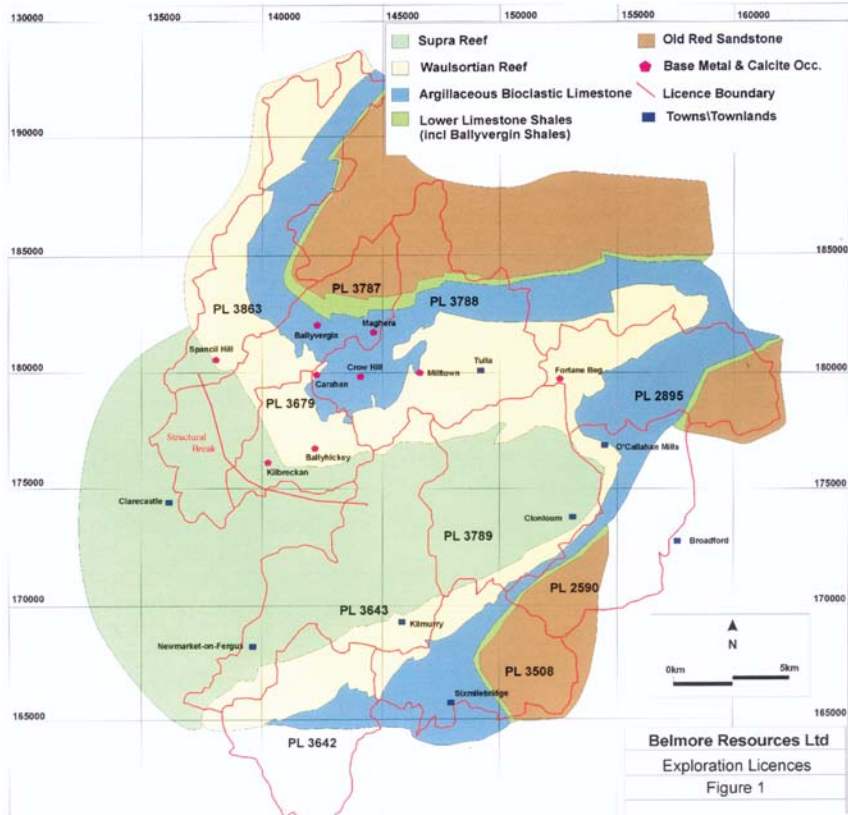
An area at Dangan Castle, on prospecting licence 3643, was soil sampled and the samples analysed for copper, lead, zinc, arsenic and magnesium. No strong anomalies were found but the Dangan calcite body area remains as a drill target.

A second soil geochemical survey was completed over the Waulsortian Reef on prospecting licence 3642. Approximately 350 soil samples were collected and analysed for the same suite of elements as at Dangan. A moderate but coherent Lead/Zinc/Arsenic anomaly was located in Rathlaheen Townland and this will be the focus of additional work, hopefully leading to a drilling programme in 2008.

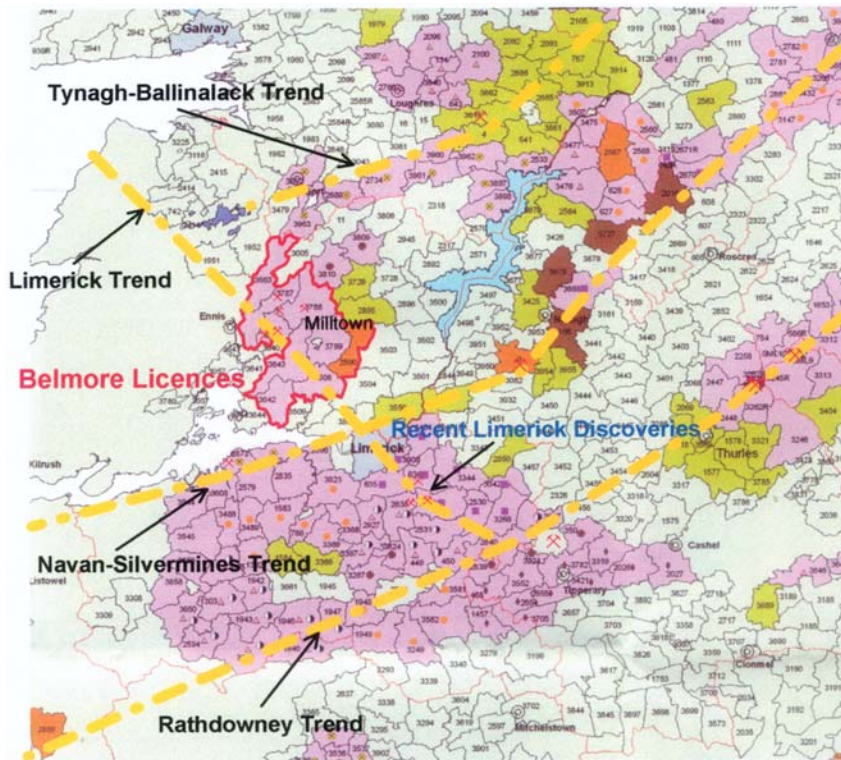
A diamond drillhole is in progress at the site of the old Kilbreckan Lead and Silver Mine, prospecting licence 3679. This drillhole will test the base of the Waulsortian Reef at depth beneath the old mine workings.

Licences 3679, 3643, 3642 and 3863 were all renewed in 2007 and licence 2895 was surrendered.

Clare Exploration Licences



Belmore Licences in County Clare relative to Mineralised trends in the Irish Carboniferous



SUMMARY OF CLARE LICENCES

Licence Numbers

3787, 3788, 3789, 3963
3508 and 3643

Belmore's Interest

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%.

DONEGAL LICENCES

The presence of zinc mineralisation on the Donegal licences was confirmed but at present Belmore have not been able to gain access to the site of the mineralisation to drill test it. As access is unlikely to be forthcoming the potential of other parts of the two licences for gold and base metals will be assessed before a decision is taken on their future.

DIRECTOR'S REPORT

Director's Report

The directors present their annual report together with the audited consolidated financial statements for the year ended 31 August 2007.

Group Results and Activities

A loss of €178,661 was recorded for the year. Net assets of the group at 31 August 2007 amounted to €583,768. No dividends or transfers to reserves are proposed.

The company is engaged in exploration for base metals and other minerals in Ireland. The directors have reviewed the financial position of the group and are satisfied that it has no commitments which cannot be met for the foreseeable future. However to maintain several of its licences in good standing it will require to raise further finance or contract a joint venture partner to carry exploration costs.

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 groups plans for the next year are outlined under the heading Review of Operations on pages 4 to 6.

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 2007 Number</i>	<i>31 August 2006 Number</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
<i>Secretary</i>			
Patrick G. Mahony	Ordinary shares	5,664,360	5,664,360

There were no changes in shareholdings between 31 August 2007 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, Walter Ian Logan Forrest retires by rotation and, being eligible, offers himself for re-election.

The company is party to a consulting agreement with Allied Consulting Geologists Limited ("ACG") (which is a connected person of George Emo) pursuant to which ACG has been engaged to manage the groups exploration in both Ireland and Northern Ireland, as determined from time to time by the board of directors of the company. The total amount paid to ACG during the year amounted to €7,392.

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	5,885,164	18.75%
Global Finance and Petroleum Products Inc	1,807,166	5.76%
Roy Nominees Limited	1,735,183	5.53%
Pershing Keen Nominees Limited	1,380,000	4.40%

Starvest Plc has warrants to subscribe for 2,333,333 ordinary shares at an exercise price of £0.0375 per share were granted on the 20 June 2007. The warrants are exercisable at any time up to 20 June 2011.

Going concern

The directors have reviewed current exploration plans in Ireland and are confident that they can be funded out of existing financial resources. Any expansion of these plans will be financed either by farm out or by an appropriate share issue for cash. 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 and practices in Geneva specialising in finance, banking and tax consulting.

He is chairman of Polymet Mining Corporation, a Toronto Stock Exchange company which is developing a 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 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-eight years' experience in mineral and oil and gas exploration, and 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-seven 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, FMB, 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

Date: 25 February 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 2006 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

Date: 25 February 2008

INDEPENDENT AUDITORS' REPORT to the Shareholders of Belmore Resources (Holdings) Plc and Subsidiary

We have audited the financial statements of Belmore Resources (Holdings) Plc and Subsidiary as set out on pages 12 to 21. 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 2006, 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 1 concerning the uncertainties as to:

- The realisation by the company of expenditure on exploration properties of €369,221 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 2007 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 2006, 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 2007 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.

FMB

Chartered Accountants and Registered Auditors

Longboat

56 Sir John Rogersons Quay

Dublin 2

Date: 25 February 2008

STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 August 2007

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. Goodwill

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

4. Deferred taxation

Full provision is made for deferred tax where material.

5. 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 2007

	Notes	2007 €	2006 €
Administrative expenses		(76,811)	(94,398)
Operating loss — continuing operations	2	(76,811)	(94,398)
Exploration costs written off		(103,208)	—
(Loss) on ordinary activities before interest		(180,019)	(94,398)
Interest receivable and similar income		2,334	3,507
Interest payable and similar charges	3	(976)	(839)
Loss on ordinary activities before taxation		(178,661)	(91,730)
Tax on loss on ordinary activities	5	—	(350)
(Loss) for the year		(178,661)	(92,080)
Profit and loss account at beginning of year		(251,769)	(159,689)
Profit and loss account at end of year		(430,430)	(251,769)
Loss per Ordinary Share	4	€ 0.0060	€ 0.0032

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

Date: 25 February 2008

CONSOLIDATED BALANCE SHEET
as at 31 August 2007

	Notes	2007		2006	
		€	€	€	€
Fixed Assets					
Intangible assets	6		475,018		495,555
Current Assets					
Debtors	7	101		4,285	
Cash at bank and in hand		142,439		225,477	
		<u>142,540</u>		<u>229,762</u>	
Creditors: (amounts falling due within one year)					
Borrowings	8	—		(681)	
Other creditors		(33,790)		(63,969)	
		<u>(33,790)</u>		<u>(64,650)</u>	
Net Current Assets			<u>108,750</u>		<u>165,112</u>
Total Assets Less Current Liabilities			<u>583,768</u>		<u>660,667</u>
Capital and Reserves					
Called up share capital	9		313,902		290,569
Share premium account	10		700,296		621,867
Profit and loss account	10		(430,430)		(251,769)
Equity Shareholders' Funds	11		<u>583,768</u>		<u>660,667</u>

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

Walter Ian Logan Forrest
Director

Patrick G. Mahony
Director

Date: 25 February 2008

COMPANY BALANCE SHEET
as at 31 August 2007

	Notes	2007		2006	
		€	€	€	€
Fixed Assets					
Financial Assets			189,144		189,144
Current Assets					
Debtors	7	517,818		361,600	
Cash at bank and in hand		136,782		225,477	
		<u>654,600</u>		<u>587,077</u>	
Creditors: (amounts falling due within one year)					
Borrowings		—		—	
Other creditors	8	(18,678)		(14,537)	
		<u>(18,678)</u>		<u>(14,537)</u>	
Net Current Assets			<u>635,922</u>		<u>572,540</u>
Total Assets Less Current Liabilities			<u>825,066</u>		<u>761,684</u>
Capital and Reserves					
Called up share capital	9		313,902		290,569
Share premium account	10		700,296		582,252
Profit and loss account	10		(189,132)		(150,752)
Shareholders' Funds	11		<u>825,066</u>		<u>761,684</u>

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

Walter Ian Logan Forrest
Director

Patrick G. Mahony
Director

Date: 25 February 2008

CASH FLOW STATEMENT

for the year ended 31 August 2007

	<i>Notes</i>	<i>2007</i> €	<i>2006</i> €
Reconciliation of operating loss to net cash outflow from operating activities			
Operating loss		(76,811)	(94,398)
Depreciation		15,869	15,869
Decrease in debtors		4,184	4,019
(Decrease) in creditors		(30,179)	7,320
Exploration costs written off		(103,208)	—
Net cash outflow from operating activities		<u>(190,145)</u>	<u>(67,190)</u>
Cash Flow Statement			
Net cash outflow from operating activities		(190,145)	(67,190)
Returns on investments and servicing of finance	<i>15</i>	1,358	2,668
Capital expenditure	<i>15</i>	4,668	(154,702)
		<u>(184,119)</u>	<u>(219,224)</u>
Financing	<i>15</i>	101,762	—
Increase/(Decrease) in cash in the year		<u>(82,357)</u>	<u>(219,224)</u>
Reconciliation of net cash flow to movement in net debt (Note 16)			
Increase/(Decrease) in cash in the year		(82,357)	(219,224)
Net funds at 1 September 2006		<u>224,796</u>	<u>444,020</u>
Net funds at 31 August 2007		<u>142,439</u>	<u>224,796</u>

NOTES

(forming part of the 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 the company has sufficient funding available to meet its immediate exploration plans and other commitments. However, should it wish to keep several of its licences in good standing the company will require either to raise further finance or effect a farmout to a joint venture partner. On the basis that commitments for the foreseeable future are fully funded the directors consider 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

	2007	2006
	€	€
Operating loss is stated after charging:		
Depreciation of intangible assets	15,869	15,869
Loss on foreign currencies	244	5
Auditors' remuneration	5,000	8,550
	<u> </u>	<u> </u>

3. Interest payable and similar charges

	2007	2006
	€	€
Bank overdraft and other interest	976	839
	<u> </u>	<u> </u>

4. 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.

5. Taxation on profit on ordinary activities

	2007	2006
	€	€
<i>(a) Analysis of charge in period</i>		
Current taxation		
Corporation Tax	—	350
Total current tax charge (note 5 (b))	<u>—</u>	<u>350</u>

(b) Factors affecting tax charge for period

The tax assessed for the period is the standard rate of corporation tax in Ireland (12.50%). The differences are explained below:

	2007	2006
	€	€
Loss on ordinary activities before taxation	<u>(178,661)</u>	<u>(91,730)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2006: 12.5%)	(11,466)	(10,566)
Effects of:		
Expenses not deductible for tax purposes	<u>11,466</u>	<u>10,566</u>
Current tax charge for period (note 5 (a))	<u>—</u>	<u>—</u>

Notes forming part of the Financial Statements for the year ended 31 August 2007

6. Intangible fixed assets

	<i>Exploration</i>		
	<i>Costs</i>	<i>Goodwill</i>	<i>Total</i>
	€	€	€
Cost			
At 1 September 2004	373,889	158,694	532,583
Additions	98,540	—	98,540
Written off	<u>(103,208)</u>	<u>—</u>	<u>(103,208)</u>
At 31 August 2007	<u>369,221</u>	<u>158,694</u>	<u>527,915</u>
Provision for diminution in value			
At 1 September 2004	—	37,028	37,028
Charge for year	<u>—</u>	<u>15,869</u>	<u>15,869</u>
At 31 August 2007	<u>—</u>	<u>52,897</u>	<u>52,897</u>
Net book values			
At 31 August 2007	<u>369,221</u>	<u>105,797</u>	<u>475,018</u>
At 31 August 2006	<u>373,889</u>	<u>121,666</u>	<u>495,555</u>

7. Debtors

	<i>Group</i>		<i>Company</i>	
	2007	2006	2007	2006
	€	€	€	€
Other debtors	<u>101</u>	<u>4,285</u>	<u>517,818</u>	<u>361,600</u>

8. Creditors: (amounts falling due within one year)

	<i>Group</i>		<i>Company</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>€</i>	<i>€</i>	<i>€</i>	<i>€</i>
Bank overdraft	—	681	—	—
	—	681	—	—
Other creditors				
Trade creditors	6,535	37,486	—	—
Amounts owed to connected companies	388	1,004	—	—
Other taxes and social welfare (see below)	350	350	350	350
Accruals and deferred income	26,517	25,129	18,328	14,187
	33,790	63,969	18,678	14,537
Total Creditors	33,790	64,650	18,678	14,537
Tax Creditors				
<i>Tax and social welfare costs included in other creditors:</i>				
Corporation Tax	350	350	350	350
	350	350	350	350

9. Share capital

	<i>Group and Company</i>	
	<i>2007</i>	<i>2006</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	290,569	290,569
Issued during year (Note 9.1)	23,333	—
Balance end of year	313,902	290,569

9.1 Shares issued during the year

On the 20 June 2007, the company issued 2,333,333 ordinary shares of €0.01 each for cash, at a price of €0.03 per share.

Warrants

Warrants to subscribe for 3,333,333 ordinary shares at an exercise price of €0.0375 per share were granted on the 20 June 2007. The warrants are exercisable at any time up to 20 June 2011.

10. Equity Reserves

	<i>Group</i>		<i>Company</i>	
	<i>Share premium account</i>	<i>Profit and loss account</i>	<i>Share premium account</i>	<i>Profit and loss account</i>
	<i>2007</i>	<i>2007</i>	<i>2007</i>	<i>2007</i>
	<i>€</i>	<i>€</i>	<i>€</i>	<i>€</i>
At 1 September 2006	621,867	(251,769)	621,867	(150,753)
Premium on issue of shares	79,457		79,457	
Other movements (capital duty)	(1,028)		(1,028)	
(Loss) for the year	—	(178,661)	—	(38,379)
At 31 August 2007	<u>700,296</u>	<u>(430,430)</u>	<u>700,296</u>	<u>(189,132)</u>

11. Reconciliation of movements in shareholders' funds

	<i>Group</i>		<i>Company</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>€</i>	<i>€</i>	<i>€</i>	<i>€</i>
Total recognised losses for the year	(178,661)	(92,080)	(38,379)	(49,892)
Proceeds of issue of equity shares	102,790	—	102,790	—
Capital duty on the issue of shares	(1,028)	—	(1,028)	—
Net additions to shareholders' funds	(76,899)	(92,080)	63,383	(49,892)
Opening shareholders' funds	660,667	752,747	761,684	811,576
Closing shareholders' funds	<u>583,768</u>	<u>660,667</u>	<u>825,067</u>	<u>761,684</u>

12. Capital commitments

The company has no capital commitments in relation to its licences in the Republic of Ireland.

13. 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>
		<i>€</i>	<i>€</i>	<i>€</i>
Allied Consulting Geologists	Common Shareholdings	(1,004)	(1,004)	—

During the year Allied Consulting Geologists provided services totalling €7,392 to Belmore Resources Limited.

14. Group undertakings

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

15. Gross Cash Flows

	<i>2007</i>	<i>2006</i>
	€	€
Returns on investments and servicing of finance		
Interest received	2,334	3,507
Interest paid	(976)	(839)
	<u>1,358</u>	<u>2,668</u>
Capital expenditure		
Payments to acquire intangible assets	(98,540)	(154,702)
Write off of intangible assets	103,208	—
	<u>4,668</u>	<u>(154,702)</u>
Financing		
Issue of ordinary share capital	101,762	—
	<u>101,762</u>	<u>—</u>

16. Analysis of changes in net funds

	<i>Opening balance</i>	<i>Cash flows</i>	<i>Closing balance</i>
	€	€	€
Cash at bank and in hand	225,477	(83,038)	142,439
Overdrafts	(681)	681	—
	<u>224,796</u>	<u>(82,357)</u>	<u>142,439</u>
Net funds	<u>224,796</u>	<u>(82,357)</u>	<u>142,439</u>

17. Approval of financial statements

The board of directors approved the financial statements on 25 February 2008.

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 Longboat, 56 Sir John Rogersons Quay, Dublin 2 on 26 March 2008 at 2.15 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 31 August 2007 and the report of the Directors and Auditors thereon.
- (2) To re-elect Walter Ian Logan Forrest 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 approve the following resolution as an Ordinary Resolution:

“That, for the purpose of Section 20 of the Companies (Amendment) Act, 1983, the Directors of the Company be and are hereby generally and unconditionally authorised to exercise all 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 Company 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 approve the following resolution as a Special Resolution:

“That, subject to the passing of Resolution No. 4 before this meeting, the Directors of the Company 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) of the Company 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 an aggregate nominal value of €4,686,098 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, 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

25 February 2008

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.

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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 2.15 p.m. on 26 March 2008 at Longboat, 56 Sir John Rogersons Quay, Dublin 2, 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 31 August 2007 and the reports of the Directors and Auditors thereon

For Against [] []

To re-elect Walter Ian Logan Forrest 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, 1983 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 ... 2008

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 24 March 2008 at 2.15 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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Postage
Stamp
Here

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

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