Company Number 05463148

DELTA PACIFIC MINING PLC

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

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DELTA PACIFIC MINING PLC

Company Information

Directors	C J Reynolds D L Thomas L R Reynolds
Secretary	R G Rootsaert
Company number	05463148
Registered office	49 A&B Hanover Gate Mansions Park Road London, NW1 4SN
Auditors	Critchleys LLP Greyfriars Court Paradise Square Oxford OX1 1BE
Bankers	HSBC Bank PLC East Sheen Branch 357 Upper Richmond Road West London SW14 8QW
Solicitors	McCarthy Tetrault 2nd Floor 5 Old Bailey London EC4M 7BA

DELTA PACIFIC MINING PLC

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

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DELTA PACIFIC MINING PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the year ended 31 December 2012

Principal activities and review of the business
The principal activity of the group is seeking to target the high grade thermal / low grade metallurgical coal 25km south of the Phulbari deposit in Bangladesh

Overview of 2012
The company was incorporated on 25 May 2005 with the aim of becoming a player in coal exploration and mining in Bangladesh In 2005 an application for an exploration licence was submitted in the name of the company and its joint venture partner North Bengal Mining Co Ltd ("North Bengal"), with the Bureau of Mineral Development for an exploration licence over prospective coal properties in Northern Bangladesh

In 2008 Bangladesh went through a period of political turmoil The company's aim during this period was to limit expenditure while keeping its licence applications active during the upheaval Power was peacefully transferred to a civilian government with a strong parliamentary majority following general elections in December 2008, thereby ending the military-controlled caretaker government which had been in power since January 2007 The Government of the People's Republic of Bangladesh has made the completion of the country's coal policy and the issuing of coal licences a matter of high priority due to the country s urgent need to provide energy and electricity to its developing economy

The Government of the People's Republic of Bangladesh has now completed the preparatory work for formulating the country's coal policy which will be handed to the next government in the form of a report for approval However, it is yet to be decided whether open pit mining or underground mining will be opted for in these mines The next general election is due to be held at the end of December 2013 or the beginning of 2014

North Bengal (the company's joint venture partner) has confirmed that the exploration licence applications submitted in the name of the company and North Bengal have not been removed or cancelled and may be capable of being revived

The Directors will look at all possibilities in reviving both the company and the exploration licence applications once the coal policy is approved but are not optimistic given the time it is taking for Bangladesh to complete its coal policy

Risks and Uncertainties
Delta Pacific Mining Plc is a small prospecting group and accordingly, is subject to a number of risks and uncertainties, any of which could have a material effect on its business, operations or future performance including but not limited to permitting risks reliance on capital markets in order to meet its funding requirements both to continue as a going concern as well as to raise the significant amounts of capital required to develop the various projects, commodity price and capital market volatility, possible challenges to the title to its properties, exploration and exploitation risks, country risks, uninsurable risks, environmental risks, changes in the legal or political environment in which it operates, currency fluctuations and dilution

Results and dividends
The results for the year are set out on page 4

The directors do not recommend payment of a dividend

Directors
The directors who served during the year were as follows

C J Reynolds
D L Thomas
L R Reynolds

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012 (continued)

Creditor payment policy
The company's current policy concerning the payment of trade creditors is to
- settle the terms of payment with suppliers when agreeing the terms of each,
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts
- pay in accordance with the company's contractual and other legal obligations

On average, most of the trade creditors were outstanding for 90 days

Auditors
Critchleys LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006

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 they have elected to prepare the financial statements in accordance with International Reporting Standards as adopted for use in the European Union 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 judgments 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

On behalf of the Board

C J Reynolds
Director

13/6/13

Report of the independent auditor to the members of Delta Pacific Mining Plc

We have audited the financial statements of Delta Pacific Mining Plc for the year ended 31 December 2012 which comprise the Income Statement, the Balance Sheet the Statement of Changes in Equity, the Cash Flow Statement and the related notes The financial framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

This report is made solely to the company's members, as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company s members those matters we are required to state to them in an 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

As explained more fully in the Directors' Responsibilities Statement on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board s Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed the reasonableness of significant accounting estimates made by the directors and the overall presentation of the financial statements

Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for year then ended
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us or
- the financial statements are not in agreement with the accounting records or returns or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we required for our audit

Caroline Webster (Senior Statutory Auditor)
For and on behalf of
Critchleys LLP
Statutory Auditor
Oxford

14 June 2013

DELTA PACIFIC MINING PLC

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Continuing operations			
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(1 809)	(1,303)
Operating loss		(1 809)	(1,303)
Finance income	3	-	-
Loss from continuing operations before tax	2	(1,809)	(1 303)
Tax on loss on ordinary activities	4	-	-
Loss for the year		(1,809)	(1,303)

DELTA PACIFIC MINING PLC
COMPANY BALANCE SHEET AS AT 31 DECEMBER 2012

		31 December 2012 £	31 December 2011 £
Assets			
Property, plant and equipment	5	-	-
Receivables falling due after more than one year	6	-	-
Total non-current assets		-	-
Current receivables	6	-	-
Cash and cash equivalents	7	619	629
Total current assets		619	629
Total assets		619	629
Liabilities			
Trade and other payables	8	48,287	46,488
Total current liabilities		48,287	46,488
Equity			
Issued share capital	10	183,832	183,832
Share premium	10	626,576	626,576
Retained losses		(858,076)	(856,267)
Total equity		(47,668)	(45,859)
Total equity and liabilities		619	629

The financial statements were approved by the Board and were signed on its behalf on 13 JUNE 2013 by

C J Reynolds
Director

DELTA PACIFIC MINING PLC
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital £	Share premium £	Retained loss £	Total equity £
Balance at 31 December 2008	170,482	626,576	(796,494)	564
Loss for the period			(55 883)	(55,883)
New share capital subscribed	13 350			13,350
Balance at 31 December 2009	183,832	626,576	(852,377)	(41,969)
Loss for the period			(2,587)	(2,587)
Balance at 31 December 2010	183,832	626,576	(854,964)	(44,556)
Loss for the period			(1,303)	(1,303)
Balance at 31 December 2011	183,832	626,576	(856,267)	(45,859)
Loss for the period			(1,809)	(1,809)
Balance at 31 December 2012	183,832	626,576	(858,076)	(47,668)

DELTA PACIFIC MINING PLC
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Cash flows from operating activities		
Operating loss	(1,809)	(1 303)
Depreciation	-	-
Decrease/(Increase) in other receivables and prepayments	-	-
Decrease/(Increase) in receivables due in more than one year	-	-
Increase in trade and other payables	1 799	1,080
Net cash outflow from operating activities	(10)	(223)
Cash flows from investing activities		
Interest received	-	-
Net cash inflow/(outflow) from investing activities	-	-
Cash flows from financing activities		
Proceeds from the issue of ordinary share capital	-	-
Costs of share issues	-	-
Net cash inflow from financing activities	-	-
Net increase in cash and cash equivalents	(10)	(223)
Cash and cash equivalents at beginning of period	629	852
Cash and cash equivalents at end of period	619	629

DELTA PACIFIC MINING PLC
NOTES TO THE FINANCIAL STATEMENTS

1 **Accounting policies**
The Company is a public limited company incorporated and domiciled in England

a) Statement of compliance
The financial statements have been prepared in accordance with IFRSs as adopted by the European Union
The accounting policies set out below have been applied consistently to all periods presented in these Group financial statements

c) Basis of preparation of financial statements
The financial statements are presented in Sterling and have been prepared on the historical cost basis
In common with many exploration companies the Company raises finance for its exploration and appraisal activities in discrete tranches Further funding is raised as and when required When any of the Company's projects move to the development stage, specific financing will be required
The Directors are of the opinion that the Company has sufficient cash to fund its future activities for at least the next twelve months

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted for use in the European Union including standards and interpretations issued by the International Accounting Standards Board They have been prepared using the historical cost convention except that as disclosed in the accounting policies below certain items including investment properties derivatives, held for trading investments and available-for-sale investments, are shown at fair value

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements If in the future such estimates and assumptions which are based on management s best judgement at the date of the financial statements deviate from the actual circumstances the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change Where necessary, the comparatives have been reclassified or extended from the previously reported results to take into account presentational changes

d) Property, plant and equipment
Items of property, plant and equipment are stated at cost less accumulated depreciation Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each item of property, plant and equipment The estimated useful life of the assets is three years

e) Deferred exploration costs
All costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are written off as incurred Once such a legal right has been obtained exploration and evaluation costs are capitalised on a project-by-project basis, pending determination of the technical feasibility and commercial viability of the project

Costs incurred include appropriate technical and administrative overheads Deferred exploration costs are carried at historical cost less any impairment losses recognised

If an exploration project is successful, the related expenditures will be transferred to mining assets and amortised over the estimated life of the ore reserves on a unit of production basis

The recoverability of deferred exploration and evaluation costs is dependent upon the discovery of economically recoverable mineral reserves the ability of the company to obtain the necessary financing to complete the development of mineral reserves and future profitable production or proceeds from the disposal thereof

f) Trade and other receivables
Trade and other receivables are not interest bearing and are recognized at fair value, which is considered to be the lower of original invoice amount and recoverable amount A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivable Balances are written off when the probability of recovery is assessed as being remote

g) Cash and cash equivalents
Cash and cash equivalents represent current account balances and deposits held at call with banks

1 **Accounting policies (continued)**

h) Impairment
Whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable an asset is reviewed for impairment An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying amount
Impairment reviews for deferred exploration and evaluation costs are carried out on a project by project basis, with each project representing a potential single cash generating unit An impairment review is undertaken when indicators of impairment arise typically when one of the following circumstances applies -

i) unexpected geological occurrences that render the resource uneconomic
ii) title to the asset is compromised
iii) variations in metal prices that render the project uneconomic and
iv) variations in the currency of operation

i) Revenue
Revenue is measured by reference to the fair value of consideration received or receivable by the company for services provided to related parties excluding VAT and trade discounts Revenue is recognised upon the performance of services

j) Foreign Exchange
The Company's functional and presentational currency is UK pounds sterling
Transactions in foreign currencies are translated at the rates of exchange ruling at the balance sheet date, and any differences arising are transferred to the income statement

k) Joint Venture
The Company has entered into a joint venture with a third party Under the terms of the joint venture, the company bears all the costs until such time as the venture makes profits Accordingly, the company has expensed all costs and accrued all liabilities as if it had incurred the costs itself

l) Share capital
The Company's ordinary shares and amounts received in respect of shares to be issued at a future date are classified as equity

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

n) Operating lease payments
Payments made under operating leases are recognised on a straight-line basis over the term of the lease

o) Judgements and estimates
Judgements and estimates are regularly evaluated based on historical experience, current circumstances and expectations of future events
The critical judgements and estimates made in the preparation of the financial statements are set out below and were made in accordance with the appropriate IFRS and the Company's accounting policies The resulting accounting estimate may not equal the actual result
a) The determination of the future value of the subsidiary is based on their future earnings potential The basis of such value cannot be precise and is subject to market variations

p) Financial assets
The Company does not have any assets that are classified as available-for-sale, held-to-maturity or fair value through profit and loss
Financial assets carried on the balance sheet include cash and cash equivalents and other receivables and prepayments and trade and other payables The particular recognition methods adopted are disclosed in the individual policy statements associated with each item

q) Financial liabilities
Financial liabilities are obligations to pay cash or other financial assets and are recognised when the group becomes a party to the contractual provisions of the instrument Financial liabilities categorised as at fair value through profit and loss are recorded initially at fair value, and all transaction costs are recognied immediately in the income statement All other financial liabilities are recorded initially at fair value, net of direct issue costs The Company's financial liabilities include trade and other payables only

r) Taxation
The charge for taxation is based on the profit or loss for the year and takes into account deferred tax Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss, and is accounted for using the balance sheet method
Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available in the foreseeable future against which the temporary differences can be utilised

2 **Loss on operations before tax**

Loss on ordinary activities is stated after charging	Year ended 31 December 2012 £	Year ended 31 December 2012 £
Fees payable to the company's auditor for the audit of the company's accounts	1,750	1,750
Depreciation	-	-

3 Finance income

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Interest income	-	-

4 Tax on loss on ordinary activities

Factors affecting the tax charge for the current period
The tax credit for the period is lower than the credit resulting from the loss before tax at the standard rate of corporation tax in the UK - 20% (2010 21%) The differences are explained below

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Tax reconciliation		
Loss on ordinary activities before tax	(1,809)	(1,303)
Tax at 20% (2011 20%)	(362)	(261)
Effects (at 20%) of		
Expenses not deductible for tax purposes	-	-
Depreciation (add back)	-	-
Capital Allowances	-	-
Tax losses carried forward	362	261
	-	-

The company has estimated losses of £770,000 (2011 £770,000) available for carrying forward against future trading profit

A deferred tax asset has not been recognised in respect of these losses as the group does not anticipate taxable profits to arise within the immediate future In time it is anticipated that the company will be profitable and that losses will gradually be recovered as the business moves into profit The estimated value of the deferred tax asset not recognised measured at a rate of 20% (2011 20%) is £ 154 000 (2011 £154 000)

5 Property, plant and equipment

	Fixtures & equipment £
Cost	
Balance at 1 January 2012	1,856
Additions	-
Balance at 31 December 2012	1,856
Balance at 1 January 2012	1,856
Depreciation charge for the period	-
Balance at 31 December 2012	1,856
Carrying amounts	
At 31 December 2011	-
At 31 December 2012	-

6 Other receivables and prepayments

Amounts falling due in less than one year

	2012 £	2011 £
Trade receivables	-	-
VAT	-	-
	-	-

Amounts falling due after more than one year

	2012 £	2011 £
Trade receivables	-	-

The carrying value of receivables is considered a reasonable approximation of fair value

7 Cash and cash equivalents

	2012 £	2011 £
Bank balances	619	629

8 Trade and other payables falling due within one year

	2012	2011
	£	£
Trade payables	20 835	20 835
Other payables	25,702	23,903
Accruals and deferred income	1,750	1 750
	48,287	46 488

9 Financial instruments

The Board of directors determines as required, the degree to which it is appropriate to use financial instruments to mitigate risks
The main risks for which such instruments may be appropriate are interest rate risk, foreign currency risk, liquidity risk and commodity risk
The Company has no borrowings The Company's principal financial instruments are cash which is invested with major banks
All of the Company's financial assets and liabilities are classified as loans and receivables and are at fair value

Interest rate risk

Surplus funds are invested at floating rates of interest The benefit of fixing rates is kept under review having regard to forecast cash requirements and the levels of return available

Foreign currency risk

The Company has potential transactional currency exposure in respect of items denominated in foreign currencies relating to the Company's administration in the UK

The Company holds its cash balances in British Pounds to the extent considered appropriate to minimise the effect of adverse exchange rate fluctuations

Liquidity risk

The Company raises funds as required on the basis of forecast expenditure and inflows over the next twelve months When necessary, the scope and rate of activity is adjusted to take account of the funds available

Commodity risk

The Company is exposed to movements in the price of metals, which may affect the viability of a project

Fair values

The fair values reflect the carrying amounts shown in the balance sheet

10 Share capital and share premium

		31 December 2012	31 December 2011
Authorised			
Ordinary shares of £0 01 each	- number of shares	1,000,000,000	1,000,000,000
	- nominal value	£10,000,000	£10,000,000
Allotted called up and fully paid			
Ordinary shares of £0 01 each	- number of shares	18,383,237	18,383,237
	- nominal value	£183 832	£183,832
Total called up share capital			
Ordinary shares of £0 01 each	- number of shares	18 383,237	18,383,237
	- nominal value	£183,832	£183 832

11 Share capital management

The Company relies on raising share capital to fund its operations It raises share capital for its exploration and appraisal in discrete tranches
Further funding is raised as and when required When any of the Company's projects move to the development stage specific financing will be required

13 **Related party transactions**
The company contracted with Mining House Limited for the provision of office premises and facilities, a company of which C J Reynolds and L R Reynolds were directors during the year The company was charged a management fee of £nil (2011 £nil) and was recharged expenses of £ Nil (2011 - £Nil) by Mining House Limited during the year At 31 December 2012 the company owed £1,860 (2011 - £1 860) to Mining House Limited An additional £1 800 interest free loan was provided to the company during the year The balance owing at the year end was £9,618 (2011 £7,817)

At the year end the following balances were owing to related parties

C J Reynolds	£3 799	(2011 - £3 799)
L R Reynolds	£2,935	(2011 - £2,935)
Thomas Mining Associates	£11 750	(2011 - £11,750)

Thomas Mining Associates is a related party by virtue of a common director (D Thomas)

14 **Joint Venture**
On 27 June 2006, the company entered into a joint venture agreement with a company incorporated in Bangladesh to locate, explore, acquire and develop coal and other mineral rights in an area in Bangladesh The parties are currently in the licensing phase of operations and has incurred expenses in the current year totalling £nil (2011 £nil) Delta Pacific Mining plc is responsible for all of the expenses and is entitled to half of the asset relating to the jointly controlled operations