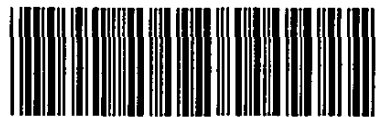


Company Number 05463148

DELTA PACIFIC MINING PLC

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010

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DELTA PACIFIC MINING PLC**Company information**

Directors	C J Reynolds D L Thomas L R Reynolds
Secretary	R G Rootsært
Company number	05463148
Registered office	49 A&B Hanover Gate Mansions Park Road London, NW1 4SN
Auditors	Critchleys LLP Avalon House, Marcham Road Oxford OX14 1UD
Bankers	HSBC Bank PLC East Sheen Branch 357 Upper Richmond Road West London SW14 8QW UBS AG 1 Curzon Street London W1J 5UB
Solicitors	McCarthy Tetrault 2nd Floor 5 Old Bailey London EC4M 7BA

DELTA PACIFIC MINING PLC

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010

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DELTA PACIFIC MINING PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and financial statements for the year ended 31 December 2010

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 2010

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. 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.

A new draft of the national coal policy was finalized in 2010 but has been referred to a National Committee to reach consensus on the method of coal extraction. This new draft policy favours engaging strategic partners or joint ventures for discovery and development of coalfields but unfortunately has discouraged coal export from local coal mines and recommended that coal should not be exported unless it is deemed in the public interest having regard to the country's long term coal requirements and energy security.

This limitation on the ability of the company to export coal is viewed as problematic by the company and a cause for concern. The company will continue to closely monitor the situation in Bangladesh with a view to reevaluating its position at the end of 2011.

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

DELTA PACIFIC MINING PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010 (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

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 2010 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 2010 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

ABINGDON

24 June 2011

DELTA PACIFIC MINING PLC
INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Continuing operations			
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(2 593)	(3,743)
Bad debt provision	4	-	(52,140)
Operating loss		(2,593)	(55 883)
Finance income	3	6	-
Loss from continuing operations before tax	2	(2,587)	(55,883)
Tax on loss on ordinary activities	5	-	-
Loss for the year		(2 587)	(55 883)

DELTA PACIFIC MINING PLC
COMPANY BALANCE SHEET AS AT 31 DECEMBER 2010

		31 December 2010 £	31 December 2009 £
Assets			
Property, plant and equipment	6	-	-
Receivables falling due after more than one year	7	-	-
Total non-current assets		<u>-</u>	<u>-</u>
Current receivables	7	-	-
Cash and cash equivalents	8	852	651
Total current assets		<u>852</u>	<u>651</u>
Total assets		<u>852</u>	<u>651</u>
Liabilities			
Trade and other payables	9	45,408	42,620
Total current liabilities		<u>45,408</u>	<u>42,620</u>
Equity			
Issued share capital	11	183,832	183,832
Share premium	11	626,576	626,576
Retained losses		(854,964)	(852,377)
Total equity		<u>(44,556)</u>	<u>(41,969)</u>
Total equity and liabilities		<u>852</u>	<u>651</u>

The financial statements were approved by the Board and were signed on its behalf on 21/06/2011 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)

DELTA PACIFIC MINING PLC
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2010

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Cash flows from operating activities		
Operating loss	(2,593)	(55,883)
Depreciation	-	-
Decrease/(increase) in other receivables and prepayments	-	-
Decrease/(increase) in receivables due in more than one year	-	52,140
Increase in trade and other payables	2,788	(14,098)
Net cash outflow from operating activities	<u>195</u>	<u>(17,841)</u>
Cash flows from investing activities		
Interest received	6	-
Net cash inflow/(outflow) from investing activities	<u>6</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from the issue of ordinary share capital	-	13,350
Costs of share issues	-	-
Net cash inflow from financing activities	<u>-</u>	<u>13,350</u>
Net increase in cash and cash equivalents	201	(4,491)
Cash and cash equivalents at beginning of period	<u>651</u>	<u>5,142</u>
Cash and cash equivalents at end of period	<u>852</u>	<u>651</u>

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 recognised 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.

DELTA PACIFIC MINING PLC
NOTES TO THE FINANCIAL STATEMENTS

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 recognised 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 2010 £	Year ended 31 December 2009 £
Fees payable to the company's auditor for the audit of the company's accounts	2,850	3,000
Depreciation	-	-

DELTA PACIFIC MINING PLC
NOTES TO THE FINANCIAL STATEMENTS

3 Finance income

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Interest income	<u>6</u>	<u>-</u>

4 Bad debt provision

During 2009 there was a bad debt provision of £52 140 which related wholly to a loan to North Bengal Mining Company Limited the company's joint venture partner

5 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 - 21% (2009 21%)
The differences are explained below

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Tax reconciliation		
Loss on ordinary activities before tax	<u>(3,087)</u>	<u>(55,883)</u>
Tax at 21% (2009 21%)	(648)	(11 735)
Effects (at 21%) of		
Expenses not deductible for tax purposes	-	-
Depreciation (add back)	-	-
Capital Allowances	-	-
Tax losses carried forward	<u>648</u>	<u>11,735</u>
	<u>-</u>	<u>-</u>

The company has estimated losses of £770,000 (2009 £770 000) available for carrying forward against future trading profits

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 21% is £ 162 000(2009 £162,000)

DELTA PACIFIC MINING PLC
NOTES TO THE FINANCIAL STATEMENTS

6 Property, plant and equipment

	Fixtures & equipment £
Cost	
Balance at 1 January 2010	1,856
Additions	-
Balance at 31 December 2010	1,856
Depreciation	
Balance at 1 January 2010	1,856
Depreciation charge for the period	-
Balance at 31 December 2010	1,856
Carrying amounts	
At 31 December 2009	-
At 31 December 2010	-

7 Other receivables and prepayments

Amounts falling due in less than one year

	2010 £	2009 £
Trade receivables	-	-
VAT	-	-
	-	-

Amounts falling due after more than one year

	2010 £	2009 £
Trade receivables	-	-
	-	-

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

8 Cash and cash equivalents

	2010 £	2009 £
Bank balances	852	651
	852	651

DELTA PACIFIC MINING PLC
NOTES TO THE FINANCIAL STATEMENTS

9 Trade and other payables falling due within one year

	2010	2009
	- £	£
Trade payables	23,773	20,835
Other payables	18,785	18,785
Accruals and deferred income	2,850	3,000
	<u>45,408</u>	<u>42,620</u>

10 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.

11 Share capital and share premium

		31 December 2010	31 December 2009
Authorised			
Ordinary shares of £0.01 each	- number of shares	1,000,000,000	1,000,000,000
	- nominal value	<u>£10,000,000</u>	<u>£10,000,000</u>
Allotted, called up and fully paid			
Ordinary shares of £0.01 each	- number of shares	18,383,237	18,383,237
	- nominal value	<u>£183,832</u>	<u>£183,832</u>
Total called up share capital			
Ordinary shares of £0.01 each	- number of shares	18,383,237	18,383,237
	- nominal value	<u>£183,832</u>	<u>£183,832</u>

12 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.

DELTA PACIFIC MINING PLC
NOTES TO THE FINANCIAL STATEMENTS

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 (2009 - £nil) and was recharged expenses of £ Nil (2009 - £477) by Mining House Limited during the year. At 31 December 2010 the company owed £1,860 (2009 - £1,860) to Mining House Limited. An interest free loan of £2 700 was also provided to the company during the 2009 with the full balance outstanding at the year end.

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

C J Reynolds	£3,799 (2009 - £3,799)
L R Reynolds	£2,935 (2009 - £2,935)
Thomas Mining Associates	£11,750 (2009 - £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 (2009 - £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.