# Bezant Resources Plc
**(formerly Tanzania Gold Plc)**

## Report and financial statements

## For the year ended 30 June 2007

# Bezant Resources Plc
**(formerly Tanzania Gold Plc)**

## Contents

# Bezant Resources Plc

**(formerly Tanzania Gold Plc)**

## Corporate directory

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|---|---|---|
| **Directors:** | G Nealon | *Non-Executive Chairman* |
| | C Sinclair-Poulton | *Chief Executive Officer* |
| | M Burchnall | *Executive Director* |
| | B Olivier | *Technical Director* |
| | R Siapno | *Non-Executive Director* |

**Secretary:**
York Place Co. Secretaries Limited
12 York Place
Leeds
West Yorkshire LS1 2DS

**Registered office:**
St Alphage House
2 Fore Street
London EC2Y 5DH

**Registered number:** 2918391

**Nominated Adviser:**
Strand Partners Limited
26 Mount Row
London W1K 3SQ

**Broker:**
Mirabaud Securities Limited
21 St James's Square
London SW1Y 4JP

**Solicitors:**
Joelson Wilson
30 Portland Place
London W1B 1LZ

**Auditors:**
UHY Hacker Young LLP
St Alphage House
2 Fore Street
London EC2Y 5DH

**Registrars:**
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

**Bankers:**
National Westminster Bank Plc
66 High Street
Maidenhead
Berks SK6 1QA

National Australia Bank
Capital Office, Ground Floor
50 St Georges Terrace
Perth
Western Australia 6000

## Chairman's statement

It is with great pleasure that I am able to report that Bezant Resources Plc has begun to realise its true potential over the course of the last eighteen months, concerning our ongoing transition from an investment company to that of a fully funded, operational exploration and development company.

The Reverse Takeover of Tanzania Gold Limited and associated Placing to raise approximately £2.44 million (before expenses) was completed on 29 September 2006. The Management Team was also strengthened considerably at this time, with the appointment of Clive Sinclair-Poulton as Chief Executive Officer and Mark Burchnall as Executive Director, along with Melissa Sturgess and Tony Hopkins as Non-Executive Directors. The Company also changed its name from Voss Net Plc to Tanzania Gold Plc to reflect its newly acquired assets in Tanzania. The first two stages of our exploration programme on the Mkurumu Project in Tanzania, reached fruition on 6 November 2007, when we announced that AngloGold Ashanti's subsidiary, the joint venture partner, had formally acknowledged conformance to both our expenditure and environmental commitments within the Joint Venture licence area. Anglo Tanzania Gold Limited, a wholly owned subsidiary of the Company, now holds 46% of the Mkurumu Project, with AngloGold Ashanti retaining a similar 46% and the remaining 8% being held by Tanzanian locals.

During this period of exploration activities, the Company incurred a loss after tax for the financial year ended June 2007 of £685,676.

On 10 July 2007, the Company completed it's acquisition of Asean Copper Investments Limited ("Asean") and a Subscription to raise approximately £5 million (before expenses), with the Company name again being changed to Bezant Resources Plc to better reflect the Company's diversification concerning Country of operation and resources. Asean holds a 40% interest in Crescent Mining and Development Corporation, which in turn holds the MPSA (Mineral and Production Sharing Agreement) or Mining Licence covering 534 hectares located in the Mankayan – Lepanto mining district, approximately 240 kilometres north of Manila in the Philippines. The Licence area has already been subject to significant previous exploration, in the order of approximately 45,000 metres of diamond drilling over 48 holes, with an historic Resource estimate in the order of 166.5 million tonnes at approximately 0.52% Copper and 0.54 g/t Gold. A two year drilling and environmental programme had already been submitted by Asean and this has recently been approved by both the Mines and Geosciences Bureau and the Department of Environment and Natural Resource respectively. This programme is intended to improve the ore body delineation and further define the Resource to formal JORC Compliance through our additional diamond drilling of approximately 11,000 metres over 10 holes, which shall also include a complete engineering and metallurgical data update.

To further compliment the expertise of the Board, it was also a pleasure to announce the appointment of Dr. Bernard Olivier as Technical Director and Mr. Ronnie Siapno as a Non-Executive Director of the Company on 26 April 2007 and 24 October 2007 respectively. On 24 October 2007 Melissa Sturgess stepped down from the Board, due to her other work commitments, having made an outstanding contribution towards the Company's transition from being an investment company to a fully funded and operational exploration company. In addition, Tony Hopkins announced his retirement from the main Board of the Company but continues as a Non-Executive Director of the Company's wholly owned subsidiary, Anglo Tanzania Gold Limited.

## Chairman's statement (continued)

I would like to thank our shareholders for their ongoing patience and support throughout our significant transition and I remain most confident that their loyalty shall be rewarded during the further development and completion of our existing projects.

I am most encouraged by our progress to date and remain confident of our prospects throughout 2008. The Board looks forward to reporting further progress to shareholders during the first quarter of next year.

G A Nealon
**Chairman**

18 December 2007

## Review of operations and activities

### Corporate

On 4 September 2006, Voss Net Plc announced the proposed acquisition of Tanzania Gold Limited and a proposed placing of 4,872,500 new ordinary shares of 0.2 pence each at a price of 50 pence per share.

Shareholders duly approved the necessary resolutions at an extraordinary general meeting held on 27 September 2006. In addition, the Company's name was changed to Tanzania Gold Plc and new Articles of Association were adopted. Clive Sinclair-Poulton, Mark Burchnall, Melissa Sturgess and Tony Hopkins joined the board of directors. The placing of the new ordinary shares raised approximately £2 Million (net of expenses).

### Tanzania – Mkurumu Project

On 2 November 2006, the Company announced the signing of a drilling contract for the Mkurumu Project. During the following two months twelve diamond drill holes (including one collar re-drill) were drilled, resulting in a total of 1,041m of core from within the Mkurumu licence area and along the 10km strike extent of the deposit. The main purpose of this first phase of drilling was to investigate the geological model as outlined in the Competent Person's Report ("CPR") of September 2006, through the examination of the various geological quantities, including structure, lithologies and grades associated with the low-grade but high tonnage syngenetic strataform gold component of the deposit.

The results of the core drilling were released on 30 March 2007. More than 10% of the total core drilled yielded an average grade of 0.28g/t gold, with the highest value of 2.82g/t gold seen in 1.9% of the core drilled. The highest individual sample result obtained was 2.82g/t from hole VUDD003 over a 1m sample length. Over 13 samples, an average calculated gold concentration of 1.13g/t was recorded.

The systematically gridded soil geochemical sampling programme covering the entire 43.35 square kilometres Mkurumu licence area was completed by mid May 2007. The majority of soil sampling was completed on 80 to 100m line spacing at 40m sample intervals with duplicates taken every 400m. A total of 1,172 samples returned gold values of over 50ppb Au with results ranging from 50ppb Au to 2,350ppb Au (2.35g/t Au).

A total of 40 rock chip and channel samples were collected from various artisanal workings, artisanal waste dumps and outcrops within the licence area during April and May 2007. They returned gold values ranging from 0.02g/t Au to 43.1g/t Au. The average gold value for the 40 samples equated to 10.36g/t Au, eight of which returned values in excess of 20g/t Au namely 22.6, 28.3, 31.7, 32.3, 33.2, 34.8, 37.9 and 43.1g/t Au. These results correlated well with previous assay results and reports of visible gold and exceptionally high gold assay values within selected areas of the Mkurumu deposit.

On 6 November 2007, the Company announced that it had earned an additional 23% of the Mkurumu Project. Anglo Tanzania Gold Limited, a wholly owned subsidiary of the Company, now holds 46% of the Mkurumu Project, with AngloGold Ashanti retaining a similar 46% and the remaining 8% being held by Tanzanian locals.

**Philippines – Mankayan Project**

On 15 June 2007, the Company announced the proposed acquisition of Asean Copper Investments Limited ("Asean") and a proposed Offer for Subscription of 6,666,667 new ordinary shares of 0.2 pence each, at a price of 75 pence per share to raise £5 million gross. The Company also proposed a further change of name to Bezant Resources Plc. The proposed acquisition and name change were approved by shareholders at the Annual General Meeting and Extraordinary General Meeting held on 9 July 2007.

On 23 August 2007 the Company announced that it had signed a drilling contract with a leading Filipino drilling company for a minimum of 11,000m of diamond drilling over 10 holes for the Mankayan project commencing in September 2007. The Mankayan licence area has been subject to significant previous exploration, in the order of approximately 45,000m of diamond drilling over 48 holes, with an historic resource estimate in the order of 166.5 million tonnes at approximately 0.52% Copper and 0.54 g/t Gold.

The drilling of the Mankayan project commenced on schedule on 11 September 2007 and the preliminary assay results for the first of the 10 diamond drill holes will be announced by the Company shortly.

Dr. B Olivier
**Technical Director**

18 December 2007

## Board of directors

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### G Nealon *(Non-Executive Chairman)*

**Experience and Expertise**
Gerard Nealon, aged 47, is a Chartered Chemist holding the degrees of B.Sc. (Hons.) in Biochemistry and M.Sc. in Forensic Science. He has approximately twenty five years of work experience, primarily in the areas of forensic science, quality systems, risk management, research & development, corporate governance and due diligence. He was initially employed by Government agencies, primarily within the UK and Australia, prior to moving into the private sector and founding his own consulting company in 1994. His main areas of operation have principally related to Australia, South Africa, Singapore, Malaysia, Thailand and the USA.

**Other current directorships**
Non-Executive Chairman of Magnum Mining and Exploration Limited (listed on ASX) since May 2006. Non Executive Director Great Australian Resources Limited (listed on ASX) since October 2007.

**Former directorships in the last 3 years**
Chairman of Sylvania Resources Limited (listed on AIM and ASX) until his resignation in 2003.

**Special responsibilities**
Chairman of the Board and Chairman of the Audit committee.

**Interests in shares and options**
439,560 options over ordinary shares in Bezant Resources Plc.

### C Sinclair-Poulton *(Chief Executive Officer)*

**Experience and Expertise**
Clive Sinclair-Poulton, aged 51, studied law at Cambridge University, graduating in 1978. He then spent twenty years in stockbroking and corporate finance. He worked with such firms as Citibank, Security Pacific and Hoare Govett and set up, and was CEO of, two UK institutional stock broking firms. Since selling his last stock broking firm he has been involved in a number of corporate transactions and was the Executive Chairman and founder shareholder of themutual.net (listed on AIM). He has been involved in the natural resource area for more than ten years.

**Other current directorships**
Anglo Tanzania Gold Limited, Borak Consultancy Limited, Cymru Tanzania Gold Limited, Resource Catalyst Limited, Tanzania Gold Limited*, Auckland Risk Advisors Limited*, Auckland Investments Limited* (*companies registered in Ireland).

**Former directorships in the last 3 years**
None.

**Special responsibilities**
Chief Executive Officer.

**Interests in shares and options**
2,231,101 ordinary shares and 439,560 options over ordinary shares in Bezant Resources Plc.

## Dr B. Olivier *(Technical Director)*

**Experience and Expertise**
Dr. Bernard Olivier, aged 31, received his PhD in Economic Geology from the University of Stellenbosch, South Africa in 2006. He has been working as a geologist since 1998 and has worked throughout most of Africa and parts of Asia, among them Tanzania, South Africa, Zambia, Burundi, Malawi, Namibia and the Philippines. He has worked on various exploration and development projects as well as active mining operations on a variety of commodities including, gold, gemstones, diamonds, base metals and coal. He is a founding director of Olivier Geological Services, a mining and geological consultancy, and is currently Vice President Operations for TanzaniteOne Limited and Project Manager for Dwyka Resources Limited.

**Other current directorships**
None.

**Former directorships in the last 3 years**
None.

**Special responsibilities**
Technical Director.

**Interests in shares and options**
219,780 options over ordinary shares in Bezant Resources Plc.

## M Burchnall *(Executive Director)*

**Experience and Expertise**
Mark Burchnall, aged 31, graduated in 1999 from the Flinders University of South Australia before working as a lawyer with a number of prominent Australian law firms for approximately eight years. Most recently he was employed as a Senior Associate with Clayton Utz in Perth where he worked for over four years in the corporate, energy and resources area, providing advice to a number of Australian and internationally listed clients, primarily with a natural resources focus. He has a number of years of experience in public and private capital raisings, asset and share sales and acquisitions (with the associated due diligence enquiries) and is currently the Manager-Strategic Development for Dwyka Resources Limited (listed on AIM and ASX) and Sylvania Resources Limited (listed on AIM and ASX).

**Other current directorships**
Director of Washington Resources Limited (listed on ASX) since August 2007.

**Former directorships in the last 3 years**
None.

**Special responsibilities**
General management and legal matters.

**Interests in shares and options**
219,780 options over ordinary shares in Bezant Resources Plc.

## Board of directors (continued)

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### R Siapno *(Non-Executive Director)*

**Experience and Expertise**
Ronnie Siapno, aged 43, graduated from the Saint Louis University in the Philippines in 1986 with a Bachelor of Science degree in Mining Engineering and is currently a member of both the Philippine Institute of Mining, Metallurgical and Geological Engineers and the Philippine Society of Mining Engineers. Since graduation, he has held various consulting positions such as Mine Planning Engineer to Benguet Exploration Inc., Mine Production Engineer to Pacific Chrome International Inc., Exploration Engineer to both Portman Mining Philippines Inc. and Phoenix Resources Philippines Inc. and Geotechnical Engineer to Pacific Falkon Philippines Inc. He is currently the President of Crescent Mining and Development Corporation.

**Other current directorships**
Crescent Mining & Development Corporation.

**Former directorships in the last 3 years**
None.

**Special responsibilities**
Member of all review and policy committees.

**Interests in shares and options**
None.

The Directors present their report together with the audited accounts of Bezant Resources Plc and its subsidiary undertakings (the "Group", the "Company" or "Bezant") for the year ended 30 June 2007.

### Principal activity

The Company is registered in England and Wales, having been first incorporated on the 13 April 1994 under the Companies Act with registered number 2918391 as a public company limited by shares in the name of Yieldbid Public Limited Company. On 19 September 1994, the Company changed its name to Voss Net Plc, with a second change of name to that of Tanzania Gold Plc on the 27 September 2006. On 9 July 2007, the Company further changed its name to Bezant Resources Plc.

The Company was listed on the Alternative Investment Market (AIM) of the London Stock Exchange on 14 August 1995.

The principal activity of the Group is natural resource exploration, development and beneficiation.

The FTSE Sector is that of Mining and the Sub Sector that of Gold Mining.

### Results and dividends

The Group results for the year are set out in the financial statements. The Directors do not propose to recommend any distribution by way of dividend for the year ended 30 June 2007.

### Principal risks and uncertainties facing the Company

The principal risks and uncertainties facing the Company are the risk of not finding adequate mineral reserves, risks associated with securing personnel, services and equipment required to develop its assets given the current high levels of demand in the resources industry and uncertainties concerning fluctuations in commodity prices. However, the Company has managed to secure drilling contracts in relation to each of its Mkurumu and Mankayan projects on a timely basis, such that those projects continue to be developed in accordance with applicable work programmes, and has an established network of contacts, key contractors and other personnel that will assist in their further development.

### Performance of the Company

The Company is an exploration entity whose assets comprise early-stage projects that are not yet at the production stage. Currently, no revenue is generated from those projects. The key performance indicators for the Company are therefore linked to achievement of project milestones and the increase in overall enterprise value.

The Company's intentions to increase its interest in, and satisfy its expenditure obligations in relation to, its joint venture with AngloGold Ashanti with regard to the Mkurumu Project saw the Company spend US$300k to successfully earn a 23% interest in that project. On 6 November 2007, the Company announced that it had earned an additional 23% of the Mkurumu Project, having spent a further US$350k on project development. Anglo Tanzania Gold Limited, a wholly owned subsidiary of the Company, now holds 46% of the Mkurumu Project, with AngloGold Ashanti retaining a similar 46% and the remaining 8% being held by Tanzanian locals.

The Company's first phase Mkurumu drilling campaign was completed on time and within budget.

### Performance of the Company (continued)

During the period between 29 September 2006 (the date of the Company's admission to trading on AIM) and 30 June 2007, the efforts of the Company's Directors to grow the business and develop its Mkurumu gold asset saw the price of the Company's shares increase by 47% based on the closing price on AIM of 66.5 pence on 29 September 2006 and 98 pence on 30 June 2007. As at 17 December 2007, the last trading day on AIM immediately prior to the date of this report, the closing price of the Company's shares was 104 pence, representing an increase of 56.4% from the 29 September 2006 closing price of 66.5 pence.

### Group structure and changes in share capital

Details of movements in share capital during the year are set out in Note 19 to the financial statements.

### Directors

The following directors have held office during the period:

G Nealon
C Sinclair-Poulton (appointed 27 September 2006)
M Burchnall (appointed 27 September 2006)
Dr. B Olivier (appointed 26 April 2007)
R Siapno (appointed 24 October 2007)

M Sturgess (appointed 27 September 2006; resigned 24 October 2007)
T Hopkins (appointed 27 September 2006; retired 24 October 2007)
D Chambers (resigned 27 September 2006)

### Directors' interests

The beneficial and non-beneficial interests of the current Directors and related parties in the Company's shares were as follows:

| | 30 June 2007 | | | 30 June 2006 | |
|---|---|---|---|---|---|
| | Ordinary shares of 0.2p each | Share options | Notes | Ordinary shares of 0.01p each | Share options |
| | | | | | |
| G Nealon | - | 439,560 | (1) | - | - |
| C Sinclair-Poulton | 2,224,434 | 439,560 | (2) | - | - |
| M Burchnall | - | 219,780 | (3) | - | - |
| Dr. B Olivier | - | 219,780 | (4) | - | - |
| R Siapno | - | - | | - | - |
| M Sturgess | - | 439,560 | (5) | - | - |
| T Hopkins | 2,224,434 | - | (6) | - | - |
| D Chambers | 250,000 | - | (7) | 5,000,000 | - |

### Directors' interests (continued)

Notes
(1) 439,560 Share Options Granted on 15 June 2007.
(2) 439,560 Share Options Granted 15 June 2007. Borak Consultancy Limited, in which Mr. Sinclair-Poulton has a 5% beneficial interest, holds 2,048,030 shares in the Company, with the balance being owned by his wife and daughter. Resource Catalyst Limited, in which Mr. Sinclair-Poulton has a 33.33% beneficial interest, holds 176,404 shares in the Company. Mr. Sinclair-Poulton also subscribed to 6,667 shares in the Company on 10 July 2007 following the Company's successful Subscription.
(3) 219,780 Share Options Granted 15 June 2007.
(4) 219,780 Share Options Granted 15 June 2007.
(5) 439,560 Share Options Granted 15 June 2007.
(6) Resource Catalyst Limited, in which Mr. Hopkins has a 33.33% beneficial interest, holds 176,404 shares in the Company.
(7) Reduction in number of shares relating to 1 for 20 share consolidation on 27 September 2006.

### Report on Directors' remuneration and service contracts

The service contracts of all the Executive and Non-Executive Directors are subject to a six month and three month termination period respectively. Under these service contracts, each non-executive Director is paid £10,000 per annum, the non-executive Chairman £30,000 per annum, the executive Directors £20,000 per annum and the CEO £60,000 per annum.

Each Director is also paid all reasonable expenses incurred wholly, necessarily and exclusively in the proper performance of his duties.

### Pensions

The Group does not operate a pension scheme for Directors or employees.

### Directors' remuneration

Remuneration of Directors was as follows:

| | Fees / Basic salary | Superannuation & 'ER NIC | Benefits in kind | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| | | | | |
| G Nealon | 20,000 | - | 1,132 | 21,132 |
| C Sinclair-Poulton | 45,000 | - | 1,132 | 46,132 |
| M Burchnall | 15,003 | - | 566 | 15,569 |
| Dr. B Olivier | - | - | 566 | 566 |
| R Siapno | - | - | - | - |
| M Sturgess | 7,497 | - | 1,132 | 8,629 |
| T Hopkins | 21,499 | - | - | 21,499 |
| D Chambers | - | - | - | - |

Directors' remuneration shown comprises all of the fees, salaries and other benefits and emoluments paid to Directors. Benefits in kind represent the share-based payments charge in respect of share options granted to the Directors.

### Environment, Health, Safety and Social Responsibility Policy Statement

The Company adheres to the above Policy, whereby all operations are conducted in a manner that protects the environment, the health and safety of employees, third parties, and the entire community in general.

The Company is essentially involved with two exploration projects, located within Tanzania and the Philippines, respectively.

The Company has submitted a suitable Environmental Program to the relevant Authority in each of these geographic areas in accordance with applicable law, having been duly approved prior to the instigation of any exploration activities.

During the reporting period, both our operations were closely managed for maintaining our policy aims, all of which provided zero potential for concern.

There have been no convictions in relation to breaches of any applicable legislation recorded against the Group during the reporting period.

### Substantial Shareholdings

The Company has been notified, in accordance with Chapter 5 of the FSA's Disclosure and Transparency Rules, of the following interests in its ordinary shares as at 30 November 2007 of 3% shareholders and above.

| | Number of Ordinary Shares | % |
|---|---|---|
| | | |
| Blackmort Nominees Pty. Ltd. | 5,454,545 | 14.67% |
| Pershing Keen Nominees Limited* | 2,997,889 | 8.06% |
| Zaika Limited | 2,437,401 | 6.55% |
| BBHISL Nominees Limited | 2,298,333 | 6.18% |
| Borak Consultancy Limited | 2,048,030 | 5.51% |
| Mr David Anthony Hopkins | 2,048,030 | 5.51% |
| Rathbone Nominees Limited | 1,611,661 | 4.33% |
| Merrill Profits Limited | 1,339,753 | 3.60% |
| Chase Nominees Limited | 1,250,000 | 3.36% |
| Chase Nominees Limited CMBL Acct. | 1,116,600 | 3.00% |

* 2,048,030 of these shares, or approximately 5.51%, are beneficially held by Mr David Jordan.

### Issue of Warrants

On 5 February 2007, the Company announced that it had issued 500,000 new ordinary shares of 0.2p each pursuant to the exercise on 19 January 2007 of warrant's each having an exercise price of 5p per share. The exercise is in accordance with the terms of a warrant instrument dated 29 January 2004 (as adjusted to take into account the 1 for 20 share consolidation effected by the Company on 28 September 2006). The warrant was exercised by Mr. W N V Weller, a former director of the Company.

Application was made for the new ordinary shares to be admitted to trading on AIM, effective 9 February 2007.

## Directors' report (continued)
## For the year ended 30 June 2007

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### Creditor Payment Policy and Practice
It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, providing that all trading terms and conditions have been complied with.

### Political and charitable contributions
There were no political or charitable contributions made by the Group during the year ended 30 June 2007.

### Information to Shareholders – Web site
The Company has its own web-site (www.bezantresources.com) for the purposes of improving information flow to shareholders as well as potential investors.

### Statement of responsibilities of those charged with Governance
Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which at any time disclose with reasonable accuracy the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 1985. The Directors are also responsible for safeguarding the assets of the Company and the Group and for taking steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditor
So far as the Directors, at the time of approval of their report, are aware:
- there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Auditors

In September 2006, Jeffreys Henry LLP resigned as auditors and UHY Hacker Young were appointed in their place. On 1 May 2007, UHY Hacker Young transferred its business to UHY Hacker Young LLP (the 'LLP'). The LLP has expressed its willingness to continue as the auditors of the Company, and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be reappointed as auditors of the Company was approved at Annual General Meeting on 9 July 2007.

By order of the Board

**G Nealon**
Chairman

18 December 2007

## Independent auditors' report
## To the shareholders of Bezant Resources Plc

We have audited the financial statements of Bezant Resources Plc (formerly Tanzania Gold Plc) for the year ended 30 June 2007 as set out on pages 19 to 37. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**
The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Relevant Responsibilities of those charged with Governance.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

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

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises the Directors' Report, the Chairman's Statement, the Review of operations and activities and the information on the Board of Directors. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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

## Independent auditors' report (continued)
## To the shareholders of Bezant Resources Plc

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the Company's affairs as at 30 June 2007 and of the group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and,
- the information given in the Directors' Report is consistent with the financial statements.

**UHY Hacker Young LLP**
Chartered Accountants
Registered Auditors

18 December 2007

## Bezant Resources Plc

**(formerly Tanzania Gold Plc)**

### Consolidated profit and loss account
### For the year ended 30 June 2007

| | Notes | Year ended 30 June 2007 £'000 | Year ended 30 June 2006 £'000 |
|---|---|---|---|
| **Group turnover** | | **-** | - |
| Cost of sales | | **-** | - |
| **Gross profit** | | **-** | - |
| Administrative expenses | **3** | **(720)** | (130) |
| **Group operating loss** | **4** | **(720)** | (130) |
| Interest receivable | **5** | **34** | - |
| Interest payable | **6** | **-** | - |
| **Loss on ordinary activities before taxation** | | **(686)** | (130) |
| Taxation | **7** | **-** | - |
| **Loss on ordinary activities after taxation** | | **(686)** | (130) |
| **Loss for the period** | | **(686)** | (130) |
| **Loss per share – pence** | | | |
| Basic | **8** | **(3.31p)** | (0.07p) |
| Diluted | **8** | **(3.31p)** | (0.06p) |

## Bezant Resources Plc

**(formerly Tanzania Gold Plc)**

### Consolidated statement of total recognised gains and losses
### For the year ended 30 June 2007

| | Year ended 30 June 2007 £'000 | Year ended 30 June 2006 £'000 |
|---|---|---|
| **Retained loss for the year** | **(686)** | (130) |
| Exchange differences on retranslation of net assets of foreign currency operations | **15** | - |
| **Total recognised losses relating to the year** | **(671)** | (130) |

## Bezant Resources Plc

**(formerly Tanzania Gold Plc)**

### Consolidated balance sheet
### As at 30 June 2007

| | Notes | As at 30 June 2007 £'000 | As at 30 June 2006 £'000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Intangible assets – goodwill | **12** | **4,331** | - |
| Tangible assets | **13** | **4** | - |
| Investments | **14** | **458** | - |
| | | **4,793** | - |
| **Current assets** | | | |
| Debtors | **16** | **196** | 98 |
| Cash at bank and in hand | | **1,625** | 3 |
| | | **1,821** | 101 |
| **Creditors: amounts falling due within one year** | **17** | **(137)** | (49) |
| **Net current assets** | | **1,684** | 52 |
| **Total assets less Current liabilities** | | **6,477** | 52 |
| **Capital and reserves** | | | |
| Called up share capital | **19** | **987** | 958 |
| Share premium account | **19** | **10,576** | 4,180 |
| Share based payment reserve | **20** | **6** | - |
| Other reserves | **21** | **680** | - |
| Profit and loss account | **21** | **(5,772)** | (5,086) |
| **Shareholder's funds** | | **6,477** | 52 |

These financial statements were approved by the Board of Directors on 18 December 2007 and signed on its behalf by:

**C Sinclair-Poulton**
Chief Executive Officer

## Bezant Resources Plc

**(formerly Tanzania Gold Plc)**

### Company balance sheet
### As at 30 June 2007

| | Notes | As at 30 June 2007 £'000 | As at 30 June 2006 £'000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Investment in subsidiary | **15** | **4,500** | - |
| Investments | **15** | **475** | - |
| Tangible assets | **13** | **3** | - |
| | | **4,978** | - |
| **Current assets** | | | |
| Debtors | **16** | **191** | 98 |
| Cash at bank and in hand | | **1,616** | 3 |
| | | **1,807** | 101 |
| **Creditors: amounts falling due within one year** | **17** | **(66)** | (49) |
| **Net current assets** | | **1,741** | 52 |
| **Total assets less Current liabilities** | | **6,719** | 52 |
| **Capital and reserves** | | | |
| Called up share capital | **19** | **987** | 958 |
| Share premium account | **19** | **10,576** | 4,180 |
| Share based payment reserve | **20** | **6** | - |
| Other reserves | **21** | **665** | - |
| Profit and loss account | **21** | **(5,515)** | (5,086) |
| **Shareholder's funds** | | **6,719** | 52 |

These financial statements were approved by the Board of Directors on 18 December 2007 and signed on its behalf by:

**C Sinclair-Poulton**
Chief Executive Officer

# Bezant Resources Plc

**(formerly Tanzania Gold Plc)**

## Consolidated cash flow statement
## For the year ended 30 June 2007

| | Notes | Year ended 30 June 2007 £'000 | Year ended 30 June 2006 £'000 |
|---|---|---|---|
| **Net cash outflow from operating activities** | **23** | **(505)** | (194) |
| **Returns on investments and servicing of finance** | | | |
| Interest received | | **34** | - |
| **Net cash outflow before management of liquid resources and financing** | | **(471)** | (194) |
| **Capital expenditure** | | | |
| Payments for plant and equipment | | **(5)** | - |
| Payments to fund Mkurumu project operations | | **(458)** | - |
| | | **(463)** | - |
| **Financing** | | | |
| Cash proceeds from issue of shares | | **2,561** | 25 |
| Placement funds received in advance | | **665** | - |
| Share issue costs | | **(688)** | - |
| | | **2,538** | 25 |
| Foreign exchange movement | | **18** | - |
| **Increase/(Decrease) in cash** | | **1,622** | (169) |

## 1. Accounting policies

The Group has adopted the accounting policies set out below in preparation of the financial statements. All of these policies have been applied consistently throughout the period unless otherwise stated.

**1.1 Basis of preparation and going concern**

The financial statements are prepared in accordance with the historical cost convention and in accordance with applicable accounting standards.

**1.2 Basis of consolidation**

The consolidated accounts incorporate the accounts of the Company and its subsidiary undertakings and have been prepared by using the principles of acquisition accounting, which includes the results of the subsidiaries from their dates of acquisition. Intra-group sales, profits and balances are eliminated fully on consolidation. A subsidiary undertaking is excluded from consolidation where the interest in the subsidiary undertaking is held exclusively with a view to subsequent resale and the subsidiary undertaking has not previously been consolidated in the consolidated accounts prepared by the parent undertaking.

**1.3 Significant accounting judgments, estimates and assumptions**

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with directors, consultants and employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black Scholes model.

**1.4 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*(i) Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

*(ii) Interest income*

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

**1.5 Cash and cash equivalents**

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

## 1. Accounting policies (continued)

### 1.6 Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

### 1.7 Foreign currencies

The Pound Sterling is the reporting currency in the Group. Transactions in the accounts of individual group companies are recorded at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the balance sheet date. All differences are taken to the profit and loss account.

The assets, liabilities and the results of the foreign subsidiary undertakings are translated into Sterling at the rates of exchange ruling at the balance sheet date. Exchange differences resulting from the retranslation of net investments in subsidiary undertakings are treated as movements of reserves.

### 1.8 Interest in jointly controlled entities

The Group's interests in jointly controlled entities are brought to account using the equity method of accounting in the consolidated financial statements. The parent entity's interests in jointly controlled entities are brought to account using the cost method. Where the Group acquires an interest in a jointly controlled entity, the acquisition cost is amortised on a basis consistent with the method of amortisation used by the jointly controlled entity in respect to assets to which the acquisition costs relate.

### 1.9 Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

### 1.10 Plant and equipment

Plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

Depreciation on these assets is calculated using the diminishing value method to allocate the cost less residual values over their estimated useful lives as follows:

Plant and equipment – 33.33%
Fixtures and fittings – 7.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at the balance sheet date.

## 1. Accounting policies (continued)

### 1.11 Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit and loss account.

### 1.12 Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

### 1.13 Share-based payments

The Company made share-based payments to certain employees, directors and advisers by way of issues of share options. The fair value of these payments is calculated by the Company using the Black Scholes option pricing model. The expense is recognised on a straight line basis over the period from the date of award to the date of vesting, based on the Company's best estimate of shares that will eventually vest.

### 1.14 Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets. Goodwill is capitalised as an intangible fixed asset and is amortised over a 20 year period. If a subsidiary undertaking is subsequently sold, any goodwill arising on acquisition that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale.

## 2. Segment reporting

During the year ended 30 June 2007 the Company operated in one geographical location, being Tanzania. Its head office is located in Perth, Western Australia.

## 3. Administrative expenses

| | **Year ended 30 June 2007 £'000** | Year ended 30 June 2006 £'000 |
|---|---|---|
| Normal administrative expenses | **544** | 130 |
| Depreciation and amortisation | **170** | - |
| Share-based payment expense | **6** | - |
| | **720** | 130 |

## 4. Operating loss

| | **Year ended 30 June 2007 £'000** | Year ended 30 June 2006 £'000 |
|---|---|---|
| The Group's operating loss is stated after charging/(crediting): | | |
| Parent Company auditor's remuneration – audit services | **23** | 4 |
| Other auditors | **1** | - |
| Share-based payment expense | **6** | - |
| Amortisation of intangible assets | **169** | - |
| Depreciation of tangible assets | **1** | - |
| | **200** | 4 |

## 5. Interest receivable

| | | |
|---|---|---|
| Bank interest receivable | **34** | - |

## 6. Interest payable

| | | |
|---|---|---|
| Bank interest payable | **-** | - |

## 7. Taxation

| | | |
|---|---|---|
| **UK Corporation tax** | | |
| - current year | **-** | - |
| **Total current tax charge** | **-** | - |
| **Factors affecting the tax charge for the year:** | | |
| **Loss on ordinary activities before tax** | **(686)** | (130) |
| **Loss on ordinary activities multiplied by the Standard rate of UK corporation tax of 30% (2006: 30%)** | **(206)** | (39) |
| **Effects of:** | | |
| **Non-deductible expenses** | **51** | - |
| **Tax losses** | **155** | 39 |
| **Current tax charge** | **-** | - |

At the balance sheet date, the Company had unused losses of approximately £736,000 (2006: £300,000) available for offset against suitable future profits.

A deferred tax asset has not been recognised in respect of such losses due to the uncertainty of future profit streams. The contingent deferred asset is estimated to be £221,000 (2006: £90,000).

## 8. Loss per share

The basic and diluted loss per share have been calculated using the loss for the 12 months ended 30 June 2007 of £686k (12 months ended 30 June 2006 – £130k). The basic loss per share was calculated using a weighted average number of shares in issue of 20,714,489 (2006 – 198,927,309).

The diluted loss per share has been calculated using an additional weighted average number of shares in issue and to be issued of 20,714,489 (2006 – 208,902,309).

## 9. Holding Company profit and loss account

In accordance with the provisions of Section 230 of the Companies Act 1985, the Parent Company has not presented a profit and loss account. A loss for the 12 month period ended 30 June 2007 of £429k (2006 – £130k) has been included in the profit and loss account.

## 10. Directors emoluments

The Directors' emoluments of the Group are as follows:

| | **Year ended 30 June 2007 £'000** | Year ended 30 June 2006 £'000 |
|---|---|---|
| Wages, salaries and fees | **109** | - |
| Share-based payments | **6** | - |
| | **115** | - |

## 11. Employee information

*Average number of employees including directors*:

| | | |
|---|---|---|
| Operational and technical | **11** | - |
| Management and administration | **7** | 3 |
| | **18** | 3 |
| | **£'000** | £'000 |
| Salaries | **154** | - |
| Share-based payments | **6** | - |
| | **160** | - |

## 12. Intangible assets

| *Goodwill* | **£'000** |
|---|---|
| **Cost** | |
| At 1 July 2006 | - |
| Additions | 4,500 |
| At 30 June 2007 | 4,500 |
| **Amortisation and impairment** | |
| At 1 July 2006 | - |
| Charge for the period | 169 |
| At 30 June 2007 | 169 |
| **Net book value at 30 June 2007** | **4,331** |

The Group's share of net assets with respect to the increases in its investments in subsidiaries and the goodwill arising is set out in the table below. No fair value adjustments were necessary to the book values of the acquired entity

| | **Tanzania Gold Limited £'000** |
|---|---|
| Net assets/(liabilities) of group acquired | |
| Tanzania Gold Limited (Ireland) | **-** |
| Anglo Tanzania Gold Limited (England) | **-** |
| Tanzania Gold Limited (England) | **-** |
| Total assets acquired | **-** |
| Goodwill arising | **4,500** |
| | **4,500** |
| Consideration | |
| 9,000,000 Ordinary shares at a price of 50p per share | **4,500** |

## 13. Tangible assets

| | **Company £'000** | **Group £'000** |
|---|---|---|
| **Plant and equipment** | | |
| **Cost** | | |
| At 1 July 2006 | - | - |
| Additions | 4 | 5 |
| At 30 June 2007 | 4 | 5 |
| **Depreciation** | | |
| At 1 July 2006 | - | - |
| Charge for the period | 1 | 1 |
| At 30 June 2007 | 1 | 1 |
| **Net book value as at 30 June 2007** | **3** | **4** |
| Net book value as at 30 June 2006 | - | - |

## 14. Investments

Anglo Tanzania Gold Limited ("ATGL"), a wholly owned subsidiary of the Company has entered into a Joint Venture agreement with Ashanti Exploration Tanzania Limited ("Ashanti"), which is known as the Mkurumu Joint Venture ("Mkurumu" or "JV").

The principal objective of the JV is to carry out Prospecting Operations on the Prospecting Area, with the view ultimately to developing and exploiting economically viable Mineral Substances occurring on, in and under the Prospecting Area. The relationship of the Parties under the agreement is contractual only and it is not intended to constitute a partnership or to create any fiduciary relationship between the parties.

Ashanti originally held a 92% share in the prospecting area and Mafulira Village Mining Company Limited held and currently still holds an 8% share.

As at 30 June 2007, ATGL had a 23% interest in Mkurumu. As at the date of signing this report, ATGL had satisfied its minimum spend obligations for year two, thereby earning an additional 23% share, which totals a cumulative 46% share of the prospecting area.

All expenditure incurred in the carrying out of Prospecting Operations up until the Pre-feasibility stage is accounted for by ATGL as an 'Investment' and all costs that are directly attributable to the JV are capitalized in the Balance Sheet as such under Fixed Assets. Such costs may eventually be transferred to a sole purpose Joint Venture Entity, whose purpose, subject to a successful Feasibility Study conducted by either Ashanti or ATGL, will be to conduct further exploration of, and if applicable conduct Mining Operations on the Prospecting Area.

Expenditure incurred to date is as follows:

| | **Year ended 30 June 2007 £'000** | Year ended 30 June 2006 £'000 |
|---|---|---|
| Investment in Mkurumu project | **458** | - |

## 15. Fixed asset investments

| | **Loans to subsidiary undertakings £'000** | **Shares in subsidiary undertakings £'000** | **Total £'000** |
|---|---|---|---|
| **Company** | | | |
| **Cost** | | | |
| At 1 July 2006 | - | - | **-** |
| Additions | - | 4,500 | **4,500** |
| Loans to subsidiary undertakings | 475 | - | **475** |
| **At 30 June 2007** | 475 | 4,500 | **4,975** |

## 15. Fixed asset investments (continued)

*Subsidiary undertakings acquired by the Company during the period were as follows:*

| | Acquisition date | Total £'000 |
|---|---|---|
| Tanzania Gold Limited | 29 September 2006 | 4,500 |

*The Company's subsidiary undertakings held as fixed asset investments as at 30 June 2007 were as follows:*

| | Country of incorporation | Principal activity | Percentage of ordinary share capital held |
|---|---|---|---|
| Tanzania Gold Limited | Ireland | Holding company | 100% |
| Anglo Tanzania Gold Limited | England | Gold exploration (held indirectly) | 100% |
| Tanzania Gold Limited | England | Dormant (held indirectly) | 100% |
| Cymru Tanzania Gold Limited | England | Dormant | 100% |

## 16. Debtors

| | **30 June 2007** | | 30 June 2006 | |
|---|---|---|---|---|
| | **Group £'000** | **Company £'000** | Group £'000 | Company £'000 |
| *Due within one year:* | | | | |
| VAT recoverable | **30** | **30** | 6 | 6 |
| Other debtors | **5** | **-** | 67 | 67 |
| Prepayments | **161** | **161** | 25 | 25 |
| | **196** | **191** | 98 | 98 |

## 17. Creditors: amounts falling due within one year

| | **Group £'000** | **Company £'000** | Group £'000 | Company £'000 |
|---|---|---|---|---|
| Trade creditors | **63** | **48** | 29 | 29 |
| Other creditors | **37** | **-** | - | - |
| Accruals | **37** | **18** | 20 | 20 |
| | **137** | **66** | 49 | 49 |

## 18. Financial instruments

**(a) Interest rate risk**
As at 30 June 2007, the Group had sterling cash deposits of £1,615,985.
The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, was as follows:

| *Financial assets* | % | Amount £'000 |
|---|---|---|
| Cash in Sterling | 99.38 | 1,615 |
| Cash in US dollars | 0.43 | 7 |
| Cash in Tanzanian Shilling | 0.19 | 3 |
| | 100.00 | 1,625 |

**(b) Net fair value**
The net fair value of financial assets and financial liabilities approximates to their carrying amount as disclosed in the balance sheet and in the related notes.

**(c) Currency risk**
The functional currency for the Group's operating activities is the Pound Sterling and for drilling activities it is the Tanzanian Shilling. The Group has not hedged against currency depreciation but continues to keep the matter under review.

**(d) Financial risk management**
The Directors recognise that this is an area in which they may need to develop specific policies should the Group become exposed to wider financial risks as the business develops.

## 19. Share capital

| **Number** | **Class** | **Nominal value** | **Year ended 30 June 2007 £'000** | Year ended 30 June 2006 £'000 |
|---|---|---|---|---|
| ***Authorised*** | | | | |
| 690,432,500 | | 0.2p | **1,381** | 1,381 |
| (2006 – 13,808,650,000) | Ordinary | (2006 – 0.01p) | | |
| 7,959,196 | Deferred | 4p | **318** | 318 |
| 625,389 | Deferred | 99p | **619** | 619 |
| | | | **2,318** | 2,318 |
| ***Allotted, called up and fully paid*** | | | | |
| 24,524,345 | | 0.2p | **49** | 20 |
| (2006 – 199,036,898) | Ordinary | (2006 – 0.01p) | | |
| 7,959,196 | Deferred | 4p | **319** | 319 |
| 625,389 | Deferred | 99p | **619** | 619 |
| | | | **987** | 958 |

## 19. Share capital (continued)

*The movements in the Company's share capital and warrants are summarised below:*

| | Number of shares | Number of warrants* |
|---|---|---|
| As at 1 July 2006 | 199,036,898 | 500,000 |
| 29 September 2006 – 1 for 20 consolidation | (189,085,053) | - |
| | 9,951,845 | 500,000 |
| 29 September 2006 – Acquisition shares issued | 9,000,000 | - |
| 29 September 2006 – Placement shares issued | 5,072,500 | - |
| 5 February 2007 - Exercise of warrants for cash | 500,000 | (500,000) |
| As at 30 June 2007 | 24,524,345 | - |

*The share premiums arising as a result of the above share transactions were as follows:*

| | 2007 £'000 |
|---|---|
| As at 1 July 2006 | **4,180** |
| 29 September 2006 – Acquisition shares issued | **4,482** |
| 29 September 2006 – Placement shares issued | **2,526** |
| 5 February 2007 - Exercise of warrants for cash | **24** |
| | **11,212** |
| Less: share issue costs | **(636)** |
| As at 30 June 2007 | **10,576** |

The deferred shares have no rights to vote or participate in dividends. On a return of capital on liquidation or otherwise (other than on conversion, redemption or purchase by the Company of any of its own shares), holders of deferred shares are entitled, pro rata to their holdings of deferred shares, to be paid out of the assets of the Company available for distribution to the members, after payment to the holders of ordinary shares of the amounts paid up thereon and the sum of £100,000 on each ordinary share, the amount paid up or credited as paid up on the deferred shares. The holders of the deferred shares are not entitled to any further right to participate in the assets of the Company.

## 19. Share capital (continued)

* Strand Warrant
Pursuant to an instrument adopted by the Company on 4 September 2006, the Company granted Strand Partners Securities Limited a warrant to subscribe for New Ordinary Shares. The principal terms of the Strand Warrant are as follows:

- Strand Partners Securities Limited will be entitled to subscribe at a price of 50 pence per share for such number of New Ordinary Shares as are equivalent (on a fully-diluted basis) to one and a half per cent. of the issued ordinary share capital of the Company at the time of exercise;
- the Strand Warrant may be exercised at any time during the period of five years from the date of Admission;
- New Ordinary Shares issued on the exercise of the Strand Warrant will rank for dividends or other distributions declared, made or paid by the Company after the date of exercise, but not before such date, and otherwise equally in all respects with the New Ordinary Shares in issue on the date of such exercise;
- the number of New Ordinary Shares issued on exercise of the Strand Warrant and the subscription price will be adjusted upon a capitalisation of reserves, a rights issue or on a sub-division or consolidation of share capital; and
- if a takeover offer is made to all holders of New Ordinary Shares, the Company will use its reasonable endeavours to procure a comparable offer to Strand Partners Securities Limited.

## 20. Share based payments

| | **Year ended 30 June 2007 £'000** | Year ended 30 June 2006 £'000 |
|---|---|---|
| The Group recognised the following charge in the profit and loss accounts in respect of its share-based payment plans: | | |
| As required by Financial Reporting Standard 20 – 'Share-based payments' ("FRS 20") | **6** | - |

These are based on the requirements of FRS 20 on share-based payments. For this purpose, the weighted average estimated fair value for the share options granted was calculated using a Black Scholes option pricing model in respect of options. The volatility measured at the standard deviation of expected share price return is based on statistical analysis of the share price since re-admission to AIM on 29 September 2006 to the gate of grant, being 15 June 2007 and this has been calculated at 60.96%. The risk free rate has been taken as 5.5%.

## 20. Share based payments (continued)

The estimated fair values and other details which have been processed into the model are as follows:

| Number of share options | Grant date | Option exercise price | Fair value | Expected exercise date |
|---|---|---|---|---|
| 805,860 | 15 June 2007 | 91p | 7p | 15 June 2008 |
| 805,860 | 15 June 2007 | 91p | 12p | 15 June 2009 |
| 805,860 | 15 June 2007 | 91p | 17p | 15 June 2010 |

The options vest in three equal parts on 15 June 2008, 15 June 2009 and 15 June 2010.

## 21. Statement of movement on reserves

| **Group** | Share-based payment reserve £'000 | Foreign exchange reserve £'000 | Other reserve – for own shares * £'000 | Profit and loss reserve £'000 |
|---|---|---|---|---|
| At 1 July 2006 | - | - | - | (5,086) |
| Cost of share-based payments | 6 | - | - | - |
| Placement funds received in advance | - | - | 665 | - |
| Retained losses | - | - | - | (686) |
| Currency translation differences on foreign operations | - | 15 | - | - |
| **At 30 June 2007** | **6** | **15** | **665** | **(5,772)** |

| **Company** | Share-based payment reserve £'000 | Foreign exchange reserve £'000 | Other reserve – for own shares * £'000 | Profit and loss reserve £'000 |
|---|---|---|---|---|
| At 1 July 2006 | - | - | - | (5,086) |
| Cost of share-based payments | 6 | - | - | - |
| Placement funds received in advance | - | - | 665 | - |
| Retained losses | - | - | - | (429) |
| Currency translation differences on foreign operations | - | - | - | - |
| **At 30 June 2007** | **6** | **-** | **665** | **(5,515)** |

* Other reserve – for own shares. This balance represents funds received in respect to the offer for subscription to raise approximately £5 million gross through the issue of, in aggregate 6,666,667 new ordinary shares of which £665k had been received as at the balance sheet date. For further details of this Subscription, which was approved by shareholders at the Company's EGM on 9 July 2007, please refer to note 27.

## 22. Reconciliation of movements in shareholders' funds

| | **30 June 2007** | | 30 June 2006 | |
|---|---|---|---|---|
| | **Group £'000** | **Company £'000** | Group £'000 | Company £'000 |
| Loss for the period | **(686)** | **(429)** | (130) | (130) |
| Shares issued less costs | **6,425** | **6,425** | 25 | 25 |
| Placement funds received in advance | **665** | **665** | - | - |
| Currency translation differences on foreign currency operations | **15** | **-** | - | - |
| Cost of share-based payments | **6** | **6** | - | - |
| Opening shareholders' funds | **52** | **52** | 157 | 157 |
| | **6,477** | **6,719** | 52 | 52 |

## 23. Reconciliation of operating loss to net cash outflow from operating activities

| | **Year ended 30 June 2007 £'000** | Year ended 30 June 2006 £'000 |
|---|---|---|
| Group operating loss | **(686)** | (130) |
| Depreciation and amortisation | **170** | - |
| Interest income | **(34)** | - |
| Share-based payment charge | **6** | - |
| VAT refunds received | **49** | - |
| (Increase) in debtors | **(98)** | (92) |
| Increase in creditors | **88** | 28 |
| Net cash outflow from operating activities | **(505)** | (194) |

## 24. Analysis of changes in net funds

| | 30 June 2006 £'000 | Cash flows excluding acquisitions £'000 | Cash acquired with subsidiaries £'000 | **30 June 2007 £'000** |
|---|---|---|---|---|
| Cash at bank and in hand (net funds) | 3 | 1,622 | - | **1,625** |

## 25. Reconciliation of net cash flow to movement in net funds

| | **Year ended 30 June 2007 £'000** | Year ended 30 June 2006 £'000 |
|---|---|---|
| Increase / (Decrease) in cash | 1,622 | (169) |
| Opening net funds | 3 | 172 |
| **Net funds as at 30 June** | 1,625 | 3 |

## 26. Related party transactions

**(a) Parent entity**
The parent entity within the Group is Bezant Resources Plc.

**(b) Subsidiaries**
Interests in subsidiaries are set out in note 15.

**(c) Transactions with related parties**
The following table provides details of payments to related parties during the year and outstanding balances at the balance sheet date:

| **Group** | **30 June 2007** | | 30 June 2006 | |
|---|---|---|---|---|
| | **Paid during the year** | **Outstanding balances** | Paid during the year | Outstanding balances |
| | **£'000** | **£'000** | £'000 | £'000 |
| Limerick Global Consulting Pty Ltd | **20** | **-** | - | - |

The payments made to the company named are in respect of the services of Gerard Nealon, Non-Executive Chairman of the Company.

## 27. Post balance sheet events

On 9 July 2007, at the Company's Extraordinary and Annual General Meetings, resolutions in relation to the proposed acquisition of the entire issued share capital of Asean Copper Investments Limited ("Asean") and the proposed offer for subscription of 6,666,667 new ordinary shares of 0.2 pence each at a price of 75 pence per share to raise £5 million gross were duly approved by Shareholders.

Asean has a 40% shareholding in Crescent Mining and Development Corporation ("Crescent"), a Filipino company. Asean also holds a conditional option, expiring in October 2009, to acquire the remaining 60% of Crescent for minimal consideration. Crescent holds an MPSA covering a total of 534 hectares (the "Mankayan project") in the Guinaoang area of the Philippines, which is located in the Mankayan-Lepanto mining district, an area of established copper and gold mining, which is considered to be one of the major porphyry copper belts in the Philippines.

On 23 August 2007, the Company announced details of its proposed drilling programme on the Mankayan project, which subsequently commenced in September 2007. The two year drilling programme, which has been approved by the Filipino government, is intended to further define the copper/gold asset already known to be present in the licence area.

In respect to the Company's Tanzanian operations, on 6 November 2007 the Company announced that its wholly owned subsidiary, Anglo Tanzania Gold Limited ("ATGL"), now holds a 46% interest in the Mkurumu project, having satisfied its exploration expenditure obligations under the joint venture arrangement relating to that project. This gives the Company a strong and important strategic stake in the project as well as giving greater exposure to the potential upside from this asset.