Regulatory Story

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Interim Report

CIC CAPITAL LIMITED
("CICC" or the "COMPANY")
Interim report for the 3 months ended 30 April 2013

CIC Capital Ltd. (AIM: CICC:), the consulting and advisory firm operating primarily in the mining and energy infrastructure sectors, is pleased to announce its interim results for the three months ended 30 April 2013.

CIC CAPITAL LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Three Months Ended April 30, 2013
(In Canadian Dollars CAD$)

	Three months ended April 30, 2013 Unaudited	**Three months ended April 30, 2012 Unaudited (restated)**	**Year ended January 31, 2013 Unaudited (restated)**
Revenue			
Consulting & advisory services	**3,258,242**	251,636	15,143,814
Administrative costs	**605,957**	174,691	1,407,155
Operating profit	**2,652,285**	76,945	13,736,659
Gain on investments at fair value through			

profit or loss	**-**	-	36,657,759
Profit before taxation	**2,652,285**	76,945	50,394,418
Income tax	**189,054**	-	11,006,281
Net Profit for the period	**2,463,231**	76,945	39,388,137
Other Comprehensive Income			
Exchange differences on translation of foreign operation	**(54,300)**	230,909	(10,743)
Other comprehensive income for the period, net of tax	**(54,300)**	230,909	(10,743)
Total Comprehensive Income attributable to the shareholders	**2,408,931**	307,854	39,377,394
Basic earnings per share	**0.0129**	0.0005	0.2582
Diluted earnings per share	**0.0084**	0.0004	0.1626
Weighted average number of shares outstanding	**186,444,427**	152,451,777	152,544,908

CIC CAPITAL LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the Three Months Ended April 30, 2013

(In Canadian Dollars CAD$)

	As at April 30, 2013 Unaudited	As at April 30, 2012 Unaudited	As at January 31, 2013 Unaudited (restated)
ASSETS			
Non-current assets			
Investments	**44,865,154**	-	41,650,194
	44,865,154	-	41,650,194
Current assets			
Cash	**12,285**	198,015	91,510
Trade and other receivables	**10,247,138**	29,434	11,292,546
Available for sale financial assets	**4,425**	2,652	4,425
Prepaid expenses and deposits	**50,863**	95,849	-
TOTAL ASSETS	**55,179,865**	325,950	53,038,675
LIABILITIES & SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable & accrued liabilities	**1,463,186**	1,713,621	1,961,889
Income taxes payable	**11,301,238**	102,788	11,109,847
Due to related parties	**39,572**	1,058,821	505,087
	12,803,996	2,875,230	13,576,823
Share capital	**27,212,396**	24,592,434	26,707,310
Contributed surplus	**5,485,207**	4,646,153	5,485,207
	32,697,603	29,238,587	32,192,517
Accumulated deficit	**9,587,398**	(32,174,686)	7,124,167
Foreign currency translation reserve	**89,286**	385,237	143,586
Other reserve	**1,582**	1,582	1,582
	9,678,266	(31,787,867)	7,269,335
TOTAL EQUITY & LIABILTIES	**55,179,865**	325,950	53,038,675

CIC CAPITAL LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Three Months Ended April 30, 2013
(In Canadian Dollars CAD$)

	Share Capital	Contributed Surplus	Accumulated Deficit	Foreign Currency Translation Reserve	Other Reserve
Balance, January 31, 2012 Attributable to equity shareholders of the parent	24,592,434	4,646,153	(32,251,631)	154,328	1,582
Net profit for the period	-	-	39,388,137	-	-
Other comprehensive income:					
Foreign exchange translation	-	-	-	(10,742)	-
Total Comprehensive Income	-	-	39,388,137	(10,742)	-
Transaction with equity shareholders Of the parent:					
Share issue net of transaction costs	2,102,537	-	-	-	-
Share transfer proceeds received	-	839,054	-	-	-
Dividend and issue of B shares	12,339	-	(12,339)	-	-
Balance, January 31, 2013, attributable to equity shareholders of the parent (restated)	26,707,310	5,485,207	7,124,167	143,586	1,582
Net profit for the period	**-**	**-**	**2,463,231**	**-**	**-**
Other comprehensive income:					
Foreign exchange translation	**-**	**-**	**-**	**(54,300)**	**-**
Total Comprehensive Income	**-**	**-**	**2,463,231**	**(54,300)**	**1,582**
Transaction with equity shareholders Of the parent:					
Dividend and issue of B shares	**505,086**	**-**	**-**	**-**	**-**
Balance, April 30, 2013 Attributable to equity shareholders of the parent	**27,212,396**	**5,485,207**	**9,587,398**	**89,286**	**1,582**

Other reserves includes the unrealised movements on available for sale financial assets.

CIC CAPITAL LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended April 30, 2013
(In Canadian Dollars)

	Three months ended April 30, 2013	Three months ended April 30 2012	Year ended January 31, 2013
Operating Activities			
Operating profit	**2,652,285**	76,945	11,894,818
Items not affecting cash:			
Income received in shares not cash	**(3,214,960)**	-	(4,996,860)
Depreciation	**-**	-	-
	(562,675)	76,945	6,897,958
Changes in operating assets and liabilities:			
Account receivables	**1,045,408**	(9,027)	(11,222,400)
Prepaid expenses	**(50,863)**	(4,054)	42,054
Accounts payable and accrued liabilities	**(496.367)**	(86,377)	1,718,067
Cash used in operating activities	**(64,497)**	(22,154)	(2,564,321)
Financing activities			
Proceeds from share issuance	**-**	-	2,102,541
Proceeds from shares to be issued	**-**	-	287,555
Proceeds from share transfer	**-**	-	839,055
Increase in amounts due to related parties	**39,572**	(18,032)	(571,767)
Cash provided by financing activities	**39,572**	(18,032)	2,657,384
Effects of exchange rate change in cash	**(54,300)**	230,954	(9,161)
Decrease / (increase) in cash during the period	**(79,225)**	190,406	83,902
Cash, beginning of the period	**91,510**	7,608	7,608
Cash, end of the period	**12,285**	198,014	91,510

1. GENERAL INFORMATION

CIC Capital is a public company incorporated on June 20, 2003 under the Canada Business Corporations Act and quoted on the AIM market of the London Stock Exchange. The Company subsequently de-listed its shares from trading on the Canadian CNSX as of June 24, 2011 but remains a reporting issuer in Canada.

The Company is a consulting and advisory company, operating primarily in the mining and energy infrastructure sectors. The Company seeks to provide consulting and advisory services to entities operating at various stages of resource development, and the exclusive right to control the public listing process of any client company if the client company is an unlisted company. The Company principally seek equity interests in client companies in return for its services.

This financial information has been prepared in accordance with IAS 34 "Interim financial reporting" by the International Accounting Standards Board ("IASB").

The standards have been applied consistently. The non-statutory financial statements for the year ended January 31 2013, which are available from the Company's website, were prepared under IFRS and IFRIC interpretations as adopted by the EU and IASB. The auditors reported on those accounts and their Audit Report was unqualified with an emphasis of matter. For the year to January 31 2014, the financial statements will be prepared under IFRS as prescribed by the IASB, and not as adopted by the EU. There is no significant impact of this change to the audited January 21 2013 accounts.

This Interim Report is unaudited, does not constitute statutory financial statements and has not been reviewed by the Company's auditors. The Interim Report for the three months ended April 30, 2013 was approved by the Directors on October 30, 2013.

The directors consider the going concern basis to be appropriate based on cash flow forecasts and projections and current levels of commitments, cash and cash equivalents.

The comparative period presented is that of the three months ended April 30, 2012. The directors are of the opinion that due to the nature of the group's activities and the events during that period these are the most appropriate comparatives for the current period. The interim financial information is presented in Canadian Dollars (CAD$), unless otherwise stated.

2. SIGNIFICANT ACCOUNTING POLICIES

The interim financial information for the three months ended April 30, 2013 has been prepared on the basis of the accounting policies set out in the most recently published financial statements for the group for the year ended January 31 2013 which are available on the Company's website www.ciccapital.com

The group had the following significant accounting policies as at 31 January 2013:

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Investments / Non-current assets

Non-current assets classified as available for sale are measured at the lower of their carrying amount and fair value less costs to sell. Fair value is the underlying principle and is defined as "the price that would be received to sell an asset in an orderly transaction between market participants at the measurements date", in the guidelines issued by the International Private Equity and Venture Capital valuation board. Fair value is therefore an estimate and, as such, determining fair value requires the use of judgement. The majority of the group's assets are unquoted investments. These are valued with reference to recent reported relevant transactions.

Available for sale investments - valuation

The group reviews the fair value of its unquoted equity instruments at each statement of financial position date. This requires management to make an estimate of the fair value of the unquoted securities in the absence of an active market. Uncertainty also exists due to the early stage of development of certain of the investments.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

When available, the group measures the fair value of an investment using quoted prices in an active market for that investment. A market is regarded as active if the quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on arm's length basis.

If a market for a financial instrument is not active, then the group establishes fair value using a valuation technique. Valuation techniques include using recent arm's lengths transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique makes maximum use of the market inputs, relies as little as possible on estimates specific to the group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The group calibrates valuations techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (ie without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from the valuation model is subsequently recognized in other comprehensive income on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

Recoverability of trade receivables

Included within trade receivables of CAD$10,247,138 (2012: nil) are amounts in respect of the sales of equities. The directors have reviewed the likelihood of recovery of these receivables, as well as obtaining certain confirmations from these companies, and consider that these balances are recoverable and no provision is required.

Going concern

The non-statutory financial statements have been prepared on the assumption that the group will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. In assessing whether the going concern assumption is appropriate, management takes into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the non-statutory financial statements.

Although the current ongoing economic conditions create uncertainty, the group's forecasts and projections, taking account of reasonable possible changes in trading performance, together with mitigation actions that are within management's control show that the group is expected to be able to operate within the level of its available resources.

The directors are carefully monitoring cash resources across the group and have instigated a number of initiatives to ensure funding will be available for future operations and to reduce debt. Significant working capital has been raised and used to reduce debt.

In undertaking this assessment, the directors have reviewed the underlying ongoing costs of the group undertaking its business and generating ongoing income (and cash) to cover these. The directors have also considered the recovery of a discrete number of key trade receivables, and based on confirmations received from these companies, the directors expect to recover these trade receivables by December 2013.

Additionally, Stuart Bromley has continued to provide his ongoing support for at least 12 months from the date of approval of these non-statutory financial statements.

Following the review of ongoing performance and cash flows, the directors have a reasonable expectation that the group has adequate resources to continue operational existence for the foreseeable future, subject to the sale of these equity interests. For this reason they continue to adopt the going concern basis in preparing these non-statutory financial statements.

Changes in accounting standards

IFRS 10, 11 and 12 are effective for the year ended 31 January 2014, therefore these standards have been adopted as part of the preparation of the results for the period ended 31 July 2013. The principal changes as a result of these standards arise from IFRS 10, as well as "Investment Entities" (Amendments to IFRS 10, IFRS 12 and IAS 27).

Under IFRS 10, companies are able to consider whether they are classed as an investment entity. An investment entity is an entity that:

(a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;

(b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

(c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

In assessing whether a company meets the definition of an investment entity, the following characteristics must be considered:

(a) it has more than one investment;

(b) it has more than one investor;

(c) it has investors that are not related parties of the entity; and

(d) it has ownership interests in the form of equity or similar interests.

The directors have considered the definition of an investment entity in IFRS 10 as well as the associated application guidance. The stated activity of the Company is to achieve capital appreciation by gaining securities of private and public companies. The directors considered that CIC Capital met the definition of an investment entity on the following basis:

1) It has more than one investment

2) It has more than one investor

3) The investors in CIC are not related parties of CIC

4) The ownership interests in the investments are in the form of equity

Investments held by designated investment entity are measured at fair value through profit or loss in accordance with IAS 39 "Financial Instruments: Recognition and Measurement". This represents a change in accounting policy for the group and requires the previous audited period to restated.

The impact of this change on the consolidated statement and statement of financial position for the year ended 31 January 2013 is detailed below:

Consolidated statement of comprehensive income	**Year ended 31 January 2013 (as per previous accounting policy)**	**Year ended 31 January 2013 (as per new accounting policy)**	**Adjustment**
	CAD$	CAD$	**CAD$**
Revenue	**15,143,814**	15,143,814	**-**

Administrative costs	**1,407,155**	1,407,155	-
Operating profit	**13,736,659**	13,736,659	-
Gain on investments at fair value through profit or loss	-	36,657,759	**36,657,759**
Profit before taxation	**13,736,659**	50,394,418	**36,657,759**
Income tax	**1,841,841**	11,006,281	**9,164,440**
Net profit for the year	**11,894,818**	39,388,137	**27,493,319**
Other comprehensive income			
Changes in fair value of available for sale investments (net of tax)	**27,493,319**	-	**(27,493,319)**
Exchange loss on translation of foreign operation	**(10,743)**	(10,743)	-
Other comprehensive income for the year, net of tax	**27,482,576**	(10,743)	**(27,493,319)**
Total comprehensive income attributable to the shareholders	**39,377,394**	39,377,394	--
Basic EPS (CAD$)	**0.078**	0.258	**0.180**
Diluted EPS (CAD$)	**0.049**	0.163	**0.114**

Statement of Financial Position - Consolidated	**Year ended 31 January 2013 (as per previous accounting policy)**	**Year ended 31 January 2013 (as per new accounting policy**	**Adjustment**
	CAD$	CAD$	**CAD$**
Non-current assets			
Available for sale financial assets	**41,650,194**	**-**	**(41,650,194)**
Investments	**-**	**41,650,194**	**41,650,194**
Current assets			
Trade and other receivables	**11,292,546**	**11,292,546**	**-**
Available for sale financial assets	**4,425**	**4,425**	**-**
Cash	**91,540**	**91,540**	**-**
	11,388,481	**11,388,481**	**-**
Total assets	**53,038,675**	**53,038,675**	**-**
Liabilities: amounts due within one year			
Accounts payable and accrued liabilities	**1,961,889**	**1,961,890**	**-**
Income taxes payable	**1,945,407**	**11,109,847**	**9,164,440**
Due to related parties	**505,087**	**505,087**	**-**
	4,412,383	13,576,824	**9,164,440**
Non-current liabilities			
Deferred tax liabilities	**9,164,440**	**-**	**(9,164,440)**
Equity and reserves			
Share Capital	**26,707,310**	**26,707,310**	
Contributed surplus	**5,485,207**	**5,485,207**	
Accumulated deficit	**(20,369,152)**	**7,124,167**	**27,493,319**
Foreign currency translation reserve	**143,586**	**143,586**	
Other reserve	**27,494,901**	**1,582**	**(27,493,319)**
Total equity and liabilities	**53,038,675**	**53,038,675**	**-**

There was no impact of the change in accounting policies on the Consolidated Statement of Cash Flows for the year ended 31 January 2013. There was also no impact of the change in accounting policies on the unaudited interim financial information for the six months period to 30 April 2012, or the audited financial statements for the year to 31 January 2012.

As the Company does not hold any entities that are classified as joint arrangements, there has been no impact in the application of IFRS 11.

Significant accounting judgments, estimates and assumptions

For equity interests held by the Company or options to acquire equity interests in non-public companies, these are classified as Investments and the valuation of these interests is not recorded unless equity has been sold pre-IPO to non-related investors or parties. Actual sales of any equity in these companies is recorded.

Paragraph 27A of IFRS 7 states that the level within the fair value hierarchy at which an investment measured at fair value is categorised, is determined on the basis of the lowest level input that is significant to the measurement of fair value in its entirety. The Company therefore values shares in entities in which it hold equity at the pre-IPO price established by arms-length investors (Level 3 in the established Fair Value hierarchy).

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