Regulatory Story

Go to market news section

Company	CIC Mining Resources Ltd
TIDM	CICR
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CIC Mining Resources Ltd
24 December 2012

CIC Mining Resources Ltd.

("CIC" or the "Company")

Non-statutory final results for the year ended 31 January 2012

CIC Mining Resources Ltd. presents its non-statutory final results for the year ended January 31, 2012.

Financial Highlights

á **Revenue CAD$1,661,077**
á **Net Profit of CAD$324,379**

Operational
CIC focus is to primarily earn equity interests in quality companies as compensation for our services and expertise, which combined with our advisory work has resulted in significant added value to CIC this financial year. Further, we also, for the first time in the CompanyÕs history, took in part payment in cash for services to cover costs and reduce debt, demonstrating flexibility in revenue generation.

The Company earned revenues of CAD$1,661,077 (2011: CAD$446,878) and a pre-tax profit of CAD$324,379 (2011: Loss CAD$2,332,879). Whilst cash at end of year was CAD$7,608, this low cash position is a result of the Company using the cash pre-tax profit to reduce liabilities in December 2011 (just prior to the end of this financial year) and the focus not to take on any further liabilities either by loans or by expenditure. The Directors are carefully monitoring cash resources across the Company and have instigated a number of initiatives to ensure funding will be available for future operations and to reduce debt.

The Company has twenty-seven leading Chinese private enterprises that we have been working with over the past years to get into shape for a public listing either in North America or Europe. Some of these companies have large cash reserves and specific industry expertise that make them ideal to merge with similar enterprises outside China. The first of the mergers was between Japanese enterprises in Africa in respect of gold mining and the second was in the energy sector.

The Company has excellent work in progress and earned equity in these two enterprises. From this focus we see the company for the first time earn a profit (2012: CAD$324,379 compared to 2011: CAD$2,332,879 loss) and reduce debt. For the next financial year we aim to reduce our liabilities considerably. In the future as we demonstrated in this financial year, we will operate from our revenues and build a cash reserve position. In the next financial year, all loans are expected to be converted to shares in the Company at the current trading price.

Until investments are realised or publicly quoted, we do not include private equity holding valuations in our assets this financial year but strong interest in pre IPO subscriptions of those entities has delivered additional cash to the Company. Significant revenues are expected to continue in the next financial year as we plan to see IPOÕs materialise and valuations of our equity interests become definable.

The Company just prior to the financial year listed on the AIM Market of the London Stock Exchange and subsequently delisted from the Canadian Stock Exchange but retains its public issuer status in Canada. This dual compliance will ensure strong corporate governance, disclosure and risk management. The Company is looking to strengthen the Board.

CIC also invested internally with new corporate offices in prestigious St Regis Commercial Center in Beijing, China, expanded the resources for the staff who have remained with the company since 2004. CIC operating costs are extremely low for the size of operations allowing for possible future income focused on generating high returns for shareholders.

Stuart Bromley
Chairman
11 December 2012

Enquiries

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CIC MINING RESOURCES LTD.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended January 31, 2012

(In Canadian Dollars)

	Note	Year ended to 31 January, 2012	Year ended to 31 January, 2011
Revenue			

Consulting and advisory services		1,661,077	446,878
General and administrative costs			
Depreciation		9,223	9,221
Bank charges and interest on outstanding taxes		10,385	180,426
Consulting fees		210,878	-
Filing fees and transfer agent		54,315	28,716
Director fees		121,005	5,000
Management fees		-	338,011
Meals and entertainment		-	2,631
Office and administration		100,713	108,429
Professional fees		194,949	210,572
Rent/Office		456,314	284,630
Salaries		123,836	160,250
Stock based compensation		-	285,130
AIM listing expenses		-	1,076,669
Travel and promotion		55,080	75,743
Total general and administrative costs		1,336,698	2,765,428
Profit (Loss) before other items		324,379	(2,318,550)
Other income (expense)			
Gain (loss) on sale on assets available for sale		-	(14,329)
Profit (Loss) before income taxes		324,379	(2,332,879)
Income tax	3	-	14,296
Net Profit for the year		324,379	(2,347,175)
Other comprehensive income / (loss) Ð foreign exchange translation		202,689	(97,838)
Total Comprehensive Income attributable to the shareholders		527,068	(2,445,013)
Basic earnings / (loss) per share		0.002	(0.02)
Diluted earnings / (loss) per shares	4	0.002	(0.02)
Weighted average number of shares outstanding		152,451,777	153,600,803

CIC MINING RESOURCES LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at January 31, 2012 (In Canadian Dollars)

	Note	Year ended to 31 January, 2012	Year ended to 31 January, 2011
ASSETS			
Current assets			
Cash		7,608	4,851
Amounts receivable		20,406	31,722
Available for sale financial assets		2,652	2,652

Prepaid expenses and deposits	91,795	56,652
	122,461	95,877
Property and equipment	**41**	9,246
TOTAL ASSETS	**122,502**	**105,123**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**1,799,476**	2,077,707
Income taxes payable	**103,307**	98,440
Due to related parties	**1,076,853**	907,800
	2,979,636	3,083,947
Shareholder's equity		
Share capital	**24,592,434**	24,592,434
Contributed surplus	**4,646,153**	4,646,153
	29,238,587	29,238,587
Accumulated deficit	**(32,251,631)**	(32,576,010)
Foreign currency translation reserve	**154,328**	357,017
Other reserve	**1,582**	1,582
	(32,095,721)	(32,217,411)
	(2,857,138)	(2,978,824)
TOTAL EQUITY AND LIABILITIES	**122,502**	**105,123**

CIC MINING RESOURCES LTD.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended January 31, 2012
(In Canadian Dollars)

	Amount	Contributed Surplus	Accumulated Deficit	Foreign Currency Translation Reserve	Other Reserve
Balance, January 31, 2010	27,491,066	1,457,391	(30,228,835)	260,304	9,134
Issued for cash					
Pursuant to private placement	17,500	-	-	-	-
Share subscription receivable	(12,500)	-	-	-	-
Top up of January 31, 2010 private placement	-	-	-	-	-
Cancellation of shares in escrow	(2,903,632)	2,903,632	-	-	-
Stock based compensation	-	285,130			
Net loss for the year	-	-	(2,347,175)	-	-
Foreign exchange translation	-	-	-	96,713	-
Reversal of unrealised gain on securities disposal	-	-	-	-	(8,677)
Unrealised gain on available for sale financial assets	-	-	-	-	1,125

Balance, January 31, 2011	24,592,434	4,646,153	(32,576,010)	357,017	1,582
Net profit for the year	-	-	324,379	-	-
Foreign exchange translation	-	-	-	(202,689)	-
Balance, January 31, 2012	**24,592,434**	**4,646,153**	**(32,251,631)**	**154,328**	**1,582**

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

CIC MINING RESOURCES LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended January 31, 2012

(In Canadian Dollars)

	Note	Year ended to 31 January, 2012	Year ended to 31 January, 2011
Operating activities			
Net profit (loss) for the year		**324,379**	(2,347,175)
Items not affecting cash:			
Service revenue compensated in shares		-	(210,496)
Depreciation		**9,223**	9,221
Loss (gain) from disposal of available for sale financial assets		-	14,329
Stock based compensation		-	285,130
		333,602	(2,248,991)
Changes in operating assets and liabilities:			
Amounts receivable		**11,316**	(16,181)
Prepaid expenses		**(35,143)**	67,833
Income tax payable		-	11,881
Accounts payable and accrued liabilities		**(476,071)**	1,276,440
Cash provided by (used in) operating activities		**(166,296)**	(909,018)
Financing activities			
Proceeds from share issuance		-	5,000
Increase in amounts due to related parties		**169,053**	662,839
Cash provided by financing activities		-	667,839
Investing activity			
Proceeds from disposal of available for sale financial assets		-	200,750
Cash provided by investing activities		-	200,750
Increase (decrease) in cash during the year		**2,757**	(40,429)
Cash, beginning of the year		**4,851**	45,280
Cash, end of the year		**7,608**	4,851

Notes to the Non-Statutory Final results

1. GENERAL INFORMATION

CIC Mining Resources Ltd. (the ÒCompanyÓ) is a public company incorporated on June 20, 2003 under the Canada Business Corporations Act listed 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, 2011but remains a reporting issuer in Canada.

The financial information set out above does not constitute the Company's statutory or non-statutory financial statements for the year ended 31 January 2012, but is derived from those non-statutory financial statements. The Auditors have reported on those non-statutory financial statements; their reports were unqualified but contained an emphasis of matter relating to the non-statutory financial statements having been prepared on the assumption that the Group will continue as a going concern as set out in note 2 below.

The Auditor's report for the year ended 31 January 2012 contains the following paragraph:

ÒEmphasis of matter Ð Going Concern

In forming our opinion, which is not modified, we have considered the adequacy of the disclosure made in note 2.3 regarding the GroupÕs ability to continue as a going concern. The future operations of the Group are dependent on the sale of equity interests to cover both working capital and meeting its liabilities as they fall due. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the GroupÕs ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group were not to continue as a going concern.Ó

Copies of the non-statutory Annual Report and Accounts may be downloaded from the CompanyÕs website at http://www.cicresources.com/companyreports.html

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.

The non-statutory financial information is presented in Canadian Dollars (CAD$), unless otherwise stated.

The accounting policies adopted are consistent with those of the previous financial periods except for:

(a) Adoption of IFRS
Previously the Company and its subsidiaries prepared the financial statements in accordance with Canadian GAAP. The Group elected to publish its first consolidated financial statements to January 31, 2012 under IFRS as adopted by the EU with its transition date to IFRS being February 1, 2010.

(b) Introduction to IFRS Ð First time adoption
The rules for first time adoption of IFRS are set out in IFRS 1, First-Time Adoption of International Financial Reporting Standards. In general, selected accounting policies must be applied retrospectively in determining the opening balance sheet under IFRS. However, IFRS 1 allows a number of exemptions to this general principle, being:

Business combinations, prior to 1 February 2011 have not been restated to comply with IFRS 3 ÒBusiness CombinationsÓ;

IFRS 2 ÒShare-based PaymentsÓ has not been applied retrospectively to those options that had not vested by 1 February 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated non-statutoryfinancial statements incorporate the results of the Company and its subsidiaries China CIC Mining Resources Ltd. Beijing Representative Office or CIC Beijing (ÒCICMRÓ), and Top Ten Mining Investment Limited (ÒTop TenÓ) collectively (the ÒGroupÓ).

Prior to the January 31, 2008 fiscal year, these two subsidiaries were considered inactive and all transactions related to the CompanyÕs PRC operations were recorded directly by CIC Mining Resources Ltd. in its own accounts. Effective February 1, 2008 the Company used these subsidiaries to conduct the majority of its operations in PRC and they became active. Accordingly, the assets, obligations and operations of these subsidiaries were consolidated with those of the Company from that date forward. All significant inter-company transactions and balances have been eliminated upon consolidation.

The financial statements of the subsidiaries are prepared for the same reporting year as the parent company using consistent accounting policies. Control is achieved where the Group has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. Control is lost where the Group no longer has the power to govern and financial operating policies of an entity so as to obtain benefits from the activity.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full on consolidation. Unrealised losses are also eliminated when the transaction provides evidence of an impairment of the asset transferred.

No non-controlling interests exist as the subsidiaries are entirely owned by the parent company.

Acquisitions of subsidiaries and equity in businesses are accounted for using the purchase method. The acquirerÕs identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under ÔIFRS 3 Business CombinationsÕ are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 ÔNon-current Assets Held for Sale and Discontinued OperationsÕ, which are recognised and measured at fair value less costs to sell.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquisition either at fair value or at the non-controlling interestÕs proportionate share of the acquirerÕs net assets.

The excess of the cost of acquisition over the fair value of the GroupÕs share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the statement of comprehensive income.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

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 GroupÕs forecasts and projections, taking account of reasonable possible changes in trading performance, together with mitigation actions that are within managementÕs control show that the Group is expected to be able to operate within the level and covenant conditions of its debt facilities.

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. As described in Subsequent Events Item 19 significant working capital has been raised and earned in fiscal year ending December 31, 2012 (fiscal year changed to December 31, 2012 from January 31, 2013).

In undertaking this assessment, the Directors have reviewed two key areas:

á The underlying ongoing costs of the Group undertaking its business and generating ongoing income (and cash) to cover these.

á The settlement of current credit balances with a number of suppliers, which the Group has assessed to be repaid from the proceeds expected from a key transaction which is due to arise shortly. Based on conversations with creditors, the Directors consider that the creditors are prepared to defer payment until the key transaction takes place, although there is no certainty this would be the case.

The Company holds equity in the following private companies:

Equity interests held in CIC Fuels (Emulsion Japan)

The Company sold pre IPO 10,000,000 shares at 30 pence per share. A part of the subscription paid to date with the balance due at IPO of CIC Fuels which is expected in May 2013. The balance of proceeds is GBP2,700,000. Included in the pre IPO transaction are 10,000,000 warrants at 30 pence exercisable 24 months after date of IPO. The total proceeds of this transaction is expected to be GBP3,000,000.

Equity interests held in CIC Gold

The Company sold pre IPO 16,840,000 shares at 30 pence per share. A part of the subscription paid to date with the balance due at IPO of CIC Gold which is expected in May 2013. The balance of proceeds is GBP4,663,055. Included in the pre IPO transaction are 11,840,000 warrants also 30 pence exercisable 24 months after date of IPO at 30 pence. The total proceeds of this transaction is expected to be GBP3,552,000.

Furthermore, the Chinese high net worth person Mr. Hao Quan has continued to provide his ongoing support for at least 12 months from the date of signing these non-statutory financial statements.

Following the review of ongoing performance and cashflows, in particular taking into consideration the points above along with our expectations of being able to delay payments to creditors and after making due enquiries, 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.

3. TAXATION

	Year ended 31 January 2012 CAD$	Year ended 31 January 2011 CAD$
Total tax charge	-	-
Factors affecting tax charge:		
Profit / (loss) before tax	324,379	(2,332,879)
Tax on profit / (loss) at standard rate (15%)	48,656	(349,932)
Losses (utilised) / not utilised	(48,656)	349,932

The directors are of the opinion that the probability of the Group generating sufficient profit in the next 12 months to utilise an accumulative tax loss as at January 31, 2011 of CAD$7,117,000 is unlikely.

The Company is a Canadian Federal Corporation subject to a corporate tax rate of 15% (at January 1, 2012).

4. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the period:

Profit attributable to equity holders of the Group: CAD$324,379 (2011: CAD$2,332,879)

Weighted average number of ordinary shares in issue: 152,451,777 (2011: 153,600,803)

Basic earnings per share: CAD$0.002 (2011: CAD$(0.02))

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has two categories of dilutive potential ordinary shares: share options and warrants. Where the Group makes a loss attributable to the equity holders of the Group, the warrants and share options are anti-dilutive and these contingently issuable shares are not included in the calculation.

	2012	**2011**
Profit / (loss) attributable to the equity holders of the Group	CAD$324,379	CAD$(2,332,879)
Weighted average number of ordinary shares in issue:	152,451,777	153,600,803
Adjustments for:		
Share Options	14,150,000	-
Warrants	350,000	-
	166,951,777	153,600,803
Diluted earnings per share (CAD$)	0.002	(0.02)

		2012		2011
Held for sale (i)	$	7,608	$	4,851
Loans and receivables (ii)		20,406		31,722
Other financial liabilities (iii)		2,676,238		2,985,507
Available for sale (iv)		2,652		2,652

(c) Market risks

Market risk is the risk to the Company that the fair value or future cash flows of financial instruments will fluctuate due to changes in interest rates and foreign currency exchange rates. Market risk arises as a result of the Company generating revenues and incurring expenses in foreign currencies, holding cash and cash equivalents which earn interest, and having operations based in countries using currencies other than the Canadian dollar.

(d) Capital management

The groupÕs objectives when managing capital are to safeguard the groupÕs ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

(e) Interest Rate Risk

The Company does not currently have financial instruments that expose the Company to interest rate risk.

(f) Foreign Exchange Risk

The CompanyÕs financial instruments are substantially all denominated in Chinese RMB and the Canadian dollar. Fluctuations in the exchange rates between the RMB and Canadian dollar could have a material effect on the CompanyÕs business and on the reported amounts of various financial instruments. The Company does not utilize any financial instruments or cash management policies to mitigate the risks arising from changes in foreign currency rates.

At January 31, 2012, approximately 78% of the CompanyÕs net liabilities are denominated in Chinese RMB and are exposed to foreign exchange risk.

(g) Fair value

Fair value is used as a certainty of the market value of an asset (or liability) for which a market price can be determined (usually because there is no established market for the asset). Fair value is the amount at which the asset could be bought or sold in a current transaction between willing parties, or transferred to an equivalent party, other than in a liquidation sale. This is used for assets whose carrying value is based on mark-to-market valuations.

The CompanyÕs financial instruments consist of cash, available for sale financial assets, accounts payable, and amounts due to related parties. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. The available for sale financial assets are carried at fair values based on quoted market prices.

Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 Ð Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 Ð Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 Ð Inputs that are not based on observable market date.

The following table sets forth the CompanyÕs financial assets measured at fair value by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total 2012
Cash & cash equivalents	7,608	-	-	7,608
Available for sale financial assets	2,652	-	-	2,652
	10,260	-	-	10,260

5. RELATED PARTY TRANSACTIONS

Loans to Directors

The Group has provided its directors with short term loans at rates comparable to the average commercial rate of interest.

At the year end amounts outstanding are:

	31 January 2012 CAD$	31 January 2011 CAD$
Loans to directors	20,405*	31,722

* Cash advance to Stuart J. Bromley against travel and other expenditures.

Loans from Directors

Stuart J. Bromley Executive Director provided the Group with short-term non-interest bearing loans in previous fiscal year. In the current fiscal year no loans to the Company was made by Directors.
At the year-end amounts payable are:

	31 January 2012 CAD$	31 January 2011 CAD$
Loans from directors	1,076,853	907,800

Directors transactions

Stuart J. Bromley historically charged CAD25,000 per month management fee to the company. This current fiscal year management charges were not charged.

Stuart J. Bromley received RMB10,000 per month (approximately GBP1,000) in China to comply with business visa compliance,

During the year each of the Directors earned GBP 25,000 pear year.

6. SUBSEQUENT EVENTS

a) CIC Gold Limited ("CICG")

CICM holds a 43% interest in CICG which is a non-publicly listed entity as at 31 January 2012.

CIC Gold Limited is a newly established precious metals company focused initially on gold mineral assets. CICG was established by CIC Mining Resources Ltd and its Chinese precious metals miner shareholders to establish a specific publicly traded Precious Metals Company.

CICGÕs focus is on mineral property assets where medium to large gold oxide mining may be conducted in the short term, mineral property assets that the directors consider to be undervalued or have strong fundamentals and attractive growth prospects, and de-risk those assets by way of exploration or mining. At present it has two assets, one in China and the other in Eastern Congo further details of which are below.

CICG has in its shareholder base certain of China's oxide and hard rock gold miners whom will be conducting the initial mining and processing. CICG and its Directors intend to utilise their collective prior experience and informal network of contacts in the mining sectors to grow the mineral property asset portfolio. The mineral assets include an indirect 48% interest in two properties adjacent to Lixian Gold Deposit, Gansu China, Jin Ce gold project Guizhou Province, China located next to Eldorado Gold mine (formally Sino Gold and China 2nd largest operating gold mine). In addition CICG holds 48% of CIC Congo which owns certain mineral leases in Eastern Congo located adjacent to Banro Corp. All CICG leases have full mining licenses.

The Group equity sale transaction
After the 31 January 2012, the Group facilitated a pre IPO of CICG sale of part of the equity held (Ò CICG transactionÕ).

Balfour Transaction (December 2011)
The Transaction was for a total consideration of US$3,000,000. An initial payment of US$300,000 was made in December 2011 on agreement with the balance of the purchase price (US$2.7 million approximately £1.7 million) to be paid after the IPO of CICG. The CICG shares were issued in March 2012.

Miyazawa Transaction
The Transaction was for a total consideration of US$3,000,000. An initial payment of US$126,000 on agreement with the balance of the purchase price (US$2.7 million approximately £1.7 million) to be paid after the IPO of CICG. The lower initial payment in respect to Balfour transaction was due to the fact that Miyazawa is contributing significant costs to the gold leases in Eastern Congo. US$63,000 was received in November 2011 and US$63,000 received in April 2012. The CICG shares were issued in March 2012.

Subject to market conditions, the directors of the Company are making every effort to progress the IPO of CICG. The Company has not included future payments in the accounts as the outcome of a successful IPO is uncertain.

b) CIC Fuels Limited ("CICF")

The Company holds a 31.5% interest in CICF focuses worlds leading alternative heavy oil technology company. CICF technologies allow up to fifty (50%) percent water to be molecularly bonded with heavy oil without the loss of calorific value (energy loss) whilst reducing CO_2 gases by up to 75% and No_x gasses to 0.4%.

A pilot operation has commenced in Fukuoka Japan located in heavy industry multiple boiler operation and has, to date, demonstrated significant fuel cost savings.

The Group equity sale transaction
The Group facilitated a pre IPO of CICF sale of part of the equity held (Ò CICF transactionÓ).

Balfour Transaction (May 2011)
The Transaction was for a total consideration of US$1,500,000. Payment of US$150,000 in May 2012 on agreement with the balance of the purchase price (US$1.35) to be paid after the IPO of CICF.

c) Bonus Dividend

The Company issued a Special Series B Class Non-Voting shares (the ÔB SharesÕ) to all registered shareholders as a bonus dividend to encourage all non registered shareholder to become a shareholder of record. The number of B Shares that registered shareholders shall be entitled to shall be the equivalent to 4 percent of their shareholding at the Record Date, being 30 July 2012.

The B Shares will not be admitted to trading on AIM and will be non-voting. The B Shares will however have the right to convert into common ordinary shares at an equivalent price of one B Share for one common ordinary share at which point application for the converted shares to be admitted to trading on AIM shall be made.

Stuart J. Bromley, CEO, and Mr. Hao Quan, a substantial shareholder, have elected not to receive their dividend entitlement in respect to their combined shareholding 147,127,470.

d) Benxi Shares

The Company has been providing advisory services since 2005 to Benxi Steel Group whose main shareholder is Mr. Hao Quan. Benxi conducted a placement in the Company in 2005 and the Company held the placement shares namely 33,000,000 as security against service provided.

The Company received approval to sell the 33,000,000 shares in the Company in respect of those services to a syndicate of sophisticated investors at current trading price raising GBP800,000. The transaction will enable further reduction in debt, reduce major shareholders interests and increase free float common stock.

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