Regulatory Story

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CIC Capital Ltd
31 July 2013

CIC CAPITAL LTD.

(formerly CIC Mining Resources Ltd.)

("CIC" or the "Company")

AUDITED FINANCIAL STATEMENTS YEAR ENDED 31 JANUARY 2013

CIC (AIM: CICC), the consulting and advisory firm operating primarily in the mining and energy infrastructure sectors, is pleased to announce the Audited Financial Statements for the year ended 31 January 2013.

Financial Highlights

Revenue CAD$15,143,814

Net Profit of CAD$11,894,818

In last year's statement to shareholders the Company stated three key goals for the year:

1) long term historical debt reduction;
2) increase our cash position by selling equities we hold interests in; and
3) maintain our work in progress for future revenue generation.

We delivered on all three. Our historical debt has been significantly reduced from CAD$2,058,399 to CAD$862,332 and the Company did not incur new debt. The value of the Company's investments increased significantly from CAD$2,652 to CAD$41,654,619. The Company raised CAD$2,102,541 of cash from private placements.

This next fiscal year our objective is to further increase its cash position and grow equity values by providing the support and services to CIC Gold Limited, CIC Fuels Limited and Sino Reserves Limited to facilitate them going public on a prescribed exchange.

On 31 May 2013 the Company changed its name to CIC Capital Ltd.

The Board's approach has resulted in significant added value to the Company this financial year and along with our work in progress firming up equity values in other companies that we hope will deliver significant growth and returns for our shareholders. The Company holds minority interest in its investments and does not control their boards or directors.

The Company is also in the process of establishing company structures in specific market segments like CIC Gold that allow for "bolt on acquisitions". Our aim is to increase the value of the companies in which we hold equity interests. If made, acquisitions will be acquired for services not shares in our Company.

The growth in our asset value is significant from CAD$122,502 to CAD$53,038,675. The benchmark for asset growth that the Board is going to measure the Company's performance in future is the annual growth rate of the S&P (YE 2012: 16.61%). We surpassed this by some margin last year.

The Company earned revenues of CAD$15,143,814 (2012: CAD$1,661,077), CAD$4,996,860 of which was received in shares. Of the remaining revenue earned in 2013, a further CAD$9,117,287of this is receivable on or before 31 December 2013. Pre-tax profit of CAD$13,736,659 (2012: CAD$324,379). Cash at end of year was CAD$91,510 (2012: CAD$7,608).

The Company earned a profit of CAD$11,894,818 (2012: CAD$324,379) and significantly reduced historical debt. For the next financial year we aim to have no liabilities with some key operating expenditure pre-paid.

The audit report contains an emphasis of matter relating to going concern and the valuation of the Company's assets, the text of the audit report is reproduced in full in note 18 of this announcement.

I would like to take this opportunity to thank the employees and shareholders for their continued support and belief in the Board strategies for the Company direction.

Stuart J. Bromley
Chairman/founder CIC Capital Ltd.

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CIC CAPITAL LTD.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended January 31, 2013

(In Canadian Dollars "CAD")

	Note	2013	2012
Revenue			
Consulting and advisory services	3	**15,143,814**	1,661,077
Administrative costs	4	**1,407,155**	1,336,698
Profit before income taxes		**13,736,659**	324,379
Income tax	7	**1,841,841**	---
Net Profit for the year attributable to shareholders		**11,894,818**	324,379
Other comprehensive income			
Changes in fair value of available for sale investments (net of tax)		**27,493,319**	-
Foreign exchange translation (loss) / gain		**(10,743)**	202,689
Other comprehensive income for the year, net of tax		**27,482,576**	202,689

Total Comprehensive Income attributable to the shareholders		**39,377,394**	527,068
Basic earnings per share	14	**0.078**	0.002
Diluted earnings per share	14	**0.049**	0.002
Weighted average number of shares outstanding		**152,544,908**	152,451,777

The notes to the non-statutory financial statements form an integral part of these non-statutory financial statements

CIC CAPITAL LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at January 31, 2013 (In Canadian Dollars "CAD")

	Note	2013	2012
ASSETS			
Non-current assets			
Available for sale financial assets	8	**41,650,194**	-
Property and equipment		**-**	41
		41,650,194	41
Current assets			
Trade and other receivables	9	**11,292,546**	112,201
Available for sale financial assets	8	**4,425**	2,652
Cash		**91,510**	7,608
		11,388,481	122,461
TOTAL ASSETS		**53,038,675**	122,502
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	11	**1,961,889**	1,799,476
Income taxes payable		**1,945,407**	103,307
Due to related parties	16	**505,087**	1,076,853
		4,412,383	2,979,636
Non-current liabilities			
Deferred tax liabilities	7	**9,164,440**	-
		9,164,440	-
Share capital	13	**26,707,310**	24,592,434
Contributed surplus	13	**5,485,207**	4,646,153
		32,192,517	29,238,587
Accumulated deficit		**(20,369,152)**	(32,251,631)
Foreign currency translation reserve		**143,586**	154,328
Other reserve		**27,494,901**	1,582
		7,269,335	(32,095,721)
		-	
TOTAL EQUITY AND LIABILITIES		**53,038,675**	122,502

The non-statutory financial statements were approved by the board and authorised for issue on July 31 2013 and signed on its behalf by:

Stuart J. Bromley
Director

The notes to the non-statutory financial statements form an integral part of these non-statutory financial statements

CIC CAPITAL LTD.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended January 31, 2013
(In Canadian Dollars "CAD")

	Share Capital	Contributed Surplus	Accumulated Deficit	Foreign Currency Translation Reserve	Other Reserve
Balance, January 31, 2011	24,592,434	4,646,153	(32,576,010)	357,017	1,582
Net profit for the year	-	-	324,379	-	-
Other comprehensive income:					
Foreign exchange translation	-	-	-	(202,689)	-
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 year	-	-	11,894,818	-	-
Other comprehensive income:					
Foreign exchange translation	-	-	-	(10,742)	-
Changes in fair value of available for sale investment net of taxes					27,493,319
Total Comprehensive Income	-	-	-	-	-
Transactions 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	**26,707,310**	**5,485,207**	**(20,369,152)**	**143,586**	**27,494,901**

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

CIC CAPITAL LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended January 31, 2013

(In Canadian Dollars)

	Note	2013	2012
Operating activities			
Net profit for the year		**11,894,818**	324,379
Items not affecting cash:			
Income received in shares not cash		**(4,996,860)**	-
Depreciation		**-**	9,223
		6,897,958	333,602
Changes in operating assets and liabilities:			
Amounts receivable		**(11,222,400)**	11,316
Prepaid expenses		**42,054**	(35,143)

Accounts payable and accrued liabilities	**1,718,067**	(476,071)
Cash used in operating activities	**(2,564,321)**	(166,296)
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	**(571,767)**	169,053
Cash provided by financing activities	**2,657,384**	169,053
Effects of exchange rate change in cash	**(9,161)**	-
Increase in cash during the year	**83,902**	2,757
Cash, beginning of the year	**7,608**	4,851
Cash, end of the year	**91,510**	7,608

1. GENERAL INFORMATION

CIC Capital Ltd. (the "Company") 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, 2011 but remains a reporting issuer in British Columbia, Alberta and Ontario, Canada. The Company is subject to a cease trade order to Canadian residents and citizens.

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.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The principal accounting policies adopted by the Group in the preparation of the non-statutory financial statements are set out below.

The non-statutory Consolidated financial statements have been presented in Canadian Dollars (CAD$) as this is the functional currency of the Company while the functional currency of the subsidiaries is Chinese Renminbi (RMB).

The non-statutory Consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, including interpretations made by the International Financial Reporting Interpretations Committee (IFRIC) issued by the International Accounting Standards Board (IASB) - together "IFRS".

The company has adopted all relevant standards effective for accounting periods beginning on or after 1 February 2012. At the date of authorisation of these non-statutory financial statements, the following standards and interpretations were issued but not yet effective.

IAS 19 Amendment - Employee Benefits
IFRS 7 and IAS 32 Offsetting financial assets and financial liabilities
IAS 27 Separate Financial Statements
IAS 28 Investments in Associates and Joint Ventures
IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities
IFRS 13 Fair Value Measurement

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
IFRS 1 Amendments - Government Loans
Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)
IFRS 9 Financial Instruments
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
IFRIC 21 Levies
IAS 36 Amendments Recoverable Amount Disclosures for non-Financial Assets
Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

Numerous other minor amendments to statements have been made as a result of the IASB's annual improvement project. The preparation of financial statements in conformity with IFRSs accounting principles requires the use of estimates and assumptions that affect the reported amount of assets and liabilities at the date of the non-statutory financial statements and the reported amount of expenses during the reporting period. Although these estimates are based on a manager's best knowledge of the amount, events or clients, actual results may differ from those estimates.

The directors do not anticipate that the adoption of these standards will have a material impact on the financial statement in the year of initial application.

2.2 *Basis of consolidation*

The consolidated non-statutory financial statements incorporate the results of the Company and its subsidiaries CIC Beijing Ltd ("CICMR"), and Top Ten Mining Investment Limited ("Top Ten") collectively (the "Group").

Prior to the January 31, 2008 fiscal year, these two subsidiaries were considered inactive and all transactions related to the Company's PRC operations were recorded directly by CIC Capital 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 non-statutory 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 acquirer's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under 'IFRS 3 Business Combinations' 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 'Non-current Assets Held for Sale and Discontinued Operations', 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 acquire either at fair value or at the non-controlling interest's proportionate share of the acquirer's net assets.

The excess of the cost of acquisition over the fair value of the Group's 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 non-statutory financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

In accordance with IAS 28 "Investments in Associates", associates are not included in the consolidated financial statements when held by venture capital organisations. This exemption is conditional on the investments being designated at fair value through profit and loss or being classified as available for sale upon initial recognition.

The characteristics of these investments are:

1) Investments are held for the short to medium term rather than for the long term;
2) The most appropriate point for exit is actively monitored; and
3) Investments form part of a portfolio that is monitored and managed without distinguishing between investments that qualify as associates or joint ventures and those that do not

2.3 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. As described in note 8 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.

Further information relating to the transactions listed above can be found in note 8.

2.4 Significant accounting judgments, estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial period are discussed below:

Available for sale investments - initial presentation

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

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. The fair value of the available for sale investments at 31 January 2013 is detailed in note 8.

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, note 8, 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 (i.e 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$11,216,420 (2012: nil) are amounts in respect of the sales of equities as detailed in note 8. 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.

2.5 *The Company's investments in subsidiaries*

In its separate non-statutory financial statements the Company recognises its investments in subsidiaries at cost, less any impairment for permanent diminution in value.

2.6 *Foreign exchange*

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian Dollars at the rates of exchange ruling at the reporting date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the profit and loss.

For the purpose of presenting non-statutory financial statements, the assets and liabilities of the Group's foreign operations are expressed in Canadian Dollars using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences arising, if any, are classified as equity and recognised in the Group's foreign currency translation reserve.

Such exchange differences are recognised in profit or loss in the year in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.7 *Financing costs and interest income*

Financing costs comprise interest payable on borrowings and finance lease payments and interest income which is calculated using the effective interest rate method. All borrowing costs are charged to the income statement as expense in the period in which they are incurred.

2.8 *Impairment of financial assets*

At each balance sheet date, an assessment is made whether there is objective evidence that an available-for-sale equity instrument is impaired. A significant or prolonged decline in the fair value of the security below its cost is considered objective evidence of impairment.

2.9 *Financial instruments*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis. A financial asset is derecognised when the Group's contractual rights to future cash flows from the financial asset expire or when the Group transfers the contractual rights to future cash flows to a third party. A financial liability is derecognised only when the liability is extinguished.

(a) Investments

Financial assets are classified as either financial assets at fair value through the statement of comprehensive income, loans and receivables, held to maturity investments and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are at fair value plus, in the case of investments not at fair value through the income statement, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end. All regular purchases and sales of financial assets are recognised on the trade date being, for example the day that the Group commits to purchase the asset. Regular purchases or sales of financial assets are those that require delivery of assets within the period generally established by regulation or convention in the market place.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the closure of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to current market value of which is substantially the same; discounted cash flow analysis and option pricing models.

(b) Trade and receivables and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in the statement of comprehensive income when there is objective evidence that the asset is impaired.

(c) Cash and cash equivalents

The Group considers all highly liquid investments which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents. At the reporting date management believes that the carrying amount of cash equivalents approximates fair value because of the short maturity of these financial instruments. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less, all of which are available for use by the Group unless otherwise stated. Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at the reporting date.

(d) Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities include trade and other payables and loans. All financial liabilities, except for derivatives, are recognised initially at their fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial liability and subsequently measured at amortised cost, the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

(e) Other financial liabilities

Other financial liabilities, including trade and other payables and loans are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised costs, using the effective interest rate method. Interest-bearing bank loans and overdrafts are recorded at the proceeds received net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis to the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

2.10 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, where it is probable that an outflow of economic benefits will be required to settle the obligations, and a reliable estimate of the amount can be made.

2.11 Share capital

Ordinary shares are without par value. When new shares are issued they are recognised within share capital at their issue price. Proceeds received after the initial issue, in connection with exchanges, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Costs incurred directly to the issue of shares are accounted for as a deduction from share capital, otherwise they are charged to the income statement.

2.12 Taxation

Tax on profit or loss for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

2.13 Share-based payments

The Company operates a share option scheme for granting share options, for the purpose of providing incentives and rewards to eligible employees of the Group. The cost of share options granted is measured by reference to the fair value at the date at which they are granted. It is recognised together with a corresponding increase in equity, over the vesting period. The cumulative expense recognized at each reporting date until the end of the vesting period reflects the extent to which the vesting period has expired and the number of shares that in the opinion of the directors of the Group at that date will ultimately vest.

2.14 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognized as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognized.

2.15 Events after balance sheet date

Post year-end events that provide additional information about the Group's position are reflected in the non-statutory financial statements. Post year-end events that are not adjusting events are disclosed in the notes when material.

2.16 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.

Where the Company holds equity interests in companies as an investment, the company may elect to measure the investments in these associates at fair value through profit and loss. On using this exemption, it is anticipated that the investments are held for short-to medium-term rather than long term; that the most appropriate exit point is actively monitored and that investments form part of a portfolio that is monitored and managed without distinguishing between investments that qualify as associated undertakings and those that do not.

2.17 Employee benefits

(a) Defined contribution plan
Obligations for contributions to any plans are recognised as an expense in the statement of comprehensive income as they are due.

(b) Short-term benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in the statement of comprehensive income as the related service is provided.

(c) Termination benefits
Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic probability of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be measured reliably.

2.18 Available for sale financial 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, as disclosed in note 2.4.

The majority of the Group's assets are unquoted investments. These are valued with reference to recent reported relevant transactions.

2.19 Capital Management Policy

The Group's objectives when managing capital are to safeguard the Group's 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. The capital structure of the group consists of borrowings and equity attributable to equity holders of the Group, comprising issued share capital and reserves.

3. BUSINESS SEGMENTS

For the purpose of IFRS8, the Chief Operating Decision Maker ("CODM") takes the form of the board of Directors, the Directors are of the opinion that the business of the Group comprises a single activity being investments and advice within emerging markets.

The analysis of the Group's turnover, gross profit, assets, liabilities, additions to plant, property and equipment and depreciation and amortisation by the components used by the CODM to make decisions about operating matters are as follows:

	Year ended 31 January 2013 CAD$	Year ended 31 January 2012 CAD$
Revenue	15,143,814	1,661,077
Gross profit	13,736,659	324,379
Carrying amount of assets	53,038,675	122,502
Liabilities	13,576,823	2,979,636

Revenue

Three customers each provided greater than 10% of total revenue in the year:

1) Revenue from one customer amounted to CAD$5,078,653, (2012: CAD$347,845) arising from sales of pre-IPO shares.
2) Revenue from one customer amounted to CAD$4,751,334, (2012: CAD$nil) arising from sales of pre-IPO shares.
3) Revenue from one customer amounted to CAD$4,992,435 (2012: CAD$nil) arising from advisory services paid for in equity in CIC Fuels.

4. PROFIT FROM OPERATIONS

Profit from operations has been arrived at after charging:

	Year ended 31 January 2013 CAD$	Year ended 31 January 2012 CAD$
Auditors remuneration - audit fees	20,000	35,000
Depreciation of fixed assets	-	9,222
Professional Fees	99,254	159,949
Rent	343,482	456,314
Directors fees	396,411	116,005

5. DIRECTORS' REMUNERATION

The remuneration of the directors, who are the key management personnel of the Group and Company, is set out below in aggregate:

	Year ended 31 January 2013 CAD$	Year ended 31 January 2012 CAD$
Short term employee benefits		
Directors' fees	396,411	116,005

The highest paid director received CAD$320,390 (2012: CAD$38,669) during the year.

At the year end the following balances were due to directors in relation to loans:

	Year ended 31 January 2013 CAD$	Year ended 31 January 2012 CAD$
Short term employee benefits		
Directors' fees	505,086	116,005

Per director, this was as follows:

	Year ended 31 January 2013 CAD$	Year ended 31 January 2012 CAD$
Short term employee benefits - directors' fees		
Stuart J. Bromley	314,584	38,669
Hu Ye	38,160	-
Li Hongguang	76,171	38,668

Rob Rhodes	76,171	38,668
	505,086	116,005

6. STAFF COSTS

The Group and Company's staff costs are as follows:

	Year ended 31 January 2013 CAD$	**Year ended 31 January 2012** CAD$
Salaries and wages	116,989	123,836
Social security contribution	-	-
	116,989	123,836

The average number of salaried employees during the period was 9 (2012: 8). The Company uses the services of its executive directors, public officers, staff and consultants to perform their work.

7. TAXATION

	Year ended 31 January 2013 CAD$	**Year ended 31 January 2012** CAD$
Total tax charge	1,841,841	-
Factors affecting tax charge:		
Profit before tax	13,736,659	324,379
Tax on profit at standard rate - 25% (2012 - 26.37%)	3,434,165	85,539
Effects of:		
Losses utilised	(1,739,038)	(81,744)
Other adjustments	146,714	(3,795)
Total tax charge	1,841,841	-

The Company is a Canadian Federal Corporation subject to a corporate tax rate on profits of 15% (at January 1, 2013).

A deferred tax liability of CAD$9,164,440 (2012: nil) has been recognised in respect of timing differences associated with the fair value increase in available for sale investments.

8. AVAILABLE FOR SALE FINANCIAL ASSETS

Current Assets (Level 1 fair value hierarchy IFRS)

Shares, options and warrants ("securities") received as consideration are recognised when the services have been performed or the agreed effort has been expended, pursuant to a contract or agreement, the securities have been received by the Company, and the value of the securities received is measurable by way of the securities being listed on a stock exchange.

The fair value of the listed equity securities are based upon their current bid prices in active markets. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

	Year ended 31 January 2013	**Year ended 31 January 2012**
	CAD$	CAD$
Listed equity securities	4,425	2,652

Shares received for services are:

	No of Shares	**Trading Price CAD$**	**Value CAD$**
Sirius Minerals Plc.	10,000	0.44	4,425
		CAD$	**4,425**

For equity interests held by the Group or options to acquire equity interests in non-public companies, the valuation of those interests is recorded at the lower of cost and fair value less costs to sell. Actual sale of any equity in those companies is recorded. It is anticipated that the Group will in future record valuations based on certainty of value.

Non-Current Assets (Level 3 fair value hierarchy IFRS)

	No of shares	% Holding	Pre IPO Price GBP	Fair Value CAD$
CIC GOLD Limited*	58,160,000	48.46	0.30	27,633,759
CIC Fuels Limited**	29,500,000	48.36	0.30	14,016,435
				41,650,194

The holding period of the Group's non-current assets is on average greater than one year. For this reason these investments are classified as non-current. It is not possible to identify with certainty investments that will be sold within one year.

Unrealised fair value gains (net of deferred tax) of CAD$27,493,319 were recognised in the statement of comprehensive income on the unquoted equity investments using Level 3 inputs.

Level 3 inputs are sensitive to assumptions made when ascertaining fair value as described in the accounting policies.

*** CIC GOLD ("CICG")**

The Company holds a 48.46% (2012: 43.0%) interest in CICG which is a non-publicly listed entity as at 31 January 2013.

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

CICG's 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 Company equity sale transaction

The Company facilitated the sale of part of the equity held ("CICG transaction') as follows:

Balfour Transaction (November 2011)

The Transaction was for a total consideration of US$3,000,000 (CAD$2,992,800). An initial payment of US$300,000 (CAD$299,280) was made in December 2011 on agreement with the balance of the purchase price US$2.7 million (CAD$2,693,520) would be paid within three years of the IPO of these shares. As detailed in note 17, this agreement has been subsequently amended to state that the balance of the purchase price will be paid before 31December 2013. The CICG shares were issued in March 2012.

Jarada Fund (November 2012)
The Transaction was for a total consideration of £1,500,000 (CAD$2,377,500). An initial payment of £150,000 (CAD$237,750) was made in November 2012 on agreement with the balance of the purchase price £1,350,000 (CAD$2,139,750) would be paid within two years of the IPO of these shares. As detailed in note 17, this agreement has been subsequently amended to state that the balance of the purchase price will be paid before December 2013. The CICG shares were issued in March 2012.

Miyazawa Transaction
The Transaction was for a total consideration of £3,000,000 (CAD$4,755,000). An initial payment of US$126,000 (CAD$125,697) on agreement with the balance of the purchase price (£2.7 million approximately CAD$4,279,500) to be paid within two years of the IPO of these shares. 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 (CAD$62,848) was received in November 2011 and US$63,000 (CAD$62,848) 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 before end of the year ending 31 Jan 2015.

**** CIC FUELS LIMITED ("CICF")**

The Company holds a 48.36% (2012: 31.5%) interest in CICF which is a non-publicly listed entity as at 31 January 2013. Additional shares were earned by the Company during the year for provision of advisory services.

CICF focuses on the world's leading alternative heavy oil emulsion fuels technologies. 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 Company equity sale transaction
The Company facilitated a pre IPO of CICF sale of part of the equity held ("CICF transaction").

Balfour Transaction (April 2012)
The Transaction was for a total consideration of £1,500,000 (CAD$2,377,500). An initial payment of £150,000 (CAD$237,750) was made in November 2012on agreement, and the original agreement noted that the balance of £1,350,000 (CAD$2,139,750) would be paid within two years of the IPO of these shares. As detailed in note 17, this agreement has been subsequently amended to state that the balance of the purchase price will be paid before December 2013.

Jarada Fund (October 2012)The Transaction was for a total consideration of £1,500,000 (CAD$2,377,500). An initial payment of £150,000 (CAD$237,750) was made in November 2012 on agreement with the balance of the purchase price £1,350,000 (CAD$2,139,750) would be paid within two years of the IPO of these shares. As detailed in note 17, this agreement has been subsequently amended to state that the balance of the purchase price will be paid before December 2013.

Subject to market conditions, the Directors of the Company are making every effort to progress the IPO of CICF before end of the year ending 31 Jan 2015.

9. TRADE AND OTHER RECEIVABLES

	31 January 2013 CAD$	31 January 2012 CAD$
Trade receivables	11,216,420	-
Amount due from directors*	26,385	20,406
Prepaid expenses**	49,741	91,795
	11,292,546	112,201

* cash advance to directors for travel and other expected expenses
** office and staff accommodation lease deposits (China)

Of the amounts due from directors, no amounts are considered past their due dates and there are no impaired balances.

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	31 January 2013 CAD$	31 January 2012 CAD$
Cash in banks	91,510	7,608
	91,510	7,608

11. TRADE AND OTHER PAYABLES

	31 January 2013 CAD$	31 January 2012 CAD$
Trade and other creditors	1,961,889	1,799,476
Amount due to directors	505,087	1,076,853
Tax payable (China)	103,566	103,307
Tax payable (Canada)	1,841,841	-
	4,412,383	2,979,636

The Company has financial risk management policies in place to ensure that all payables are paid with minimal interest being claimed if any.

Of the trade and other creditors, CAD$862,332 was past due as at 31 January 2013 (2012: CAD$981,546). No other amounts are considered past their due dates and there are no impaired balances.

12. INTEREST BEARING LOANS AND BORROWINGS

	31 January 2013 CAD$	31 January 2012 CAD$
Financial liabilities loans*	-	1,076,853

* Non-interest bearing loan from Stuart J. Bromley

This loan has been settled in the year by way of issue of shares, as detailed in note 13.

13. SHARE CAPITAL

Authorised:

Unlimited common shares without par value.

Issued and allotted shares outstanding:

Ordinary Shares

	Number of shares		Amount
Balance, January 31, 2011	152,451,777	CAD $	24,592,434
Issued for cash			
Pursuant to private placements of shares and units	-		-
Shares issued but unpaid	-		-
Issued for top up of previous private placement	-		-

Cancellation of escrow shares	-		-
Balance, January 31, 2012	152,451,777	CAD $	24,592,434
Issued for cash			
Pursuant to private placements of shares and units	16,500,000		986,717
Issued for Stuart Bromley loan conversion	17,492,650		1,115,820
Balance, January 31, 2013	186,444,427	CAD $	26,694,971

33,992,650 shares were issued in aggregate in year ending January 31, 2013.

Share Issues:

During the year 16.5m ordinary shares were issued to a third party. The gross value received during the year was CAD$1,039,500. The figure shown in the table above is net of transaction costs incurred of CAD$52,783.

Ordinary B Shares

In July 2012, the group issued a series of B Class non-voting shares to all registered shareholders via a dividend. The number of ordinary B shares that registered shareholders were entitled to was equivalent to 4 percent of their shareholding at 30 July 2012.

The ordinary B shares have the right to convert into ordinary shares after one year at the equivalent price of one ordinary B share for one ordinary share at which point application for the converted shares to be admitted to trading on AIM shall be made.

Stuart Bromley, and Hao Quan, each a substantial shareholder, elected not to receive their dividend entitlement in respect of a total of 84,619,999 ordinary shares representing 45.38 per cent of the issued share capital of the Company.

	Number of shares		Amount
Balance, January 31, 2012	-	CAD$	-
Issued via dividend	963,843		12,339
Balance, January 31, 2013	963,843	CAD $	12,339

In order to determine the fair value of these shares, the group hasused the Black-Scholes option pricing model. The inputs into the model were as follows:

	2013
Share price	0.02p
Exercise price	0.02p
Expected volatility	100%
Expected life (yrs.)	1
Risk free rate	2.47%

Other Reserve:

The gains/losses transferred to Other Comprehensive Income of CAD$27,493,319 in 2013 (2012: NIL) shown in "Other" relates to the changes in fair value of available for sale investments.

Escrow:

At January 31, 2013, 18,000,000 common shares were held in escrow (CIC Resources Limited). These escrowed shares are due for cancellation as per escrow agreement.

Warrants:

The following is the summary of the changes in the Company's outstanding warrants at January 31, 2013 and 2012:

	2013		2012	
		Weighted Average Exercise Price		Weighted Average Exercise

	Warrants			Warrants	Price
Balance of warrants at beginning of the period	350,000	CAD$	0.10	35,112,170	CAD$ 0.15
Issued	67,554,820		0.05	-	-
Expired	(350,000)		0.10	(34,762,170)	0.15
Balance of warrants at end of the period	67,554,820	CAD$	0.05	350,000	CAD$ 0.10

At January 31, 2013, the Company had 67,554,820 (January 31, 2012 - 350,000) warrants outstanding. Each warrant entitles the holder thereof the right to purchase one common share for each warrant held as follows:

Expiry date	Exercise price	2013 Number of warrants	2012 Number of warrants
July 14, 2012	-	-	350,000
July 31, 2014	CAD$0.04	33,562,170	
December 31, 2014	CAD$0.06	16,500,000	-
December 31, 2014	CAD$0.06	17,492,650	-
		67,554,820	350,000

Share Purchase Options:

The Company has an equity settled stock option plan which authorises the board of directors to grant incentive stock options to directors, officers and employees. The exercise price and vesting provisions of the options are determined by the board based on the market values of the shares using the closing price on the date prior to date of the grant. The continuity of options outstanding is as follows:

	2013		2012	
	Stock Options	Weighted Average Exercise Price	Stock Options	Weighted Average Exercise Price
Balance, beginning of year	14,150,000	CAD$0.07	15,775,000	CAD$0.32
Granted	-	-	-	-
Expired	(100,000)	0.68		
Expired	(1,600,000)	0.10	(1,625,000)	0.75
Balance, end of year	12,450,000	CAD$0.06	14,150,000	CAD$0.07
Exercisable, end of year	12,450,000		14,150,000	

As at January 31, 2013, there were 12,450,000 employee, director and consultant options outstanding. The weighted average remaining life for outstanding options is 0.68 years, and weighted average exercise price is $0.06.

Expiry date	Weighted average remaining life	Exercise price	Options Outstanding	Options Exercisable
February 7, 2013	0.02	CAD$0.10	1,700,000	1,700,000
September 24, 2013	0.65	CAD$0.10	150,000	150,000
November 15, 2013	0.79	CAD$0.05	10,600,000	10,600,000
	0.68	CAD$0.06	12,450,000	12,450,000

14. 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$11,894,818(2012: CAD$324,379)

Weighted average number of ordinary shares in issue: 152,544,908(2012: 152,451,777)

Basic earnings per share: CAD$0.078 (2012: CAD$0.002)

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 three categories of dilutive potential ordinary shares: shares to be issued post year end, 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.

	2013 CAD$	2012 CAD$
Profit attributable to the equity holders of the Group	11,894,818	324,379
Weighted average number of ordinary shares in issue:	152,544,908	152,451,777
Adjustments for:		
Share issues outstanding at year end	8,558,065	-
Convertible B Shares	963,843	-
Share Options	12,450,000	14,150,000
Warrants	67,554,820	350,000
	242,071,636	166,951,777
Diluted earnings per share (CAD$)	0.049	0.002

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: currency risk, credit risk, liquidity risk and cash flow interest-rate risk. These risks are limited by the Group's financial management policies and practices as described below:

(a) Credit risks

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and amounts receivable. To minimize its credit risk the Company deposits its cash in bank accounts with financial institutions. Transaction costs are expensed as incurred.

Financial assets past due:

At January 31, 2013, the Company did not have any amounts receivable considered doubtful.

The Company reviews financial assets past due on an ongoing basis with the objective of identifying potential matters which could delay the collection of funds at an early stage. Once items are identified as being past due, contact is made with the respective company to determine the reason for the delay in payment and to establish an agreement to rectify the breach of contractual terms. At January 31, 2013, the Company had no provision for doubtful accounts.

(b) Liquidity risks analysis

All of the Group's financial liabilities have contractual maturities of 30 days or are due on demand. The Group does have issues of transferring money directly out of out of China to have sufficient cash to meet past liabilities. The Company in Year Ending January 31, 2013 has generated sufficient cash to meet current liabilities and reducing past debt in previous fiscal years. The Company in next fiscal year will sell in part its equity in companies the Company has interests in to extinguish debt. In the case of outstanding loans, shares in the Company will extinguish the loans.

		2013		2012
Held for sale (i)	CAD$	41,650,194	CAD$	7,608
Loans and receivables (ii)	CAD$	11,292,546	CAD$	20,406

Other financial liabilities (iii)	CAD$	4,412,383	CAD$	2,979,636
Available for sale (iv)	CAD$	4,425	CAD$	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 group's objectives when managing capital are to safeguard the group's 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 Company's 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 Company's 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, 2013, approximately 37% of the Company's 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 Company's 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.

The 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 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - 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 - Inputs that are not based on observable market date.

Unquoted equity instruments and debt instruments are measured in accordance with the International Private Equity and Venture Capital valuation guidelines with reference to the most appropriate information available at the time of measurement.

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

2013	Level 1	Level 2	Level 3	Total 2013
Available for sale financial	4,425	-	41,650,194	41,654,619

assets				
	4,425	-	41,659,194	41,654,619

2012	Level 1	Level 2	Level 3	Total 2012
Available for sale financial assets	2,652	-	-	2,652
	2,652	-	-	2,652

16. RELATED PARTY TRANSACTIONS

Directors' fees

The following amounts were paid to the directors during the year in the form of remuneration:

	31 January 2013 CAD$	31 January 2012 CAD$
Directors' fees	396,411	116,005

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 2013 CAD$	31 January 2012 CAD$
Loans to directors	26,385	20,405*

* 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 2013 CAD$	31 January 2012 CAD$
Loans from directors	505,086	1,076,853

Stuart J. Bromley did not charge management fees in the year ended 31 January 2012 due to debt position of the company. Past fiscal years management fees was CAD$25,000 per month. This fiscal year a salary was applied of CAD$300,000 per year plus RMB10,000 per month (total CAD$20,290 per year) in China to comply with employment and residency permits. Stuart J. Bromley being the only full time Director no Annual Director Fee was earned rather the salary as stated above.

During the year each of the Directors earned GBP 24,000 per year.

17. SUBSEQUENT EVENTS

a) Related Party Fee's which includes Director Fee's totaling CAD$505,086 have been reduced to zero by way of converting to B Class shares non-voting to be released at future date by Board Resolution by independent Directors. The B class shares was awarded at 3 pence per share due to the long outstanding Directors fees where by the share price was at an average of GBP0.0165 pence over the period.

b) In June 2013, Dell Balfour and Jarada have amended their agreements relating to placements of CIC Gold and CIC Fuels shares whereby all final outstanding payments will be paid out on or before 31 December 2013.

18. AUDIT REPORT

We have audited the non-statutory financial statements of CIC Capital Ltd. for the year ended 31 January 2013 which comprise the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and the related notes numbered 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body. 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

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the non-statutory financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the non-statutory financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the non-statutory financial statements

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

In addition, we read all the financial and non-financial information in the Chairman's Statement to identify material inconsistencies with the audited non-statutory financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the non-statutory financial statements

In our opinion the non-statutory financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 January 2013 and of its profit for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union.

Emphases of matter - Going Concern & Valuation of Assets

In forming our opinion, which is not modified, we have considered the adequacy of the disclosure made in:

- note 2.3 regarding the Group's ability to continue as a going concern. The future operations of the Group are dependent on the receipt of funds from 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 Group's ability to continue as a going concern. The non-statutory financial statements do not include the adjustments that would result if the Group were not to continue as a going concern

- note 8 to the financial statements, which concerns the Group's valuation model applied in determining the fair value of its available for sale investments. The note highlights that the valuation of these assets is based on assumptions and that the valuation overall represents a best possible estimate based on available information. If the assumptions need to be adjusted in respect of future events or information, the valuation of these investments may be subject to significant changes.

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