EL ORO LTD

Annual Report
Audited Financial Statements

for the year ended 30 June 2009

Group founded 1 November 1886

El Oro Ltd, (“the Company”) is the Group holding company for the following subsidiary companies:

Active subsidiary companies:
- El Oro and Exploration Company Limited;
- Investigations and Management Limited;

Dormant subsidiary companies:
- El Oro Mining and Exploration Company Limited;
- General Explorations Limited; and
- Group Traders Limited.

The Company is registered in Guernsey and each subsidiary company is registered in England and Wales. All companies are collectively referred to as “the Group” throughout this document.

CONTENTS

GROUP OPERATIONS

Investment objective
The main aim of the Group since 1938 has been to increase the asset value of shares in issue, whilst continually increasing the annual dividend. The Group's investment objective is to realise value from a portfolio of securities, providing a growing annual dividend payment to shareholders.

Investment outlook
The Chairman's statement reviews the highs and lows of the year in review and the outlook for the Group.

Financial highlights

	30 June 2009	30 June 2008
Net asset value per share	**480.8 pence**	692.6 pence
Interim dividends per Share in respect of the year ended	**14.0 pence**	14.0 pence

Group Reconstruction
This Annual Report contains the consolidated financial statements of El Oro Ltd, ("tThe Company"), which has operated as a closed-ended investment company since 19 March 2009 when the Company's Shares were listed on the Channel Islands Stock Exchange ("CISX"). The Company is incorporated and resident in Guernsey. Prior to the successful completion of a Scheme of Arrangement during the year to 30 June 2009, the Group was domiciled in the United Kingdom. The former parent company of the Group is now the UK subsidiary El Oro and Exploration Company Limited, incorporated in England and Wales, which was delisted from the Alternative Investment Market ("AIM"), a market of the London Stock Exchange, on 17 March 2009.

During the year a Group Reconstruction was affected by a share exchange offer of one new El Oro Ltd share for each El Oro & Exploration plc stock unit of 5 pence. This Group Reconstruction, effected through an exchange of equity interests has been accounted for as a reverse acquisition in accordance with IFRS 3 "Business Combinations". Under the Principles of Reverse Acquisition:

- the results and cash flows of El Oro and Exploration Company plc and El Oro Ltd have been combined from the beginning of the year in which the group reconstruction occurred, (i.e. the year ended on 30 June 2009); and
- for the comparative period, the consolidated income statement, consolidated balance sheet, consolidated cash flow statement and consolidated statement of changes in equity are stated on a combined basis at the amounts at which they were previously recorded.

Purchase and cancellation of own shares
The Company is authorised to purchase Shares under the Articles subject to Shareholder authorisation. The Board is seeking authorisation from the Shareholders at the AGM to purchase up to 10.0% of the Company's Shares in the market for the purpose of managing any discount to net asset value, should the Shares trade at a sufficient discount. The Board advises that there will be occasions where the Company is precluded from making such purchases because it possesses unpublished price sensitive information. Any such purchase will be made at the prevailing market price. At the date of this report, the number of Shares in issue is 10,776,501.

Authority for market acquisitions
For the avoidance of doubt and to ensure compliance with the provisions of the Companies (Guernsey) Law, 2008, the Company's authority for market acquisitions as set forth in the Company's Articles of Incorporation should be restated in an ordinary resolution. Accordingly, the Board recommends that resolution number 4 set forth in the Notice of the Annual General Meeting should be passed. The relevant provisions of the Companies (Guernsey) Law, 2008 are under review and are likely to be amended to remove the requirement for shareholder resolutions where the authority for market acquisitions is set forth in the Company's Articles of Incorporation. However, it is not entirely certain when these proposals will be enacted.

Annual General Meeting
The Annual General Meeting will be held at 12 noon on 21 January 2010 at 22 Smith Street, St Peter Port, Guernsey GY1 2JQ.

The Annual Report can be downloaded in electronic format from www.eloro.com.

CHAIRMAN'S STATEMENT

The El Oro Group's loss before tax for the year ended 30 June 2009 was £30,381,174 (year ended 30 June 2008 was restated as a loss of £543,872). The Group's net assets at 30 June 2009 were £51,810,400 or 480.8 pence per share (2008: £74,638,810 or 692.6 pence per share).

The Board has declared a first and only interim dividend of 14.0 pence per Share for the full year ended 30 June 2009, with the dividend to be paid on 23 December 2009 to Members registered on the books of the Company at the close of business on 4 December 2009, representing a 3.7% return on the mid-price at 30 September 2009.

The Group's net asset value per Share ("NAV") showed a decline over the year of 30.6% while the FTSE All Share Index was down by 23.9%.

The sight of surfacing submarines was hardly apparent in this set of figures, but has since dominated the skyline, and indeed the recovery of some stocks has replicated perhaps the only sighting ever of the launch of a Trident missile.

To repeat the name of those stocks has in the past been a recipe for sudden and almost immediate swoons, so we will follow the current trend for Redaction, other than to say several holdings are now very significantly ahead of the position at the end of June.

Following the Migration to Guernsey on April Fools' Day, we have seen several stocks show increases in the underlying asset values, restoring some of the losses experienced during the turbulence of the second and third quarters.

The Hoovering of scrap metal from China has succumbed to the realities of the Global bust, and been replaced by the opened Spigot of Western largesse under the moniker of Quantitative Easing: this has accomplished the remarkable achievement of restoring the fecundity of those few Banks to have won the eye of the benevolent Mr. Bernanke, and the bonuses of their managers along with the seeming stability of the Western world. The Deadly sin of Envy, epitomised in Mr. Darling's Budget review on 9 December, threatens to send those UK Bankers scurrying off-shore or off balance sheet; the Laffer Curve would be a more potent and worthwhile guide.

The pouches beneath the pelican beaks of the Banking and Automobile sectors have been filled to bursting with the largesse of governments, in Germany, the United States and Britain especially, and in consequence share prices have responded along with commodity prices.

Whilst car companies crush vehicles capable of millions of more miles, depriving the poorer sectors of society of the 'trickle-down' acquisition of a conveyance with their own cash rather than a company's, real industries ignored in other areas struggle to survive; Iceland's agreement to refund depositors of its failed Banks has a sinister resemblance to reparations after the defeat of Kaiser Bill; the British Government maintains its blithe insouciance towards any sort of fiscal or spending rectitude or restraint; at the same time as ostensibly having led the World out of its economic abyss.

Sadly very little cash has filtered through to industry beyond the bounds of City Finance houses and before long the reality that this exercise has been a process of delaying and obstructing, rather than implementing recovery, will become apparent.

CHAIRMAN'S STATEMENT

The recent decision of the Scottish legal system to display its contempt for justice for mass murderers, has shattered the credibility of that small but vocal element of Scottish society seeking to break the 300 year old Act of Union, and all the benefits it has brought to both nations. This has generated condemnation to its morose progenitor and comrade, and more devastatingly, on the head of Britain. As we were told apropos our Garden, by a delightful and frank German visitor: 'It has all gone haywire'; sadly that is the state of Britain today. There is no sign of an end to this systematic and also deliberate destruction wreaked on our noble and once eminent land.

The Glades, Groves and Glens of the Lot Valley and Scottish Highlands are resounding to the cry of the chain saw as blue-clad woodsmen cleave and cut supplies for the forthcoming winter; snow sprinkles the hill-tops surrounding Fort William, giving an early indication of the need for preparation and foresight; the corridors of Whitehall, however, remain silent or rather echo to the tread of myriad feet, and the empire emanating beyond its walls remains untouched and untroubled by the silent and increasing throttle of excess: most private businesses have pared their expenses and reduced employee numbers and costs by as much as 20% or more. Working for no or delayed pay, prevalent after the break-up of the Soviet Union, may not be so far from happening in Britain today, in anywhere other than the public sector. Sadly, the Minimum Wage will remain as an impassable ceiling for a huge swathe of today's youth, and many check-out tills are now manned by graduates with impressive degrees.

The Brownian woolly Mammoth remains impervious to the reality of recession and the imperative urgency of cutting a bloated and life-sapping public sector. Though inching towards reality, the Conservatives also claim that no drastic cuts of the Maggie genre are intended. The hoped-for reclamation and rebuilding of the Euston Arch after its recovery from a hole in the River Lee (whither the River Lee?) may well serve, if accomplished in time, as the epitaph for the impending departure of calamity Brown.

The Saxon Gold discovery makes a very modest recompense for the amount sold 10 years ago from Britain's Reserves, and proves the enduring value of that metal, though illustrating the difficulty of stopping it falling into the wrong hands (such as those of the former Chancellor, whom one suspects will not be seen clad in woad and rushes, clutching a metal detector, seeking to regain his lost loot).

The sight of Bankers' Bonuses and London House Prices once again on the rebound is a cause for alarm and despondency, not encouragement and exhilaration. We have no gripe with rewards for money earned, but we would rather see it from our industrial sector, and across the broad base of British industry, than once again concentrated at the pinnacle of the Finance sector.

We do not however, share Lord Turner's sentiments, fluttering from his redundant citadel atop the Financial Services Authority, and his attempts to hobble and emasculate the city's innovative and creative talent, rather than devising means of protecting the Retail Banks, their depositors and the tax payer. The memory of the demise of Barings, with its minimal effect on the economy other than its own shareholders, is obviously too distant to trouble the conscience of our new breed of regulators. Instead the Synecdochical sledgehammer is applied to the entire Banking system, to crack a problem created by a few uncontrolled innovators whose complex creations imploded long after their bonuses had been banked.

'He who goes borrowing goes sorrowing': Mr. Cheng, (head of China's Green Energy drive), quoting Benjamin Franklin apropos fears of excessive US money printing. The abasement by our Government to the Green lobby and Europe, with the resultant closure of carbon fuelled power stations, without the simultaneous or prior construction of new Nuclear ones, jeopardises our own security and makes us hostage to the madman Gaddafi and his terrorist crew along with the truly 'Socially Useless: regulators, bureaucrats and the State sector', instead of being allied to wealth creators and innovators.

CHAIRMAN'S STATEMENT

Happily for your portfolio, the Pub sector has to some extent stabilized, despite the obscene assaults on it by this pernicious Government, and stories and sights of an ever-increasing rate of closures. The swathe of boarded-up premises, and 'For Sale' signs sprinkled across the length and breadth of our fair land, on buildings both humble and distinguished, is truly appalling, being so very much wantonly inflicted by a Government with no concept of enterprise and devoid of wealth-creators and business builders. Yet another inquiry into the tie has achieved nothing and cost much, but the underlying strength of well-located pubs should uphold our holdings in the future. Happily several, especially Fullers and Youngs, show formidable strength.

Commercial Property has also appeared to stabilize, and risen from its lows since our year-end, and several perceptive investors have begun to reinvest in the sector. We would not expect gains from here to be rapid or substantial. The demise of Dubai, blindingly obvious in its excess to any other than those with sand in their eyes, is likely to further delay the recovery, if not accelerate an additional downturn.

Regrettably Kensington and Chelsea council have seen fit to approve a monstrous carbuncle adjacent to Cheval Place, whose views towards the Brompton Oratory and Natural History Museum are one of the sublime sights in London: this alongside an application for an all-night M Gentleman's Club, an oxymoron if there ever was one.

The mining sector, decried amongst many investors as providing poor returns or a means of digging an item out of the ground only to store it there again with a guard at the top, has been for us the star performer. Whether or not the Chinese recovery is sustainable, or the World economy genuinely recovering, metal prices have recovered almost across the board to levels thought to be almost unachievable only a few months earlier. The Lodestone for us has been Gold, even though its performance has been exceeded by several other metals in its price such as Silver.

This comes as little surprise to those who have always believed that printed currencies have a life-cycle akin to that of a caterpillar, and reach a brief moment of glory as a butterfly before disappearing without trace. The Zimbabwean dollar is a case in point, where the introduction of a Rand/Dollar linked exchange has seen inflation fall to 6% from trillions, and the Zimbabwean dollar eliminated.

Gold at its present level above $1,000 per ounce makes a similar forecast for the future of the US$, not immediately, but inexorably and progressively. At some point the massive printing press unleashed by the Fed and its head, Mr. Bernanke, is likely to lead to a Dollar Demise, and even if current street protests against excessive spending by the Fed do not precipitate that day immediately, the continuing and accelerating loss of its purchasing power is inexorable.

We therefore take solace in our Gold positions, both physical and through our variety of companies located around the World.

It is pleasing to see the progress of Centamin in Egypt, and it is to be hoped the changes at Troy including the addition of your Chairman to the board, bode well for its future, and the development of its Argentine Gold Mine.

A retreat from current exalted heights in the gold price is only to be expected at some stage, but this would not give us cause for despair, and whilst 'this time it is different' will not pass our lips, we firmly believe that the long Gold Bear market has ended, and the trajectory is now firmly upwards.

CHAIRMAN'S STATEMENT

The cynics and sceptics can sneer but our new Cupolas will be gilded in Gold bought at a price 4 times higher than ten years earlier, which will still prove to be cheap in years to come.

As Margaret Thatcher memorably remarked: 'the problem with Socialism is that sooner or later you run out of other people's money'.

The Uxoricide committed by the Prime Minister on his previous wife, Prudence, after a long period of persecution, has brought that day perilously close in Britain, and the death-wish by politicians and postmen is dragging Britain ever closer to the precipice of National Bankruptcy, highlighted in a speech by the current head of the London School of Economics warning that Britain is living in a Fool's Paradise. Far be it for us to demur from such a sagacious, acute and well-informed observer.

The disappearance of lavatory paper and mattresses from the shops of Cuba shows the power of Centrally planned economies to self-destruct, and perhaps light-bulbs of any wattage will soon share the same fate in England, on instructions from the former Communist Latvian apparatchik whose campaign has led to their being banned from sale in Europe. Lighting was never a strong point in Russian hotels, if our experience was anything to go by. That edict, together with the impending black-outs that will occur as a result of the British government's agreed compliance with an EU instruction to close a large part of our Energy Generating capacity, will thus impair the ability of the subjugated citizens of the United Kingdom from reading yet more reams of regulations; a pertinent prelude to total darkness, whilst their houses are encased in ugliness to prevent heat escaping, and their views and improvements are taxed in case they have the temerity to enjoy the fruits of their endeavours.

Meanwhile Britain's unelected leader continues leading Britain on the road to perdition aided by his Machiavellian master flitting from Russian yacht to the hospitality of hedge fund managers.

We noticed that the memoirs of Ronald Reagan, who brought Freedom to the Communist World, were on sale in Cazals, in the Lot valley, whilst President Obama's memoirs are written before he becomes President, just as he wins the Nobel Peace Prize when in the midst of an unwinnable war he has endorsed. His only known achievement to date is to have swatted a fly. Not content with running the US car industry, he wishes to replicate the glories of the NHS and add health-care to the list of sectors under Government control in the United States.

Our scepticism of the ability of governments of any complexion to run a whelk store, let alone businesses of greater complexity, is profound and enduring: the example of Britain today, where businesses in our ken are replacing 2 receptionists with a screen monitor, yet the public sector is seen as sacrosanct from any sackings, is evidence of the dichotomy between people who pay and statists who receive.

We must extract ourselves from the European vipers' nest of graft, grant and bureaucratic obstruction, especially at a time when the Irish have abandoned their hard-won independence for a mess of Soviet-style potage administered by the Brussels bureaucrats; thereby becoming indentured serfs in exchange for a promise of a miraculous recovery from the bust created by the Irish adherence to an absurdly inappropriate exchange and interest rate regime; thankfully they have avoided begging at the feet of the Emperor and Empress Blair, the perpetrator, in conjunction with his former accomplice in crime masquerading as Prime Minister, so deeply complicit in the humbling of Britain and woeful destruction of the British economy, not to mention its entire identity.

CHAIRMAN'S STATEMENT

We rejoice not to see the prospect of this man strutting the European stage after enriching himself on the payroll of Banks and Government agencies, which together with ill-judged lending laws imposed by successive US governments sowed the seeds of the sub-prime collapse and the near-as-nothing bankrupting of the US and UK financial systems. The Blairs should withdraw from public life and enjoy their new status amongst the mega-rich, and leave the cauterising and shrinking of their state sector monoliths to a new generation.
The Belgian puppet will perform the further emasculation of Britain with notable anonymity, alongside his ex-CND colleague.

The semantic sophistry of the socialists and their suave sidekicks has finally proved as shallow and empty as the cynics always expected.

Meanwhile the new 'Nattering Nabobs of Negativism,' (apologies to the late William Safire) opine from their European or Shadow Ministerial positions that the Lisbon Treaty is now a fait accompli and for the UK to vote on it would be an absurdity: no more absurd than their constant support for this corrupt venal bloated unresponsive and deeply undemocratic organisation which has done so much damage to Britain over the years, and cost her so much.

It is to be fervently hoped that the Cameroon will put the interests of the people of Britain above those of the polyglot European elite, and remove the shackles that have throttled the fishing industry, decimated our agriculture, hastened the collapse of the postal service, and now threaten our Financial Services sector, amongst other follies. Indeed the Alternative Investment Fund Managers Directive poses a very real threat to our continued existence, along with that of other closed–end Funds, managed in-house; an assault directed from Europe by those with envious eyes on our long-established and mostly blameless and beneficial Investment Trust and similar sector. It is very much to be hoped that Boris Johnson's defence of the hedge Fund Sector will extend to this less-strident and fee-sapping sector. Where the supposed benefit bestowed by the EU resides is beyond the comprehension of ourselves and one suspects many others.

Rowan berries are striking in Scarlet abundance, perhaps presaging a Cold winter, yet the UK's coffers are bare, nothing having been put aside for harder times: the giving of foreign aid (endorsed by both parties, and encouraged by the incessantly implausible Bono is 'a transfer of assets from poor people in rich countries to rich people in poor countries'); even the more erudite and observant Africans now question its efficacy, whilst a casual glance at any of the main beneficiaries would confirm that it achieves the very opposite of that intended, spawning a vast industry of conferences and well-equipped cars and offices, whilst individual and private efforts, carefully administered, do infinitely more good. Today's snow in Southern England coincides with yet more largesse to the warmer and less productive parts of the world from the two countries with the largest deficits.

Outlook
Impending disaster may well have been averted for now, in which case our wide spread of investments will benefit; should all hell break loose, Gold will come to our rescue, and proven assets which underlie many of our holdings will be our mainstay.

My thanks are due to the effervescent team at Cheval Place, rising to the challenge during a period of significant change and turbulent times; now assisted with an eye on potential new areas by Melwin Mehta from the Indian sub-continent; our new secretaries in Guernsey, Capita and especially Julian Lane; our advisers with their regular and valued reassurance and advice, and my fellow directors, in all their wisdom and insight.

C Robin Woodbine Parish
Chairman

INVESTMENTS WITH A FAIR VALUE EXPOSURE GREATER THAN £500,000

			Fair Value as at 30 June 2009		
	Investment	**Local Currency**	**GBP**	**Cumulative GBP**	**% of financial assets**
1	Young & Co.	GBP	5,645,620	5,645,620	
2	M P Evans Group	GBP	3,442,940	9,088,560	
3	James Halstead	GBP	2,442,300	11,530,860	
4	Troy Resources	AUD	2,339,996	13,870,856	
5	Fuller, Smith & Turner	GBP	2,166,802	16,037,658	
6	Archipelago Resources	USD	1,448,367	17,486,025	
7	Blackrock Funds	GBP	1,261,130	18,747,155	
8	Dee Valley Group	GBP	1,159,161	19,906,316	
9	Mountview Estates	GBP	1,143,940	21,050,256	
10	Shamika Resources	USD	1,116,559	**22,166,815**	**28.6%**
11	Anglo Platinum	ZAR	1,090,456	23,257,271	
12	Daejan	GBP	1,035,631	24,292,902	
13	Vietnam Funds	USD	987,186	25,280,088	
14	Wadworth & Co.	GBP	888,051	26,168,139	
15	Kuala Lumpur Kepong	MYR	883,034	27,051,173	
16	Centamin Egypt	GBP	860,000	27,911,173	
17	Impala Platinum	ZAR	857,381	28,768,554	
18	Gold Fields	ZAR	845,826	29,614,380	
19	Patagonia Gold	GBP	804,094	30,418,474	
20	Thwaites (Daniel)	GBP	769,445	**31,187,919**	**40.2%**
21	New Crest Mining	AUD	674,006	31,861,925	
22	Kalahari Minerals	GBP	669,600	32,531,525	
23	Davis Service Group	GBP	665,500	33,197,025	
24	Hurricane Exploration	GBP	645,159	33,842,184	
25	Exeter Resources	CAD	640,333	34,482,517	
26	Maudore Minerals	CAD	630,555	35,113,072	
27	Royal Dutch Shell	GBP	596,690	35,709,762	
28	Portland Gas	GBP	595,711	36,305,473	
29	Earthport	GBP	572,000	36,877,473	
30	Mc Mullen	GBP	568,750	**37,446,223**	**48.3%**
31	Gold Bullion	USD	567,464	38,013,687	
32	Peter Hambro Mining*	GBP	566,143	38,579,830	
33	Jersey Electricity Co.	GBP	550,400	39,130,230	
34	Medusa Mining	AUD	501,325	**39,631,555**	**51.1%**
	Other			**37,963,673**	**48.9%**
	Total financial assets			**77,595,228**	**100.0%**

* Name changed on 1 October 2009 to Petropavlovsk plc.

DIRECTORS' REPORT

The Directors present the Annual Report and the Group's Consolidated Financial Statements for the year ended 30 June 2009.

The principal activity of the Group is dealing in investments world-wide, with investments in UK companies forming the larger portion of the portfolio. It is the Directors' intention to continue managing the Group's affairs in accordance with its stated business objectives, the progress of this endeavour is shown in the table of historical financial data on pages 13 and 14. The Chairman's statement on pages 2 to 6 provides a comprehensive review of the Group's activities.
Investments where the Group's exposure has a fair value greater than £500,000 on 30 June 2009 are listed on page 7.
There was no change in the Group's activities during the current year. However, on an operational level the management of the portfolio is now done as two separate portfolios, namely the Growth and Income portfolio managed in the UK (trading company) and the Growth portfolio managed in Guernsey (holding company).

The Company is a Registered Closed ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended and the Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission (the "Commission"). The Commission, in granting registration, has not reviewed this document but has relied upon specific warranties provided by Capita Fund Administrators (Jersey) Limited, the Company's designated manager. The Commission takes no responsibility for the financial soundness of the Scheme or for the correctness of any of the statements made or opinions expressed with regard to it.

Group reconstruction
On 19 March 2009, the Company completed its Scheme of Arrangement with El Oro and Exploration Company plc (the "Group reconstruction"). The Group reconstruction was affected by a share exchange offer of one new El Oro Ltd share for each El Oro and Exploration Company plc stock unit of 5 pence. El Oro and Exploration Company plc changed its name to El Oro and Exploration Company Limited on completion of the Group reconstruction. Following completion of the Group reconstruction, the Company became the legal parent of El Oro and Exploration Company plc and it's subsidiary undertakings. This business combination, effected through an exchange of equity interests has been accounted for as a reverse acquisition in accordance with IFRS 3 "Business Combinations".

Under reverse acquisition accounting, the results and cash flows of El Oro and Exploration Company Limited are combined from the beginning of the financial period in which the reconstruction occurred and their assets and liabilities are combined at the amounts at which they were previously recorded after adjusting to achieve consistency of accounting policies. Other details of Group reconstruction is included in Notes 1 and 18.

Results and dividend
The Group's loss on ordinary activities after taxation for the year was £21,319,700 (restated loss 2008: £464,441).

For the year ended 30 June 2009, a first and only interim dividend of 14.0 pence (2008: 14.0 pence) per Share will be paid on 23 December 2009 to Shareholders registered in the books of the Company at the close of business on 4 December 2009.

As a consequence of an error in categorisation of "fair value through the profit and loss" investments as "available for sale", the comparative figures for the year to 30 June 2008 were restated, details are provided in the Note 23 to the consolidated financial statements.

Principal Risks and Risk Mitigation
The Group's assets consist mainly of listed securities and its principal risks are therefore market related or currency related. More detailed explanation of these risks and the way they are managed are contained in note 22 to the accounts.

DIRECTORS’ REPORT *continued*

Charitable donations

The Group donated £6,950 during the year as follows: £1,000 to the Youngs’ Crisis UK Charity Fund, £5,000 to St Matthews Glass Church Appeal, £200 to Rotary club of Bury and £750 to HSBC’s Voluntary Service Overseas Charity (2008: £2,500 as follows: £2,000 to the Bishops Castle Hospital Patient Fund and £500 to Young's Cycle Fund).

Directorate

The Directors are noted on page 36, which forms part of this Directors’ report.

Directors’ interests in Shares

The interests of the Directors who held office during the year in the Company's Shares were as follows:

	El Oro Ltd		El Oro and Exploration Company Limited	
	30 June 2009 beneficial	**30 June 2009 non-beneficial**	30 June 2008 beneficial	30 June 2008 non-beneficial
CRW Parish	**1,056,216**	**1,786,083**	911,614	1,599,493
SB Kumaramangalam	**1,065,562**	**551,651**	1,065,562	551,651
RE Wade	**67,712**	**–**	67,712	–
JA Wild	**25,000**	**–**	25,000	–

CRW Parish is a beneficiary and trustee of several family trusts, which results in a degree of duplication on his interests in the non-beneficial Shares of the Company. The substantial Shareholders interests are also detailed in the Directors’ report.

No changes to the Directors interests occurred before the date of this report or from the year ended 30 June 2009.

Of the Shares in issue 5,814,876 or 53.96% are not in public hands at the year ended 30 June 2009.

No Director had a beneficial interest in any contract that the Company or any of the subsidiary companies were party to during the year. The Group maintains insurance against certain liabilities that could arise from a negligent act or a breach of duty by its Directors and Officers in the discharge of their duties. Details of other risks are reviewed in note 22.

Non-executive Directors

In the opinion of the Board, all non-executive Directors are independent.

DIRECTORS' REPORT *continued*

Substantial interests
So far as the Directors are aware, at no time during the year, nor up to the date of this Directors' report, has any Shareholder, who is not a Director of the Company, held an interest comprising 3% or more of the issued capital of the Company with the exception of those Shareholders disclosed below:

Stockholders	%	Stock Units	Beneficial	Non-beneficial
Mrs SW Kumaramangalam	15.00	1,617,213	1,065,562	551,651
Mr WB & Mrs P Fraser	17.85	1,923,157	7,515	1,915,642
JM Finn Nominees Limited	14.51	1,563,609	–	1,563,609
Mr G & Mrs CW Zegos	11.83	1,275,007	712,032	562,975

Mrs Kumaramangalam, Mr & Mrs Fraser, JM Finn Nominees Limited and Mr & Mrs Zegos are trustees of several family trusts, which results in a degree of duplication of their interests in the non-beneficial interests in the Shares of the Company.

Remuneration Committee
The Remuneration Committee of the Company is comprised of three independent non-executive Directors: Messrs. SB Kumaramangalam, RE Wade and JA Wild (Chairman). The Remuneration Committee of the Company was formed by a Board resolution on 17 September 2009.

The Remuneration Committee is responsible for making recommendations to the Board, within agreed terms of reference, on the Group's framework of executive remuneration and its cost. The Committee determines the contract terms, remuneration and other benefits for each of the executive and non-executive Directors, including performance-related bonus schemes, pension rights and compensation payments.

Details of the Group's policies on remuneration and service contracts are provided in the Directors' report.

The remuneration committee's was in place in the subsidiary group of companies prior to the Group reconstruction, and continue to function at the subsidiary level.

The Remuneration Committee of the subsidiaries group comprising Messrs. DRL Hunting, RE Wade and JA Wild (Chairman) has been in place prior to the Group reconstruction for the entire year and continue to function at the subsidiary level.

Directors' emoluments
The following emoluments were paid to Directors of the Group who served during the year ended 30 June 2009:

		Year to 30 June 2009					
		Fees £	Salary & other £	Performance Bonus £	Benefits in kind £	Pension contribution £	Total £
Executive							
CRW Parish (Chairman)	*Group	–	223,523	143,489	1,257	30,000	398,269
Non-executive							
The Hon. Mrs. EC Parish	UK subsidiary	1,350	–	–	–	–	1,350
EW Houston	UK subsidiary	10,000	–	–	–	–	10,000
DRL Hunting	UK subsidiary	23,000	–	–	–	–	23,000
SB Kumaramangalam	Ultimate Parent company	3,711	–	–	–	–	3,711
RAR Evans	Ultimate Parent company	6,958	–	–	–	–	6,958
RE Wade	*Group	23,469	–	–	–	–	23,469
JA Wild	*Group	30,361	–	–	–	–	30,361
Total		98,849	223,523	143,489	1,257	30,000	497,118

* The Directors remuneration includes fees received from the Company and the UK subsidiary.

DIRECTORS' REPORT *continued*

The following emoluments were paid to Directors of the Group who served during the year ended 30 June 2008:

	Year to 30 June 2008					
	Fees £	**Salary & other £**	**Performance Bonus £**	**Benefits in kind £**	**Pension contribution £**	**Total £**
Executive						
CRW Parish (Chairman)	-	207,161	243,543	657	30,000	481,361
Non-executive						
The Hon. Mrs. EC Parish	1,350	–	–	–	–	1,350
EW Houston	10,000	–	–	–	–	10,000
DRL Hunting	23,000	–	–	–	–	23,000
RE Wade	23,000	–	–	–	–	23,000
JA Wild	30,000	–	–	–	–	30,000
Total	87,350	207,161	243,543	657	30,000	568,711

The Chairman's emoluments for the year ended 30 June 2009 are detailed in the Director's remuneration table. The benefit in kind relates to payments made for medical insurance, the performance bonus is conditional upon a dividend of at least 1 pence per Share being paid and is then payable at a maximum rate of 5% on the remaining realised net profit after taxation less a return of 20% on the issued capital. The Remuneration Committee recommended and the Directors agreed that a performance bonus of £143,489 (2008: £239,442) is payable for the year ended 30 June 2009. No Director waived emoluments for either of the years ended 30 June 2009 or 30 June 2008.

Directors' pension entitlement

The Group contributes to a Self Investing Personal Pension Plan for CRW Parish and contributions are payable up to normal retirement age of 65 years on 5 January 2015 or earlier retirement. The premium paid and payable in the year ended 30 June 2009 amounted to £30,000 (2008: £30,000). A contribution of £30,000 was due and payable at 30 June 2009 (2008: £30,000).

PricewaterhouseCoopers CI LLP were appointed during the year as the Company's auditor and have indicated their willingness to continue in office as Auditor. In accordance with The Companies (Guernsey) Laws, 2008, a resolution for the re-appointment of PricewaterhouseCoopers CI LLP as auditor of the Company is to be proposed at the Annual General Meeting. Prior to the Business reconstruction, PricewaterhouseCoopers LLP (UK) was the Group's Auditor and they continue to audit the Group subsidiaries.

By order of the Board
Capita Financial Administrators (Guernsey) Ltd
Secretary
18 December 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' report and the consolidated financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare consolidated Financial Statements for each financial year. Under that law they have elected to prepare the consolidated Financial Statements in accordance with International Financial Reporting Standards and applicable law.

The consolidated Financial Statements are required by law to give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing these consolidated Financial Statements, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the consolidated Financial Statements comply with the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors confirm that they have complied with the above requirements in preparing the consolidated financial statements.

So far as the the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The consolidated financial statements are published on the Group's website www.eloro.com. The maintenance and integrity of the website is the responsibility of the Directors; the work carried out by the Auditor does not involve consideration of these matters and, accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website. Legislation in Guernsey governing the preparation and dissemination of the consolidated financial statements may differ from legislation in other jurisdictions.

HISTORICAL FINANCIAL DATA

	THE EXPLORATION COMPANY plc			EL ORO MINING AND EXPLORATION COMPANY plc		
Period[4]	Profit/(loss) before tax £	Issued capital £	Net assets at fair value (IFRS) £	Profit/(loss) before tax £	Issued capital £	Net assets at fair value (IFRS) £
1950	2,991	157,777	107,261	1,644	292,202	160,047
1951	22,951	157,777	129,574	24,655	292,202	184,725
1952	6,104	157,777	136,398	1,363	292,202	186,686
1953	29,756	157,777	166,518	36,925	166,972	22,933
1954	47,134	157,777	237,627	60,470	166,972	319,256
1955	13,230	320,634	552,845	7,318	185,922	353,165
1956	20,600	320,634	580,245	17,533	186,972	375,284
1957	13,851	375,000	624,903	3,754	236,972	404,899
1958	98,297	375,000	836,633	56,519	236,972	544,862
1959	90,125	375,000	1,294,943	65,846	300,000	1,021,310
1960	72,850	400,000	1,185,437	53,327	300,000	855,431
1961	97,029	600,000[1]	1,261,848	44,870	450,000	892,466
1962	120,509	600,000	1,336,996	56,125	450,000	962,447
1963	136,085	600,000	1,651,454	92,859	450,000	1,188,391
1964	126,781	600,000	2,008,771	86,576	450,000	1,474,511
1965	157,264	600,000	2,258,181	104,685	450,000	1,651,027
1966	126,317	600,000	2,084,257	89,228	450,000	1,516,048
1967	184,054	600,000	3,256,899	139,202	450,000	2,492,348
1968	280,914	600,000	4,773,113	164,591	450,000	3,722,257
1969	176,789	600,000	5,194,065	132,968	450,000	3,963,291
1970	210,573	600,000	4,190,789	167,726	450,000	3,213,921
1971	378,863	600,000	4,413,814	322,473	450,000	3,315,685
1972	274,672	600,000	5,655,161	234,987	450,000	4,254,626
1973	256,814	600,000	4,029,713	176,011	450,000	3,210,061
1974	231,264	602,646[3]	3,875,955	182,673	451,113	3,052,782
1975	443,110	602,646	5,091,975	355,833	451,113	3,821,366
1976	559,879	602,646	4,393,499	456,732	451,113	3,377,804
1977	702,992	602,646	5,922,335	544,471	451,113	4,257,605
1978	780,287	602,646	6,417,405	566,937	451,113	4,589,108
1979	711,962	602,646	7,673,981	551,087	451,113	5,654,320
1980	947,985	602,646	9,709,921	739,037	451,113	7,147,841
1981	1,032,601	602,646	9,554,229	745,668	451,113	6,699,295
1982	926,667	602,646	11,463,211	739,873	451,113	7,881,703
1983	1,295,151	602,646	14,682,943	1,040,894	451,113	11,040,026
1984	1,111,935	602,646	15,440,172	882,791	451,113	11,504,985
1985	1,225,978	602,646	15,233,310	1,011,557	451,113	11,586,431
1986	1,451,334	602,646	20,238,397	1,185,397	451,113	15,823,277
1987	1,859,803	602,646	24,851,990	1,447,315	451,113	19,710,991
1988	2,189,351	602,646	26,606,199	1,712,278	451,113	19,741,508
1989	2,879,131	602,646	32,328,183	2,567,259	451,113	25,448,777
1990	2,961,319	602,646	26,581,117	2,382,239	451,113	20,418,932
1991	2,075,120	602,646	29,887,400	1,666,051	451,113	25,423,822
1992	2,481,252	602,646	30,588,772	1,935,122	451,113	26,944,101
1993	1,722,587	602,646	40,510,012	1,546,932	451,113	36,927,938
1994	2,296,357	602,646	38,468,620	1,884,186	451,113	31,414,422
1995	2,331,234	602,646	42,692,619	1,962,909	451,113	40,609,985
1996	3,074,173	602,646	49,066,701	2,746,454	451,113	41,950,851
1997	2,204,613	602,646	50,279,497	1,840,458	451,113	45,087,651
1998	5,406,542	602,646	44,128,780	4,271,443	451,113	35,861,218
1999	5,621,549	602,646	51,650,997	4,036,102	451,113	44,300,703
2000	1,690,006	602,646	47,333,362	2,076,730	451,113	43,656,695
2001	(75,552)	602,646	40,924,033	1,921,428	451,113	37,942,826
2002	2,049,124	602,646	37,353,176	1,434,175	451,113	36,830,273

EL ORO AND EXPLORATION COMPANY Limited
(formerly: "The Exploration Company plc")

Period[4]	Profit/(loss) before tax £	Issued capital £	Net assets at fair value £
2002	2,321,415	597,146	52,724,264[1]
2003	3,938,278	597,146	64,963,076[1]
2004	3,005,700[2]	592,045	67,905,581
2006	12,018,986	541,785	72,214,062
2007	5,427,232	538,825	103,451,384
2008	(543,872)	538,825	87,484,641

EL ORO Ltd

Period[4]	Profit/(loss) before tax £	Issued capital £	Net assets at fair value £
2009	(30,381,174)	538,825	54,480,674

HISTORICAL FINANCIAL DATA *continued*

The above table for The Exploration Company plc and El Oro Mining and Exploration Company plc indicates the progress of the two companies from 1950 to 2002 applying the accounting principles adopted throughout that period. The table for El Oro and Exploration Company plc indicates the progress for the Group since then, applying the currently adopted accounting principles as outlined in the notes to the accounts, note 1. Since, 2002 the net assets at fair value (IFRS) is calculated from the IFRS accounts of the Group parent company as follows:

	30 June 2009	30 June 2008
	£	£
Net assets	**51,810,400**	74,638,810
Add: deferred tax	**3,376,146**	13,685,845
Less: tangible assets	**(705,872)**	(840,014)
Net assets at fair value	**54,480,674**	87,484,641

The only new money raised during all of the above periods was in aggregate £358,180.

The figures for El Oro Ltd during 2008/2009 include the subsidiaries financials from July 2008 to March 2009 when the Group reconstruction occurred.

The amounts paid or pending since 1958:	
Dividends	30,113,879
Taxation	15,627,420
	45,741,299

[1] Bonus issue of one unit for every two units held.
[2] From 2004 the Group accounts have been prepared under IFRS and the measurement of net assets at fair value or up to and including 2004 had excluded the potential charge to corporation tax for the excess net value over book cost, while for 2005 this charge is included.
[3] 52,925 stock units issued to members exercising their options to take additional stock units in lieu of cash dividend.
[4] To 2004 the period end of the Group was the twelve months to 31 December. The period for 2006 relates to the eighteen months to 30 June 2006.

From 1970 to 2002 the accounts incorporate the Company's share of the result of their associated undertakings.

The middle market price per stock unit at 30 June 2009 was 375.0 pence and at 30 June 2008 was 560.8 pence (which with 1 for 2 bonus in 1961 equals 399.8 pence) compared with a middle market price of 2.0 pence per stock unit at 31 December 1950.

INDEPENDENT AUDITORS REPORT
to the Members of EL ORO Ltd

We have audited the Consolidated financial statements of El Oro Ltd (the “Group”) for the year ended 30 June 2009 which comprise the consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory notes. These group financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and Auditors
The Directors’ responsibilities for preparing the consolidated financial statements in accordance with applicable Guernsey law and International Financial Reporting Standards (IFRS) are set out in the Statement of Directors’ responsibilities.
Our responsibility is to audit the consolidated financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company’s members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the consolidated financial statements give a true and fair view and whether the group financial statements have been properly prepared in accordance with The Companies (Guernsey) Law, 2008. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.
In addition we report to you if, in our opinion, the Group has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the consolidated financial statements. The other information comprises only the Directors’ report, Group Operations, the Chairman’s statement, Investments with a fair value exposure greater than £500,000 and Historical Financial information.

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements.

Opinion
In our opinion:
- the consolidated financial statements give a true and fair view, in accordance with International Financial Reporting Standards, of the state of the Group’s affairs as at 30 June 2009 and of its lossand cash flows for the year then ended;
- the consolidated financial statements have been properly prepared in accordance with The Companies (Guernsey) Law, 2008; and
- the information given in the Directors' report is consistent with the consolidated financial statements.

PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey
18 December 2009

CONSOLIDATED INCOME STATEMENT

for the year ended 30 June 2009

	Notes	**30 June 2009**	* Restated 30 June 2008
		£	£
Revenue	2 a.	**1,834,605**	2,345,644
Net (losses) / gains on investments	2 b.	**(28,558,626)**	947,441
Expenses	3	**(2,681,073)**	(1,826,483)
(Loss)/profit before finance costs and taxation		**(29,405,094)**	1,466,602
Finance costs			
Interest expense		**(976,080)**	(2,010,474)
Loss before taxation		**(30,381,174)**	(543,872)
Taxation	5	**(9,061,474)**	(79,431)
Loss for the period	6	**(21,319,700)**	(464,441)
Earnings per stock unit (basic and diluted)	6	**(197.84p)**	(4.31p)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2009

	30 June 2009	*** Restated 30 June 2008**
	£	£
Loss for the period	(21,319,700)	(464,441)
Dividend paid	(1,508,710)	(1,422,498)
	(22,828,410)	(1,886,939)
Opening capital and reserves attributable to equity holders	74,638,810	76,525,749
Closing capital and reserves attributable to equity holders	51,810,400	74,638,810

The accompanying notes form an integral part of these financial statements.

* Restated in accordance with IAS8 Accounting Policies, Changes in Accounting Estimates and Errors. The financial impact of the restatement is set out in Note 23.

CONSOLIDATED BALANCE SHEET
at 30 June 2009

	Notes	**30 June 2009** **£**	*** Restated** 30 June 2008 £
Tangible assets			
Property, plant and equipment	7	**705,872**	708,073
Investment properties	7	–	131,941
		705,872	840,014
Current assets			
Trade and other receivables	9	**936,347**	1,492,279
Financial assets at fair value through the profit and loss statement			
Investments	10	**76,692,362**	113,124,805
Commodities	22	**567,464**	3,248,078
Derivatives	22	**335,402**	–
Cash and bank balances	22	**1,494,213**	536,463
		80,025,788	118,401,625
Current liabilities			
Financial liabilities			
Borrowings	11	**7,849,712**	12,908,051
Financial liabilities at fair value	11	**726,835**	1,337,123
Trade and other payables	12	**1,355,986**	821,843
Current tax liabilities	13	**612,581**	849,967
		10,545,114	15,916,984
Net current assets		**69,480,674**	102,484,641
Non-current liabilities			
Borrowings	11	**15,000,000**	15,000,000
Deferred tax liabilities	14	**3,376,146**	13,685,845
		18,376,146	28,685,845
Net assets		**51,810,400**	74,638,810
Capital and reserves attributable to equity holders			
Share capital	17	**538,825**	538,825
Reserves	18		
Share premium		**6,017**	6,017
Capital redemption reserve		**347,402**	347,402
Merger reserve		**3,564**	3,564
Retained earnings		**50,914,592**	73,743,002
Total equity		**51,810,400**	74,638,810
Net asset value per share	19	480.8 p	692.6 p

The Board of Directors approved and authorised the Group's financial statements for issue on 18 December 2009.
Signed on behalf of the Board by:

CRW Parish
Chairman

JA Wild
Director

The accompanying notes form an integral part of the financial statements.

* Restated in accordance with IAS8 Accounting Policies, Changes in Accounting Estimates and Errors. The financial impact of the restatement is set out in Note 23.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 June 2009

	Notes	**30 June 2009** **£**	***Restated** 30 June 2008 £
Operating activities			
Net loss from operating activities		**(30,381,174)**	(543,872)
Depreciation		**22,548**	19,704
Foreign exchange gains		**(2,563,853)**	(988,343)
Movement in fair value of investment properties		**9,671**	4,205
Movement in fair value of investments through the profit and loss		**31,679,456**	25,164,525
Finance costs		**976,080**	2,010,474
Cash flow from operating profit before changes in working capital		**(257,272)**	25,666,693
Decrease / (increase) in fair value of investments through the profit and loss		**10,321,458**	(16,118,537)
Decrease / (increase) in trade and other receivables		**683,584**	(1,259,968)
Increase / (decrease) in trade and other payables		**481,742**	(252,513)
Cash flow from operations		**11,229,512**	8,035,675
Income taxes paid		**(1,487,188)**	(1,822,827)
Cash flow from operating activities		**9,742,324**	6,212,848
Investing Activities			
Purchase of property, plant and equipment		**(20,347)**	(822)
Sale of investment properties		**134,619**	357,512
Cash flow from investing activities		**114,272**	356,690
Financing activities			
Interest paid		**(923,679)**	(2,016,957)
Dividends paid to Shareholders		**(1,508,710)**	(1,443,400)
Repayment of mortgages		–	(307,760)
Cash flow from financing activities	20	**(2,432,389)**	(3,768,117)
Net decrease in cash and cash equivalents		**7,424,207**	2,801,421
Cash and cash equivalents at 30 June		**(12,371,588)**	(15,891,807)
Effect of foreign exchange rate changes		**(1,408,118)**	718,798
Cash and cash equivalents at 30 June	15	**(6,355,499)**	(12,371,588)

* Restated in accordance with IAS8 Accounting Policies, Changes in Accounting Estimates and Errors. The financial impact of the restatement is set out in Note 23.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The Group's accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements:

Group reconstruction accounting

On 19 March 2009, the Company completed its Scheme of Arrangement with El Oro and Exploration Company plc (the "Group reconstruction"). The Group reconstruction was affected by a share exchange offer of one new El Oro Ltd share for each El Oro and Exploration Company plc stock unit of 5 pence. Following completion of the Group reconstruction, the Company became the legal parent of El Oro and Exploration Company plc and it's subsidiary undertakings. The former parent company of the Group is now the UK subsidiary El Oro and Exploration Company Limited, incorporated in England and Wales, which was delisted from the Alternative Investment Market ("AIM"), a market of the London Stock Exchange.

This Group reconstruction, affected through an exchange of equity interests, has been accounted for as a reverse acquisition in accordance with IFRS 3, "Business combinations".

The key features of reverse acquisition principle are:

- the results and cash flows of El Oro and Exploration Company plc and El Oro Ltd have been combined from the beginning of the year in which the group reconstruction occurred, (i.e. the year ended on 30 June 2009),
- for the comparative period, the consolidated income statement, consolidated balance sheet, consolidated cash flow statement and consolidated statement of changes in equity are stated on a combined basis at the amounts at which they were previously recorded.

10,776,501 Stock units of 5 pence each were transferred by El Oro and Exploration Company Limited on a 1:1 Share offer Pursuant to the Scheme of Arrangement to El Oro Ltd. The listed price of the units at the time the Group reconstruction took effect was 305 pence. The transferred units were the only consideration provided for Group reconstruction.

The Group reconstruction Business Combination required no accounting adjustments to achieve consistency of accounting policies.

1.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the IASB and International Accounting Standards and Standing Interpretations Committee interpretations approved by the IASC that remain in effect at the date of this document.
The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the revaluation of certain financial instruments and investment properties. The principal accounting policies are set out below.

1.2 Basis of consolidation

The consolidated financial statements are for the Company and its wholly owned UK subsidiaries group which are controlled by the Company. Inter-group balances and income and expenses arising from inter-group transactions, are eliminated in the preparation of the consolidated financial statements.

1.3 Investments held at fair value through profit or loss

All investments are designated upon initial recognition as held at fair value through profit or loss. Investment transactions are accounted for on a trade date basis. Transaction costs are expensed as incurred in the income statement. Assets are de-recognised at the trade date of the disposal. Assets are sold at their fair value, which provides the proceeds of sale less any transaction cost. The fair value of the financial instruments in the balance sheet is based on the quoted bid price at the balance sheet date, with no deduction for any estimated future selling cost. Unquoted investments are valued by the directors using primary valuation techniques such as recent transactions, last price and net asset value. Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the consolidated income statement as "Net (losses) / gains on investments". The realised gains and losses on disposal are calculated using the historical cost of investments.

Derivative agreements have been entered into for varying purposes as follows:

- Interest rate SWAPS[1] for the purpose of fixing the interest rate payable on the Group's funding;
- Commodity forward (1 year) contracts in precious metals such as gold bullion to gain direct exposure to the commodity price; and
- Contracts For Difference ("CFDs") for the purpose of gearing into equities and generating trading income.

None of these derivatives are classified as a hedge in a hedging relationship. Derivatives are categorised as investments held at fair value through profit or loss.

From time-to-time the Group makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss. 0Further details on the derivative agreements are to be found in Note 11. In prior years investments at fair value through the profit or loss were incorrectly categorised as available for sale in investments. This error has been corrected with the restatement in the consolidated financial statements for the year to 30 June 2008, for details refer to Note 23.

[1] Interest rate swaps: the subsidiary company El Oro and Exploration Company Limited entered into two interest rate swaps with Lloyds TSB Bank plc during the year. The swaps are as follows:
(1) £10 million fixed at 4.1% over 20 years; and
(2) £5 million fixed at 4.15% over 15 years.
In the event that the Company closes these swaps it will likely realise a gain or loss at that point in time, the unrealised gain or loss for the swaps at balance date is recognised under IFRS in the consolidated accounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

Other financial liabilities include:

– Trade payables and other monetary liabilities that are short term in nature are stated at their nominal value; and

– Bank borrowings that are initially recognised at the amount advanced net of transaction costs that are directly attributable to the issue of the instrument. These interest bearing liabilities are subsequently measured at the amortised cost using the effective interest rate method to ensure that any interest expense over the period is at a constant rate on the balance of the liability carried in the balance sheet. In this context, “interest expense” includes initial transaction costs and premiums payable on redemption, plus the interest or coupon payable while the liability is outstanding.

1.4 Income

Dividend income from financial assets at fair value through profit or loss is recognised in the income statement on an ex-dividend basis. Interest on fixed interest debt securities is recognised using the effective interest rate method. Dividend expense on short sales of equity securities is included within other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss. Bank deposit interest is recognised on an accruals basis.

1.5 Expenses

All expenses and interest payable are accounted for on an accruals basis.

1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using the effective tax rate of corporation tax for the accounting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.7 Foreign currency

The Group’s investors are mainly from the United Kingdom, with the shares denominated in British Pounds. The performance of the Group is measured and reported to the investors in British Pounds.

The Directors considers the British Pound to be the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The consolidated financial statements are presented in British Pounds, which is the Group’s functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities and equity investments held at fair value to the profit and loss that are denominated in foreign currency are translated into the British Pounds using the exchange rate prevailing at the balance sheet date.
Foreign exchange gains and losses arising from translation are included in the income statement.

Recoverability is assessed for trade and other receivables and provisions are recognised where appropriate.

1.8. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

1.9 Trade and other receivables

Trade and other receivables are short term in nature and carry no interest. These amounts are recognised initially at fair value and subsequently measured at amortised cost; any difference is recognised in the income statement.

1.10 Property, plant and equipment

Items of freehold property, plant and equipment are stated at cost less accumulated depreciation.

The Group uses the fair value model and depreciation is not provided for on investment properties, which are held for rental income and the potential for capital appreciation. Investment properties are initially recognised at cost and revalued to fair value by a professionally qualified independent valuer for both interim and annual balance dates. Rental income is accounted for on an accruals basis and any gain or loss arising from revaluing to a fair value of an investment property is recognised in the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of items of property, plant and equipment.
The rates of depreciation are as follows:
- Freehold property 2%
- Paintings 2%
- Computer equipment 33%
- Fixtures and fittings 33%

Residual values and useful lives are reviewed each year end and adjusted as required, where an asset's carrying amount is greater than its estimated recoverable amount, it is immediately written down to its estimated recoverable amount.

1.11 Equity

When the Company repurchases share capital that is recognised as equity, all consideration paid, including any directly attributable cost; is recognised as a change in equity.
Equity dividends are recognised when they become legally payable, final dividends are authorised for payment by shareholders at the Annual General Meeting, with interim dividends recognised when paid.

1.12 Segment information

The Directors have considered the requirements of IAS 14 "Segment reporting" and are of the opinion that the whole of the Group's business comprises one reportable segment, which is dealing in investments.

1.13 Key estimates and assumptions

Estimates and assumptions used in preparing the financial statements are reviewed on an ongoing basis and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these estimates and assumptions form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.
The only estimates and assumptions that may cause material adjustment to the carrying value of assets and liabilities relate to the valuation of unquoted investments. These are valued in accordance with the techniques set out in note 1.3.
At the year end, unquoted investments represented 12.9% of net assets

1.14 Pension costs

The Group contributes to Self Investing Personal Pension plans for CRW Parish, with contributions recognised when payable.

1.15 Standards, amendments and interpretations becoming effective in the year to 30 June 2009 but are not relevant to the Group:

- IFRIC 11, 'IFRS 2 – Group and treasury share transactions'.
- IFRIC 12, 'Service concession arrangements'.
- IFRIC 14, 'IAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction'.

1.16 Standards, amendments and interpretations to existing standards that become effective in future accounting periods and have not been adopted early by the Group:

- IAS 1 (revised), 'Presentation of Financial Statements' (effective for financial years beginning on or after 1 January 2009). Introduces financial statement name changes for the purposes of accounting standards. The new names are not mandatory for financial reporting and the Group does not currently expect to apply the new statement names.
- IAS 23 (amendment), 'Borrowing costs' (effective for financial years beginning on or after 1 January 2009). It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. The Group has no qualifying assets.
- IFRS 3 (revised), 'Business combinations' (effective for financial periods beginning on or after 1 July 2009). Changes elements of the acquisition method for business combinations, including that all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt, subsequently re-measured through the income statement. The Group will apply IFRS 3 (revised) to all business combinations from 1 July 2009.
- IAS 27 (revised), 'Consolidated and Separate Financial Statements' (Consequential amendments arising from IFRS 3 'Business Combinations') (effective for financial years beginning on or after 1 July 2009. This standard is unlikely to have any significant impact on the Group. The Group expects to apply IAS 27 (Revised) from 1 July 2009.
- IFRS 8, 'Operating segments' (effective for financial years beginning on or after 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, Disclosures about segments of an enterprise and related information. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group expects to apply IFRS 8 from 1 July 2009. This standard is unlikely to have a significant effect on the Group.

NOTES TO THE FINANCIAL STATEMENTS

- IAS 39 (amendment), 'Financial Instruments: Recognition and Measurement'. The amendment permits an entity to reclassify particular financial assets in some circumstances. The Group will apply IAS 39 (Amendment) from 1 July 2009. It is not expected to have an impact on the Group's Consolidated financial statements. There are also a number of minor amendments to the following standards, which are part of the IASB's annual improvements project published in May 2008. These amendments are subject to endorsement by the EU and they are unlikely to have any significant impact on the Group's Consolidated financial statements.
- IAS 8 'Accounting Policies, changes in accounting estimates and errors'.
- IAS 10 'Events after the reporting period'.
- IAS 16 (amendment), 'Property, plant and equipment' (and consequential amendment to IAS 7: 'Statement of cash flows').
- IAS 18 'Revenue'.
- IAS 28 (amendment), 'Investments in associates'.
- IAS 32 (amendment), 'Financial instruments: presentation' and IAS 1, Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation'.
- IAS 34 'Interim financial reporting'.
- IAS 36 (amendment) 'Impairment of Assets'.
- IFRS 7 'Financial Instruments: Disclosures'.

1.17 Standards, amendments and interpretations to existing standards that become effective in future accounting periods and are not relevant for the Group's operations:

- IFRIC 13 'Customer loyalty programmes'.
- IAS 29 (amendment), 'Financial reporting in hyperinflationary economies'.
- IAS 31 (amendment), 'Interests in joint ventures' (and consequential amendments to IAS 32 and IFRS 7).
- IAS 38 (amendment), 'Intangible assets'.
- IAS 40 (amendment), 'Investment property' (and consequential amendments to IAS 16).
- IAS 41 (amendment) 'Agriculture'.
- IAS 20 (amendment) 'Accounting for government grants and disclosure of government assistance'.
- IFRIC 15, 'Agreements for construction of real estates'.

2. INVESTMENT INCOME

	30 June 2009	**Restated** 30 June 2008
	£	£
a. **Revenue**		
Dividends from investments	**1,834,042**	2,282,121
Other income	**563**	63,523
	1,834,605	2,345,644
b. **Net (losses) / gains on investments**		
Net unrealised losses on fair value of investments through the profit and loss	**(31,679,456)**	(12,530,961)
Net realised gains on fair value of investments through the profit and loss	**556,977**	12,494,264
Net losses on fair value of investment properties	**–**	(4,205)
Net foreign exchange gains	**2,563,853**	988,343
Net (losses) / gains on investments	**(28,558,626)**	947,441

3. EXPENSES

	30 June 2009	**Restated** 30 June 2008
	£	£
Employment costs	**728,386**	580,471
Employer's national insurance contributions and similar taxes	**64,000**	84,132
Pension costs	**30,000**	30,000
	822,386	694,603
Benefits in kind included within employment costs	**1,257**	657

NOTES TO THE FINANCIAL STATEMENTS *continued*

3. EXPENSES *continued*

	30 June 2009 £	Restated 30 June 2008 £
Auditors' remuneration		
– financial statements' audit	**126,557**	93,436
– other services	–	19,035
	126,557	112,471

	30 June 2009	30 June 2008
Average staff (including executive Director)		
Investing	**1**	1
Administration	**3**	3
	4	4

Full details of the fees and emoluments for each Director are provided in the Directors' report on pages 10 and 11.

4. DIVIDENDS

Dividends paid prior to Merger by El Oro and Exploration Company Limited

	Paid during period to	
	30 June 2009 £	30 June 2008 £
Interim dividend of 14.0 pence (2008: 13.2 pence) per ordinary Share declared and paid relating to the previous period's results	**1,508,710**	1,422,498

Interim dividends

The Directors approved a first and only interim dividend of 14.0 pence (interim 2008: 14.0 pence) per Share totalling £1,508,710 (2008: £1,508,710). Dividends are accounted for when paid. The first and only interim dividend will be paid on 23 December 2009 to Shareholders on the register of Members on 4 December 2009.

5. TAXATION

5.1 Local tax – Guernsey

The Company is resident for tax purposes in Guernsey. The Company is exempt from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinances 1989 and 1992 and is charged an annual exemption fee of £600.

5.2 Foreign tax – United Kingdom

The Company's subsidiaries are resident for tax purposes in the United Kingdom.

	30 June 2009 £	Restated 30 June 2008 £
Analysis of tax charge		
Current tax:		
UK corporation tax on profits for the period	**1,248,768**	(260,102)
Overseas tax charge	**59**	–
Adjustment in respect of previous year	**(600)**	(43,124)
Total current tax	**1,248,227**	(303,226)
Deferred tax:		
Origination and reversal of timing differences	**(10,309,701)**	223,795
Total deferred tax	**(10,309,701)**	223,795
Tax on profit from ordinary activities	**(9,061,474)**	(79,431)

Factors affecting tax charge

The tax assessed is lower (2008: lower) than the standard rate of corporation tax in the UK of 28.0% (2008: 29.5%).

NOTES TO THE FINANCIAL STATEMENTS *continued*

	30 June 2009 £	Restated 30 June 2008 £
The differences are explained below:		
Profit on ordinary activities before tax	**(30,381,174)**	(464,441)
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.0% (2008: 29.5%)	**(8,506,728)**	(137,010)
Effects of:		
Expenses not deductible for tax	**432,787**	23,629
Income not subject to tax	**(989,325)**	85,213
Increase in excess tax losses	**3,508**	–
Overseas tax	**59**	–
Depreciation in excess of capital allowances	**(1,175)**	261
Adjustments to tax charge in respect of prior year	**(600)**	(51,524)
Total tax charge for the year	**(9,061,474)**	(79,431)

The Group anticipates claiming capital allowances in excess of depreciation in future periods reversing the position previously where depreciation has been higher than capital allowances.

6. EARNINGS PER SHARE

	30 June 2009 £	Restated 30 June 2008 £
Profit after tax	**(21,319,700)**	(464,441)
Weighted average number of shares in basic and diluted EPS	**10,776,501**	10,776,501
Earnings per share (basic and diluted)	**(197.84 p)**	(4.31p)

7. TANGIBLE ASSETS

	Freehold property (at cost) £	Fixtures, fittings paintings and computer equipment (at cost) £	Property, plant and equipment £	Investment and properties (at value) £	Total £
Year-ended 30 June 2008					
Opening net book value	692,106	34,849	726,955	495,091	1,222,046
Additions	–	822	822	–	822
Depreciation for period	(14,884)	(5,498)	(20,382)	–	(20,382)
Depreciation – written back on disposals	–	678	678	–	678
Disposal of investment properties	–	–	–	(350,119)	(350,119)
Exchange difference to opening balance	–	–	–	(1,433)	(1,433)
Movement in value of Investment	–	–	–	(11,598)	(11,598)
Closing net book value	677,222	30,851	708,073	131,941	840,014
Year-ended 30 June 2009					
Opening net book value	677,222	30,851	708,073	131,941	840,014
Additions	–	20,348	20,348	–	20,348
Depreciation for period	(14,844)	(7,705)	(22,549)	–	(22,549)
Disposal of investment properties	–	–	–	(131,941)	(131,941)
Closing net book value	662,378	43,494	705,872	–	705,872

NOTES TO THE FINANCIAL STATEMENTS *continued*

The investment property consisting of an apartment in Auckland, New Zealand was sold during December 2008. The investment property was valued on 30 June 2008 at £131,941 on the basis of open market value by Linda C.N. Holdaway, Registered Valuer, an independent firm of Registered Valuers in New Zealand. Market value represents the figure that would appear in a hypothetical contract of sale between a willing buyer and a willing seller. The valuation was completed in accordance with the New Zealand Institute of Valuers and Property Institute of New Zealand Code of Ethics and Valuation Standards. The subsidiary company El Oro and Exploration Company Limited sold the remaining investment property in New Zealand during December 2008.

8. SUBSIDIARY COMPANIES

The Company held the entire issued share capital and voting power of the following companies all of whom are registered in England and Wales and operate in England as at the 30 June 2009.

	No. shares	Nominal value	Net assets	Profit /(loss) before tax £	Book value £
Investment companies					
El Oro and Exploration Company Limited	10,776,501	ord. 5p shares	12,683,794	(33,909,088)	538,825
Investigations and Management Limited	5,000	ord. £1.00 shares	58,939	5,387	3,080
Dormant companies					
El Oro Mining and Exploration Company Limited	4,511,135	ord. 10p shares	453,546	–	456,110
General Explorations Limited	1,000,000	ord. 5p shares	50,000	–	2,747
Group Traders Limited	30,040	ord. 5p shares	1,502	–	37,500

9. TRADE AND OTHER RECEIVABLES

	30 June 2009	30 June 2008
	£	£
Amounts due from brokers - unsecured and receivable on demand	**713,183**	1,227,037
Other debtors	**223,164**	265,242
	936,347	1,492,279

Trade receivables are settled on the requirements of the relevant stock exchange, which is normally within one week of trade date. Other receivables are mainly accrued dividend income, normally due within a 30 day period.

10. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

		Restated
	30 June 2009	30 June 2008
	£	£
Listed - Equities - London Stock Exchange	**15,645,705**	40,297,265
Listed - Equities - London AIM	**17,325,354**	18,916,360
Listed - Equities - International	**32,538,915**	39,114,584
Listed - Fixed interest - UK	**924,562**	903,015
Listed - Fixed interest - International	**154,894**	387,207
	66,589,430	99,618,431
Unlisted - Equities	**8,076,227**	9,115,023
Unlisted - Floating Rate Notes	**414,250**	1,602,988
Unlisted - Fixed interest	**1,612,455**	2,788,363
	76,692,362	113,124,805

* Refer to Note 23 for details on the restatement.

Included in unlisted securities are 24 unquoted investments totalling £1.3 million which were valued by the Chairman based on his knowledge of the investee company and after considering the market conditions. The Board has considered the valuation of these investments and accept that £1.3 million represent the fair value of these unquoted investments.

NOTES TO THE FINANCIAL STATEMENTS *continued*

11. FINANCIAL LIABILITIES – BORROWINGS AND DERIVATIVES

	30 June 2009	**Restated** 30 June 2008
	£	£
Current		
Bank overdrafts	**4,793,165**	8,124,690
Amounts due to brokers	**3,056,547**	4,783,361
Financial liabilities at fair value	**726,835**	1,337,123
	8,576,547	14,245,174

	30 June 2009	30 June 2008
	£	£
Non-current		
Bank loan	**15,000,000**	15,000,000
	15,000,000	15,000,000

The subsidiary company El Oro and Exploration Company Limited has overdraft facilities that are repayable on demand and additionally a bank loan that is not recallable for five years with Lloyds TSB plc. These facilities are comprised of a fully drawn loan of £15 million, with a further £5 million for working capital and liquidity management. There is a registered charge on all of the assets in favour of Lloyds TSB plc, the Group's bankers, as security for all liabilities and obligations owed by the Group to the bank.

Financial instruments at fair value comprise short derivative financial instruments, this category is carried in the balance sheet at fair value with changes in fair value recognised in the income statement.

The subsidiary company El Oro and Exploration Company Limited has a line of credit for commodity forward contracts with each of HSBC Bank plc (up to USD 2.5 million) and Lloyds TSB plc (up to £ 5.0 million). The commodity forward positions as at 30 June 2009 have been recognised as an investment in the consolidated financial statements under IFRS.

There is a general lien on assets in favour of HSBC Bank plc as security for any liabilities and obligations owed by the Group to the bank.

Within the amounts due to brokers, there is a lien on all assets held in favour of Man Financial Limited, as brokers, as security for all liabilities and obligations owed in respect of contracts entered into by the Group to Man Financial Limited. The securities placed with Man Financial Limited as collateral for Group CFD trading is valued at market rates.

	30 June 2009	30 June 2008
	£	£
Collateral placed with broker for financial liabilities at fair value		
Man Financial Limited	**1,696,787**	2,956,916

NOTES TO THE FINANCIAL STATEMENTS *continued*

12. FINANCIAL LIABILITIES – TRADE AND OTHER PAYABLES

	30 June 2009 £	30 June 2008 £
Amounts due to brokers - unsecured and payable on demand	**468,955**	221,732
Other tax and social security taxes	**16,694**	52,894
Other payables	**4,532**	10,673
Accruals	**703,718**	391,160
Unclaimed dividends	**162,087**	145,384
	1,355,986	821,843

13. FINANCIAL LIABILITIES – CURRENT TAX LIABILITIES

	30 June 2009 £	30 June 2008 £
Corporation tax	**612,581**	849,967

14. DEFERRED TAX LIABILITIES

	30 June 2009 £	30 June 2008 £
Opening balances at 1 July	**13,685,845**	19,137,463
Net (losses) in investments	**(10,308,524)**	(5,675,415)
Increase in provision for investments	**–**	223,536
Depreciation in excess of capital allowances	**(1,175)**	261
Closing balances at 30 June	**3,376,146**	13,685,845

Deferred tax is calculated in full on temporary differences under the liability method using an average tax rate of 28% (2008: 28%) and is calculated at the rate at which the deferred tax is expected to reverse.

Fair value adjustments are taken with non capital items through the income statement.

15. CASH AND CASH EQUIVALENTS

	30 June 2009 £	30 June 2008 £
Cash available on demand	**1,494,213**	536,463
Bank overdraft	**(4,793,165)**	(8,124,690)
Amounts due to brokers	**(3,056,547)**	(4,783,361)
	(6,355,499)	(12,371,588)

NOTES TO THE FINANCIAL STATEMENTS *continued*

16. COMMITMENTS AND CONTINGENT LIABILITIES

Within the normal course of business, the Group has committed to subscribe for securities to a value. As at 30 June 2009 this commitment totalled £218,679 (2008: £126,465).

In the normal course of business, the Group had pledged security investments as collateral at 30 June 2009 with a value of £1,696,787 (2008: £2,956,916).

17. SHARE CAPITAL

	El Oro Ltd.		**El Oro and Exploration Company Limited**	
	30 June 2009	**30 June 2009**	30 June 2008	30 June 2008
Authorised	**No.**	**£**	No.	£
Authorised	**unlimited**	**unlimited**	–	–
Authorised - shares of 5 pence	–	–	7,947,075*	397,354
Stock units of 5 pence	–	–	11,942,927*	597,146
		unlimited		994,500

	El Oro Ltd.		**El Oro and Exploration Company Limited**	
	30 June 2009	**30 June 2009**	30 June 2008	30 June 2008
Issued and fully paid	**No.**	**£**	No.	£
Shares with no par value	**10,776,501**	**538,825**	–	–
At start of period	–	–	10,776,501*	538,825
Stock units transferred on 1:1 share offer to El Oro Ltd	**10,776,501**	**538,825**	(10,776,501)*	(538,825)
At end of period	**10,776,501**	**538,825**	–	–

* Stock units of 5p each were transferred by El Oro and Exploration Company Limited on a 1:1 share offer pursuant to the Scheme of Arrangement to El Oro Ltd. The Shares transferred were the only consideration provided.

18. EQUITY RESERVES

	Share premium £	**Capital redemption reserve £**	**Non distributable merger reserve £**	**Restated AFS reserve £**	**Restated Retained earnings £**
As at 30 June 2008 as previously stated	6,017	347,402	3,564	35,280,747	38,462,255
Restatement*	–	–	–	(35,280,747)	35,280,747
At 30 June 2008 as restated	6,017	347,402	3,564	–	73,743,002
Net loss for the year	–	–	–	–	(21,319,700)
Dividend paid	–	–	–	–	(1,508,710)
As at 30 June 2009	6,017	347,402	3,564	–	50,914,592

*The prior year adjustment relates to an unrealised gain on fair value through profit and loss investments incorrectly classified as available for sale investments in previous years. Further details on the restatement are to be found in Note 23.

NOTES TO THE FINANCIAL STATEMENTS *continued*

18. EQUITY RESERVES *continued*

Share premium
The share premium reserve maintains the amount that has been subscribed for share capital in excess of the share capital's par, or nominal value. This reserve relates to the subsidiary companies.

Capital redemption
The capital redemption reserve maintains the par or nominal value amount that is transferred from share capital on the cancellation of issued shares. This reserve relates to the subsidiary companies.

Merger
The Merger reserve was created on 5 September 2003 when merging the accounts from the El Oro Mining Company plc and Exploration Company plc, plus the subsequent adjustment on the disposal of Danby Registrars Limited. This reserve relates to the subsidiary companies and is not distributable.

Retained earnings
This reserve maintains the net gains and losses as recognised in the consolidated income statement. The distributable retained earnings for El Oro Ltd is included in the Company's balance sheet and not the Group's Consolidated balance sheet.

19. NET ASSETS PER SHARE

The net assets per Share figure is based on net assets of £51,810,400 (2008: £74,638,810) divided by 10,776,501 (2008: 10,776,501) Shares in issue at the year end.

20. CASH FLOW – MATERIAL NON-CASH ITEMS

The Company's Shares were issued on a 1:1 swap with El Oro and Exploration Company Limited (formerly plc), there was no cash consideration pursuant to the share swap.

The Company received investments with an aggregate value of £35,585,876 through a dividend-in-specie from El Oro and Exploration Limited (formerly plc), there was no cash consideration pursuant to the dividend, nor on acquiring the investments.

21. RELATED PARTY TRANSACTIONS

The Company and its subsidiary companies are related parties; as such, any transactions between these related parties have been eliminated in consolidating the Group's figures. During the year the subsidiary company El Oro & Exploration Company Limited purchased goods amounting to £5,228 (2008: £6,165) from Danby Registrars Limited, a company wholly owned by CRW Parish, an executive Director of the Company.

El Oro & Exploration Company Limited owns the UK Group subsidiaries registered office, 41 Cheval Place.

CRW Parish, The Hon. Mrs. EC Parish and EW Houston paid accommodation costs to the Company for the use of the property during the year to 30 June 2009 this amounted to £198 (2008: £540). No amounts remain outstanding at the year ended 30 June 2009 (2008: £nil).

NOTES TO THE FINANCIAL STATEMENTS *continued*

22. FINANCIAL INSTRUMENTS AND RISK PROFILE

The Group's financial instruments are contained within its portfolio in investments, derivatives and commodities, cash balances, receivables and payables that arise directly from its operations, such as sales and purchases awaiting settlement, and bank borrowings used to partly finance the Group's operations.

The principal activity of the Group is dealing in investments. Investments in UK companies form the bulk of the portfolio. The Group's main aim is to steadily increase the net asset value and dividend. The Group deals in listed and unlisted investments or other financial instruments, including derivatives and commodities. The Group is exposed to certain inherent risks that could result in either a reduction in the net assets, or a reduction in the profits available for distribution by way of dividends.

The Group finances its operations through retained profits, bank overdrafts and secured borrowings on transactions with brokers.

The Group has little exposure to credit and cash flow risk as a large proportion of its current assets are in readily realisable investments. Unlisted investments in the portfolio may not be immediately or readily realisable, this is generally not significant in normal market conditions as the majority of the Group's investments are listed on recognised stock exchanges and are generally liquid. Hence, liquidity risk is not considered to be significant. The Directors take this risk into account before making such investments and when determining the valuation of these assets. Additionally, the Group takes account of these risks when setting investment policy and making investment decisions, by monitoring economic and market data to minimise the Group's exposure.

Credit risk is the potential exposure of the Group to loss in the event of a non-performing counterparty. The Group manages the credit risk that arises during normal commercial operations, within the guidelines set by the Board. The Group also has credit exposures in financial and specialised markets as a result of dealing in investments and other financial instruments, including derivatives and commodities. The Group controls the related credit risk in financial and specialised markets by only entering into contracts with counterparties who are duly registered securities dealers that are in the Board's estimation, and on the basis of past performance, historically sound and consequently, highly credit-rated.

The contractual maturities of the financial liabilities at 30 June 2009, based on the earliest date on which payment can be required to be made was as follows:

As at 30 June 2009	**Repayable on demand**	**3 months or less**	**Not more than 1 year**	**Not more than 5 years**	**Total**
Amounts due within one year:					
Overdrafts – due on demand	7,850				7,850
Brokers		511			511
Other creditors		21	704	162	887
Commodities – forward contracts		125	559		684
Amounts due after one year:					
Bank loan				15,000	15,000
	7,850	**657**	**1,263**	**15,162**	**24,932**

NOTES TO THE FINANCIAL STATEMENTS *continued*

22. FINANCIAL INSTRUMENTS AND RISK PROFILE *continued*

Fair values of financial assets and financial liabilities

The purpose of the following table is to summarise the fair and book value of the financial assets together with the financial liabilities. There is no difference between the book value and fair value and this summary excludes short-term debtors and creditors. The Group's policy in relation to the role of financial instruments and risk and is consistent with the position throughout the year and also during the comparative period.

	30 June 2009 Fair and book value £	30 June 2008 Fair and book value £
Financial assets		
Cash and bank balances	**1,494,213**	536,463
Listed investments	**66,589,430**	99,618,431
Unlisted investments	**10,102,932**	13,506,374
Commodities*	**567,464**	3,248,078
Derivatives**	**335,402**	–
	79,089,441	116,909,346
Financial liabilities		
Bank loan and overdrafts	**20,520,000**	23,124,690
Amounts due to broker	**3,056,547**	6,120,484
	23,576,547	29,245,174

*Commodity forward contracts are contractual obligations to buy or sell the underlying commodity at a future date. when a contract matures, the contractual obligation is to exchange the actual commodity with the counterparty, open positions are closed by entering into an opposite contract to buy or sell prior to a settlement date when physical positions. The commodity forward contracts in the portfolio are valued at market rates.

At 30 June 2009 the Group held one contract for 1,000 ounces of Gold with a fair value of £567,464. At 30 June 2008 the Group held one contract for 50,000 ounces of Silver with a fair value of £443,445 and five contracts for a total 6,000 ounces of Gold with a fair value of £2,804,633.

** Derivatives comprise two interest rate swaps with Lloyds TSB Bank plc.
(1) £10 million fixed at 4.1% over 20 years; and
(2) £5 million fixed at 4.15% over 15 years.

In the event that the swaps had been closed on 30 June 2009 it would have realised a gain of £335,402. This amount has been recognised as a current asset under financial assets at fair value through the profit and loss in the consolidated financial statements under IFRS. Fair value of swap on 30 June 2009 is based upon the valuation confirmation provided by Lloyds TSB Bank plc.

Fair value is determined from the bid price on the purchase of an investment or the offer price on the sale of an investment. Refer to Note 1.3 for further details.

The principal risks the Group faces in its portfolio management activities are:
- market price risk (movements in the value of investment holdings caused by factors other than interest rate or currency movement);
- currency risk;
- interest rate risk; and
- liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS *continued*

Market price risk

The Group exposure to market price risk is mainly contained in potential movements in the fair value of its investments, including equities, property and commodities. The Group manages this price risk within its long-term investment strategy to manage a diversified exposure to the market, principally in commodities and the exploration, mining, property and brewing sectors. The Group's investments are not tied to a linear market price risk owing to the portfolio's diversified structure. However, in line with IFRS 7, were each of the equities holdings to experience a 5% rise or fall in their fair value during the period this would result in the Group’s net asset value and Income Statement increasing or decreasing by £3,834,618 or 7.4% (2008: £5,656,240 or 7.6%). Additionally, were each of the commodities holdings to experience a 5% rise or fall in their fair value this would result in the Group’s net asset value and Income Statement increasing or decreasing by £16,770 or 0.03% (2008: £162,404 or 0.2%).

The focus is on a macro strategy for the portfolio, which looks at the long-term. However, hedging and trading are managed by monitoring on a daily basis company announcements, market information and having regular contact with stockbrokers on the securities and commodities within the Group’s investment universe. The Group directors provide additional support in the course of applying their respective knowledge and advice when monitoring the Group’s portfolio.

Currency risk

The Group exposure to currency risk comes from investment in listed overseas stock markets, short-term funding from transactions with overseas stockbrokers and also from foreign currency holdings. The Group does not hedge against currency risk, as the relative strength and weakness of a currency is considered when making an investment decision. Receipts in a currency other than British Pounds are converted only to the extent that they are not required for settlement obligations in that currency. The Group exposure to currency from overseas investment at fair value in British Pounds:

	30 June 2009	30 June 2008
	£	£
Key currencies		
Australian dollar	**8,566,690**	15,690,227
Canadian dollar	**5,524,446**	7,131,922
South African rand	**3,587,069**	5,983,079
US dollar	**8,535,456**	8,449,705
	26,213,661	37,254,933
Other		
Danish kroner	–	12
Euro	**555,323**	1,490,228
Hong Kong dollar	**64,024**	9,268
Japanese yen	**192,698**	4,510
Malaysian ringitt	**1,115,838**	1,446,765
New Zealand dollar	**77,186**	176,866
Norwegian krone	**29,915**	57,356
Swedish krona	**55,804**	308,251
Swiss franc	**–**	173,920
Thai bhat	**–**	124,135
	2,090,788	3,791,311
	28,304,449	41,046,244

It should be noted that for the purposes of IFRS 7, currency risk does not arise from financial instruments that are non-monetary items.

NOTES TO THE FINANCIAL STATEMENTS *continued*

22. FINANCIAL INSTRUMENTS AND RISK PROFILE *continued*

Key currencies	GBP 2009	GBP 2008	Change in currency rate (%)	Effect on net assets (£'000) 2009	Effect on net assets (£'000) 2008
Australian dollar	**8,566,690**	15,690,227	5	**428**	785
Canadian dollar	**5,524,446**	7,131,922	5	**276**	357
South African rand	**3,587,069**	5,983,079	5	**179**	299
US dollar	**8,535,456**	8,449,705	5	**427**	422
	26,213,661	37,254,933		**1,310**	1,863
Other currencies	**2,090,788**	3,791,311	5	**105**	190
	28,304,449	41,046,244		**1,415**	2,053

The rise or fall in the value of the British Pound against other currencies by 5.0 % would result in the Group's net asset value and Income statement which are denominated in currencies other than British Pounds at balance date, increasing or decreasing by £1,415,000 or 2.7% (2008:£2,053,000 or 2.8%).

Interest rate risk
The Group has both interest bearing assets and liabilities.

The Group has an indirect exposure to interest rate risk, which results from the effect that changes in interest rates might have on the valuation of investments within the portfolio. The majority of the portfolio's financial assets are equity shares that pay dividends, not interest. Interest is charged on the bank overdraft and other bank loans; the interest rate is over various currency base rates or at rates negotiated with other financial institutions. Borrowing at year-end was £22,849,712 (2008: £27,905,051) (see note 11) and if that level of borrowing were maintained for a year with a 1 percent point change in the interest rate (up or down) net revenue before tax would increase or decrease by £228,497 or 0.4% on net assets (2008: £279,081 or 0.4% on net assets).

The interest rate profile of the Group's financial assets:

	30 June 2009 Fixed Rate at fair value £	30 June 2008 Fixed Rate at fair value £
Fixed rate notes (assets)	**3,049,166**	1,082,038

The effective interest rate on these financial assets is 7.2% (2008: 12.8%).

Liquidity risk
There is a portion of the equities in the Group's portfolio that are not publicly quoted and this might restrict their disposal should the Group wish to realise such securities. The Board monitors the levels of holdings which might affect liquidity owing to a lack of marketability in the securities on a regular basis to ensure that operations are not compromised by a lack of liquidity.

In addition to the financial assets listed above, the subsidiary El Oro and Exploration Company Limited has open forward contracts in commodities, as shown in the consolidated balance sheet.

Capital management policies and procedures
The Group's capital management objectives are to ensure that it will be able to continue as a going concern, and to maximise the income and capital return to Shareholders through an appropriate balance of equity capital and debt.

The portfolio includes unquoted investments which total £10.1 million or 13.0% (2008: £13.5 million or 12.0%) of the total portfolio on a fair value basis. These unquoted investments are held at valuations determined by the Directors, as discussed in note 1.

The Group's capital at 30 June 2009 comprises equity share capital, reserves and debt as shown in the consolidated balance sheet at a total of £74,660,000 (2008: £102,547,000).

The Director's review and consider the broad structure of the Group's capital on an ongoing basis. These considerations include:

- Share repurchases, assessed based upon the share prices' discount or premium to net asset value;
- Equity issues; and
- Dividend policy.

NOTES TO THE FINANCIAL STATEMENTS *continued*

Share repurchases
Under the Articles the Company has the authority to purchase the Shares as described in its Admission document. There may be occasions when the Board is precluded from making such purchases as it is in possession of unpublished price sensitive information relating to the Company, generally the Board will consider Share repurchases whenever Shares trade at a sufficient discount to net asset value and the Company has sufficient funds available. Share repurchases are made on market at the market rate provided that price is less than the net asset value per Share. This generally has the effect of increasing the net asset value attributable to the remaining Shares and boosts return for the Company's remaining shareholders.

The Company is subject to externally imposed capital requirements in that as a public company, the Company is required to have a minimum share capital of £50,000 and is only able to pay dividends from distributable reserves.

The Group has complied with the Board's requirements in relation to the Group's policies and processes for managing the Group's capital, which were unchanged from the Group's requirements in the comparative financial year.

23. RESTATEMENT

In the prior years, investments at fair value through the profit or loss account were incorrectly categorised as available for sale in investments. This error has been corrected with the restatement in the consolidated financial statements for the year to 30 June 2008 as shown below.

	As previously stated 2008 £	As restated 2008 £	Restatement 2008 £
Effect on consolidated balance sheet			
Financial assets – available for sale investments	113,124,805	–	(113,124,805)
Financial assets at fair value through the profit and loss - investments	3,248,078	116,372,883	113,124,805
Other – Available for Sale Reserve	35,280,747	–	(35,280,747)
Retained earnings	38,462,255	73,743,002	35,280,747
Net change in equity	–	–	–

	As previously stated 2008 £	As restated 2008 £	Restatement 2008 £
Effect on consolidated income statement for the year ended 30 June 2008			
Net gains/(losses) on fair value of investments through the profit and loss	544,775	(12,530,961)	(13,075,736)
Impairment of loss on Available for Sale investments	(5,832,572)	–	5,832,572
Unrealised loss on Available for sale investments taken to AFS reserve	(7,243,164)	–	(7,243,164)
Tax effect on gains and losses of Available for Sale investments restated from Available for Sale Reserve to Income Statement	5,675,415	–	(5,675,415)
Taxation – Income Statement	(1,948,655)	3,726,760	5,675,415
Effect on Earnings per share (basic and diluted)	**44.08 pence**	**92.48 pence**	**48.40 pence**

NOTES TO THE FINANCIAL STATEMENTS *continued*

24. Subsequent events

The Chairman alluded to the results of the buoyant markets in the Chairman's statement. To clarify this, since 30 June 2009 the Group's net asset value at the quarterly release date of 30 September 2009, has increased by 24.9% to 600.5 pence.

This net asset value is released by the Company to the Channel Islands Stock Exchange.

In accordance with IAS 10 Events after the balance sheet date, changes in asset prices after the balance sheet date constitute a non-adjusting event as they do not relate to conditions that existed at the balance sheet date. Accordingly, it is not appropriate to reflect any financial effect of these changes in asset prices in the balance sheet as at 30 June 2009.

OFFICERS

El Oro Ltd (Guernsey)	El Oro and Exploration Company Limited (UK)
DIRECTORS CRW Parish, M. A. (Oxon) (Chairman) RAR Evans SB Kumaramangalam RE Wade JA Wild * The Directors were all appointed on 9 December 2008. **REGISTERED OFFICE** 22 Smith Street St Peter Port Guernsey GY1 2JQ **SECRETARY** Capita Financial Administrators (Guernsey) Ltd	**DIRECTORS** CRW Parish, M. A. (Oxon) (Chairman and Managing Director) The Hon. Mrs. EC Parish EW Houston DRL Hunting RE Wade JA Wild **REGISTERED OFFICE** 41 Cheval Place London SW7 1EW Telephone 020 7581 2782 Facsimile 020 7589 0195 **SECRETARY** S McKeane

ADVISERS

AUDITOR PricewaterhouseCoopers CI LLP Chartered Accountants and Registered Auditors PO Box 321 National Westminster House Le Truchot St Peter Port Guernsey GY1 4ND Channel Islands **STOCKBROKER** JM Finn & Co. 4 Coleman Street London EC2R 5TA	**LAWYER** McDermott Will & Emery UK LLP 7 Bishopsgate London EC2N 3AR **REGISTRAR** Capita Registrars (Guernsey) Limited PO Box 344 Longue Hougue House St Sampson Guernsey GY1 3US

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Company's FIRST ANNUAL GENERAL MEETING and the ONE HUNDRED AND FIFTH ANNUAL GENERAL MEETING OF THE EL ORO GROUP will be held on 21 January 2010 at 22 Smith Street, St Peter Port, Guernsey, GY1 2JQ at 12 noon for the following purposes:

Ordinary resolutions:

1. To receive the Directors' report and financial statements for the year ended 30 June 2009.
2. To re-appoint PricewaterhouseCoopers CI LLP as Auditor of the Company, to hold office until the conclusion of the next General Meeting at which accounts are laid before the Company and to authorise the Directors to fix their remuneration.
3. To amend the Company's Article 13.1

   a) FROM:

13. GENERAL MEETINGS

   13.1 The first general meeting (being an annual general meeting) of the Company shall be held within such time as may be required by the Laws and thereafter, general meetings (which are annual general meetings) shall be held at least once in each subsequent calendar year. All general meetings (other than annual general meetings) shall be called extraordinary general meetings. General meetings shall be held in Guernsey or such other place outside the United Kingdom as may be determined by the Directors from time to time.

   b) TO:

13. GENERAL MEETINGS

   13.1 The first general meeting (being an annual general meeting) of the Company shall be held within such time as may be required by the Laws and thereafter, general meetings (which are annual general meetings) shall be held at least once in each subsequent calendar year. All general meetings (other than annual general meetings) shall be called extraordinary general meetings. General meetings shall be held in such place as may be determined by the Directors from time to time.

4. To authorise the Company generally and unconditionally to make market purchases within the meaning of Section 315 of the Companies (Guernsey) Law 2008, the authority for market acquisitions set forth in Article 4.7 of the Company's Articles of Incorporation be approved and restated on the basis that of its Ordinary Shares in the capital of the Company ("Shares") upon or subject to the following conditions:

   a) the maximum number of Shares hereby authorised to be purchased is 1,077,650;
   b) the maximum price at which Shares may be purchased shall be 5% above the average of the middle market quotations for the Shares as taken from the Channel Islands Stock Exchange Daily Official List for the five business days preceding the date of purchase and the minimum price shall be 5 pence per share, in both cases exclusive of expenses; and
   c) the authority to purchase conferred by this Resolution shall expire on the date falling eighteen months after the date of this resolution or at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution, save that the Company may before such expiry enter into a contract of purchase under which such contract may be completed or executed wholly or partly after the expiration of this authority.

The Board recommends that Shareholders vote in favour of all resolutions.

Registered Office
22 Smith Street
St Peter Port
Guernsey
GY1 2JQ

By Order of the Board
Capita Financial Administrators (Guernsey) Limited
Secretary

18 December 2009

Notes

1. A Shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him or her. A proxy need not be a Member of the Company. A form of proxy accompanies this Notice. Completion and return of the form of proxy will not preclude Members from attending or voting at the Meeting, if they so wish. A Member may appoint more than one proxy in relation to a Meeting, provided that each proxy is appointed to exercise the rights attached to a different Share or Shares held by them. A Member may appoint more than one proxy provided each proxy is appointed to exercise voting rights in respect of a different Share or Shares held by them.
2. To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is executed (or a notarially certified copy of such power of attorney) must be deposited at the office of the Company's Registrar, Capita Registrars, at Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time for holding the Meeting.
3. CREST members may utilise the CREST proxy appointment service by following the directions set out on the form of proxy. Completion and return of the form of proxy will not prevent a Shareholder from subsequently attending the meeting and voting in person if they choose to.
4. A Shareholder must first have their name entered on the register of Members not later than 4.30p.m. on 18 January 2010.

   Changes to entries in that register after that time shall be disregarded in determining the rights of a Shareholder to attend and vote at such meeting.

FORM OF PROXY

EL ORO Ltd (the "Company")

(Registered in Guernsey no. 49778)

Proxy for the 2009 Annual General Meeting
Before completing this form, please read the explanatory notes below.

I/We (PLEASE USE BLOCK LETTERS) ______________________________

of ______________________________

a member of El Oro Ltd (the "Company") HEREBY APPOINT the Chairman of the Meeting or (see Note 3) ______________________________

____

To be my/our proxy at the Annual General Meeting of the Company to be held on 21 January 2010 at 12 noon and at any adjournment thereof, and to attend, speak and vote for me/us and in my/our name(s) upon all resolutions before such meeting:

I/We direct my/our proxy to vote on the following resolutions as I/we have indicated by marking the appropriate box with an "X". If no indication is given, my/our proxy will vote or abstain from voting at his or her discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

	FOR	AGAINST	ABSTAIN		FOR	AGAINST	ABSTAIN
Resolution 1	☐	☐	☐	Resolution 3	☐	☐	☐
Resolution 2	☐	☐	☐	Resolution 4	☐	☐	☐

As Witness my/our hand(s) this ______ day of ______________________________

Signature(s) ______________________________

Notes to the Proxy Form:

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
2. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the Meeting, insert their full name in the space provided. If you sign and return this proxy form with no name inserted in the space provided, the Chairman of the Meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham BR3 4TU.
5. To direct your proxy how to vote on the resolutions, mark the appropriate box with an "X". If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. To appoint a proxy using this form, the form must be:
   - completed and signed;
   - sent or delivered to the Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham BR3 4TU; and
   - received by the Registrars, Capita Registrars no later than 48 hours before the time appointed for the meeting.
7. In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company.
8. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
11. For details of how to change your proxy instructions or revoke your proxy appointment, see the notes to the notice of the meeting.

Third fold and tuck in

Business Reply
Licence Number
RSBH-UXKS-LRBC

PXS
34 Beckenham Road
BECKENHAM
BR3 4TU

First fold

Second fold