

**Brinkley Mining Plc**  
**("Brinkley Mining" or the "Company")**

**AUDITED RESULTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2008**

Brinkley Mining announces its audited results for the period ended 31 December 2008. The Report and Accounts are expected to be posted to shareholders in May 2009 and the Annual General Meeting will be held in London towards the end of June 2009.

**Chairman's Statement**  
**Fundamental Change of business**

The past year has been a period of change for Brinkley. Upon assuming office in May 2008, the new Board and management implemented a strategic review of the Company's operations. This was done in light of the substantial fall in the uranium price since mid-2007 and the major decline in the share prices of AIM traded junior uranium exploration companies.

The outcome of the Board's strategic review was a decision to terminate its operations in Chad and the DRC, to dispose of its Nigerian subsidiary, African Uranium and reposition the Company as an Investment Company in natural resources. The termination of the Company's operations in Chad and DRC was completed in November 2008. The shareholders, at an EGM held on 22 of December 2008, approved the disposal of African Uranium and the Company's new investment strategy. Following these disposals, under the AIM Rules, the Company has become an Investing Company with its main asset being its cash balances, which at 31 December 2008 amounted to £7,321,731. In addition, the Company retains its 50% share in a Joint Venture Agreement with New Kush Exploration and Mining Company Ltd to explore for uranium and gold in the Budi County concession area in Southern Sudan and its 49% stake in the Waterval uranium prospect in South Africa, both of which are discussed in more detail in the Projects Overview. The disposals and restructuring of the Company has enabled Brinkley to significantly reduce its annual cash expenditure thereby preserving its cash resources.

Brinkley Mining is now well positioned to take advantage of the current depressed market conditions and make acquisitions that will create significant value for shareholders. Having completed the asset disposals, the Brinkley Mining management team has actively pursued a program of identifying and evaluating additional potential investment opportunities. In terms of the approved investment strategy, detailed below, management is looking to:

*“acquire holdings in natural resources, minerals and/or metals companies and/or assets which the Directors believe are undervalued and where such a transaction(s) has the potential to create value for Brinkley Mining”.*

To date since the approval of the new strategy, the management has proactively identified and evaluated a number of potential acquisitions, but so far none have fulfilled the Company's investment criteria. The process of identifying and evaluating potential projects is ongoing and Shareholders will be kept informed of any material developments.

In terms of the AIM Rules, the Company is required to make an acquisition/s, which may constitute a reverse take over, in order to implement its investment strategy, which was approved by shareholders at the EGM held on the 22 December 2008. If the Investment Strategy has not been implemented within 18 months of the AGM (i.e. by 22 June 2010) then the admission to trading the Company's Ordinary Shares on AIM will be cancelled and a Shareholders' meeting will be convened to consider whether to consider seeking investment opportunities or to wind up the Company and distribute any surplus cash back to Shareholders.

## **New Investment Strategy**

Brinkley Mining's strategy is to acquire holdings in natural resources, minerals and/or metals companies and/or assets which the Directors believe are undervalued and where such a transaction(s) has the potential to create value for Shareholders. The Company expects to be an active investor but it will depend on the terms of each transaction.

Brinkley Mining will seek to acquire interests in natural resources, minerals and/or metals projects such as (without limit) exploration permits and licences, mining and production licences or processing and development projects, which may be achieved through acquisitions, partnerships or joint venture arrangements. Such investments may result in Brinkley Mining acquiring the whole or part of a company or project. Brinkley Mining's investments may take the form of equity, joint venture debt, convertible instruments, licence rights, or other financial instruments as the Directors deem appropriate.

The Directors believe that their broad collective experience in the areas of natural resources, acquisitions, accounting, corporate and financial management together with the opinion of consultant experts in the evaluation and exploitation of natural resources, minerals or metals projects, which will assist them in the identification and evaluation of suitable opportunities, will enable the Company to achieve its objectives.

Where the Directors consider it necessary, internationally recognised competent persons will be commissioned to prepare reports on the projects being considered by the Company. The Directors may undertake the initial project assessments themselves with additional independent technical advice as required.

There is no limit on the number of projects into which the Company may invest, and the Company will consider possible opportunities anywhere in the World.

## **Exploration Summary**

The only significant exploration work carried out during 2008 was in connection with our joint venture in Southern Sudan. The work undertaken there has been detailed within the Projects Overview section.

## **Corporate**

This year has been one of significant change for the Company. On 3 April 2008, I joined the Board as Non-Executive Deputy Chairman and in May, Dunbar Dales joined me as our Chief Executive. Dunbar has extensive experience of working in Africa as a geologist. Mark Fresson joined the Company as our Finance Director on 5 August 2008, and this completed the appointment of the new executive management team.

Dunbar led the Board's detailed strategic review of the Company's operations and its licences. As a consequence of that review the Board initiated a rationalisation of the Company's interests, the results of which I have referred to above.

## **Results Summary**

The Group loss after tax for the year was £13.0 million (2007: £7.9 million loss). The loss is mainly attributable to the impairment of intangible assets (£9.3 million) and the loss on sale of investments (£2 million).

A large part of the impairment charge this year and last year relates to intangible assets for which Brinkley issued its own shares in consideration, as opposed to paying for those intangible assets with cash. Over the last two reported years, a total of £9.9 million has been written off through the Income Statement and a further £7 million has been written off to the merger reserve both being in respect of such non cash consideration.

Administrative expenses are higher than in 2007 partly as a result of severance costs relating to former Directors and an increase in travel costs and sundry closure costs, none of which are anticipated in the coming year.

## **Outlook**

I believe that your Company will have an interesting 2009 as more potential opportunities for new projects become available as the full implications of the current economic downturn emerge. The Board and management continue to proactively identify and evaluate suitable opportunities for the Company.

I would like to thank our staff and partners for all their hard work and assistance in effectively restructuring and refocusing the Company to create an organisation that is well positioned to take advantage of current market conditions and add create significant value for shareholders.

Richard Linnell  
**Non-Executive Chairman**  
**29 April 2009**

## **Projects Overview**

Upon assuming office in May 2008, the new Board and management implemented a strategic review of the Company's operations. This was done in light of the substantial fall in the uranium price since mid-2007 and the major decline in the share prices of listed junior uranium exploration companies. The outcome of the Board's strategic review was a decision to terminate its operations in Chad and the DRC, to dispose of its Nigerien subsidiary, African Uranium and reposition the Company as an Investment Company in natural resources.

The implementation of the decision has enabled Brinkley Mining to significantly reduce its annual cash expenditure thereby preserving its cash resources and to restructure and strengthen its management team. This has placed the Company in a strong position to enable it to take advantage of the opportunities that are arising as a consequence of current depressed world-wide market conditions.

### **Project identification and evaluation**

The adoption of the Investment Strategy has provided Company management with the flexibility to actively seek out and acquire undervalued near-to-cash assets, which the Board believes, with the injection of cash and the Company's management expertise, have the potential to create significant value for Shareholders. Following the completion of the asset disposal process, management has focused its attention on actively identifying and evaluating suitable assets for investment.

### **Disposal of the Company's Chad, DRC and Nigerien Uranium interests.**

The Board of Brinkley Mining announced on 3 September 2008 that, following the completion of a strategic review of the company's assets in the DRC and Chad, it had decided to close the Company's operations in those countries with immediate effect. This decision follows the announcement on 30 June 2008 in which the Company reported that it had written down:

- the value of Chad exploration assets by £0.55 million due to the findings of a review of the initial geological assumptions and the increased political risk profile for the country.
- the value of the commercial rights and deferred exploration expenditure in relation to the DRC by a further £6.30 million due to the uncertainty surrounding enforcement of the current agreements.

The process of closing operations in both countries was completed during the year and the process did not incur any material expenses.

In December the Company sold its 100% subsidiary Brinkley Mining Project 7 Limited ("BMP7"), to Slider Investments Limited for a cash consideration of US\$ 0.5 million. BMP7's sole asset was its holding in African Uranium SARL, a company incorporated in the Republic of Niger whose only material asset was the Terzemasour 3 exploration licence. This disposal was consistent with the Company's policy of reducing cash expenditure on projects that only offer a potential long term return. African Uranium's Terzemasour 3 Permit was such a project. Under the terms of the mining agreement with the Government of Niger, African Uranium was committed to a minimum expenditure of US\$2.5 million and a potential payment of US\$0.5 million to compensate third parties in Niger if additional licences that had been applied for by BMP7 were awarded. We estimated that the initial drilling program would have cost approximately US\$3.5 million.

The Disposal of BMP7 thus released the Company from its Nigerien exploration and other financial commitments which, together with the consideration, amounted to a total saving of at least US\$3.5

million. Whilst the Board believes that the Terzemasour 3 Permit is situated in a very prospective area in Niger, there would have been a requirement for extensive additional and costly exploration over a number of years to identify a uranium resource and produce a drill-defined resource estimate. The level of consideration paid for BMP7 reflected these financial commitments and the fact that up to the date of the transaction there had been no drilling on the property and so no resource nor reserve of any kind had been delineated.

### **South Africa**

Brinkley Mining's subsidiary, Western Uranium (Pty) Ltd, has as its only asset, the Waterval prospect in the Karoo region of South Africa ("Waterval"). The Company completed a review of all available geological and sample data for Waterval, much of which was collected during the 2007 drilling program, which confirmed that the project contained a small Uranium resource but that the grade and limited tonnage were insufficient to support the establishment of a stand-alone operation to exploit it. The delineated resource is, however, large enough that it could make a meaningful contribution to other uranium exploration companies' active in the Karoo region to enable them to achieve the critical mass in their resource inventory to justify establishing a uranium mining and processing operation. Accordingly, the Board has commenced a review of the other Karoo-based Uranium exploration companies who could be interested in acquiring Waterval.

The geological model prepared by the Company suggests there is a small, albeit limited, potential for the delineation of additional resources within Waterval. Accordingly, any further exploration effort will focus on extending the resource envelope by means of drilling and radiometrically probing selected percussion holes in an area located to the north east of the delineated resource. An amount of £49,000 has been budgeted for this work.

The existing 3 year exploration licence expired on 8 February 2009 and an application for the licence to be renewed for a further period of two years was submitted to the Western Cape Regional office of the Department of Mineral and Energy Affairs (DME) on 11 November 2008. The DME Regional Office has completed processing the application and has forwarded it to the DME National Head office in Pretoria for final approval. There is no reason to believe that the application will not be granted.

The Directors have reduced the carrying value of Waterval and its other interests in South Africa to £100,000 as at the Balance Sheet date.

### **Southern Sudan**

Brinkley Mining's wholly-owned subsidiary, Brinkley Mining Project 4 Ltd, has a provisional prospecting license ("PPL") for the exclusive exploration of Uranium and associated minerals over an area of over 5,000km<sup>2</sup> of Budi County, Eastern Equatoria State, Southern Sudan. The PPL was effective until 21 February 2009 and is renewable annually thereafter. Application for renewal was submitted to the Southern Sudanese authorities on 18 February 2009 and is currently being processed. There is no reason to believe that the application will not be granted. The PPL, however, is deemed provisional as there currently exists no formal mining law in Southern Sudan and accordingly there can be no certainty that on introduction of a formal mining law that the PPL will be renewed or continue to be valid.

The exploration program is being carried out through a joint venture agreement with New Kush Exploration and Mining Company Limited.

The main exploration effort during 2008 jointly funded by the Joint Venture consisted of flying 59,000 line km airborne aeromagnetic and radiometric survey of the property. Since then, work has focused on interpreting the aeromagnetic and radiometric data and integrating it with a detailed Landsat interpretation to produce a GIS based regional-scale map of the geology of the Budi

concession area. A comprehensive fieldwork program is planned for late in the year after the end of the rainy season. The fieldwork will include mapping, stream sampling and radiometric sampling.

The Directors have reduced the carrying value of the Company's interests in Southern Sudan to £199,572 as at the Balance Sheet date.

Dunbar Dales  
**Chief Executive Officer**  
**29 April 2009**

**For further information, please contact:**

**Brinkley Mining Plc**

Dunbar Dales, Chief Executive Officer

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**Beaumont Cornish Limited (Nominated Adviser)**

Michael Cornish

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### **Qualified Person**

Dunbar Dales (Chief Executive Officer and a Director of the Company) has reviewed the information contained in this announcement. Dunbar Dales, aged 59, has extensive experience in the minerals industry, holds a BSc (Hons) in Geology from the University of Cape Town and an MSc in Sedimentology from the University of Reading and an MBA from the University of Cape Town. Dunbar Dales has compiled, read and approved the technical disclosures in this regulatory announcement.

**Group Income Statement  
for the year ended 31 December 2008**

	Notes	Year ended 31 December 2008 £ 000's	Year ended 31 December 2007 £ 000's
Turnover		-	-
Other Income		15	-
Administrative expenses		(2,238)	(1,448)
Loss on disposals		(2,046)	-
Impairment charge	10,11, 12	(9,306)	(6,000)
Share options expensed	7, 17	127	(1,194)
<b>Group operating loss</b>	3	<b>(13,448)</b>	<b>(8,642)</b>
Finance revenue	9	400	742
<b>Loss before taxation</b>	2	<b>(13,048)</b>	<b>(7,900)</b>
Income tax expense	5	-	-
<b>Loss after taxation</b>		<b>(13,048)</b>	<b>(7,900)</b>
<b>Retained (loss) for the year</b>		<b>(13,048)</b>	<b>(7,900)</b>
<b>Attributable to:</b>			
<b>Equity holders of the parent</b>		<b>(12,524)</b>	<b>(7,900)</b>
<b>Minority interests</b>		<b>(524)</b>	<b>-</b>
		<b>(13,048)</b>	<b>(7,900)</b>
<b>Loss per share (Pence)</b>			
<b>Basic</b>	8	<b>(3.66)</b>	<b>(2.39)</b>
<b>Diluted</b>	8	<b>(3.66)</b>	<b>(2.39)</b>

All of the operations are considered to be continuing.

**Group Balance Sheet  
as at 31 December 2008**

		31 December 2008		31 December 2007	
	Note	£ 000's	£ 000's	£ 000's	£ 000's
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	10	299		9,493	
Tangible assets	11	305		2,816	
<b>Total non-current assets</b>			<b>604</b>		12,309
<b>Current assets</b>					
Cash and cash equivalents		7,322		11,126	
Trade and other receivables	14	138		127	
<b>Total current assets</b>			<b>7,460</b>		11,253
<b>TOTAL ASSETS</b>			<b>8,064</b>		23,562
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	15	(176)		(243)	
<b>TOTAL LIABILITIES</b>			<b>(176)</b>		(243)
<b>NET ASSETS</b>			<b>7,888</b>		23,319
<b>EQUITY</b>					
Called-up share capital	16	535		535	
Share premium		27,774		27,774	
Merger reserve		-		2,033	
Share based payments reserve	17	3,439		3,566	
Retained earnings		(23,066)		(10,542)	
Foreign exchange reserve		(270)		(47)	
<b>Total Equity attributable to equity holders of the parent</b>		<b>8,412</b>		23,319	
Minority interests		(524)		-	
<b>TOTAL EQUITY</b>			<b>7,888</b>		23,319

These financial statements were approved by the Board of Directors on 29 April 2009 and signed on its behalf by:

Mark Fresson  
Director

Dunbar Dales  
Director

**Company Balance Sheet  
as at 31 December 2008**

		31 December 2008		31 December 2007	
	Notes	£ 000's	£ 000's	£ 000's	£ 000's
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment in subsidiaries	13	3		3	
Trade and other receivables	14	4,272		23,987	
<b>Total non-current assets</b>			<b>4,275</b>		<b>23,990</b>
<b>Current assets</b>					
Cash and cash equivalents		7,304		11,017	
Trade and other receivables	14	79		66	
<b>Total Current Assets</b>			<b>7,383</b>		<b>11,083</b>
<b>TOTAL ASSETS</b>			<b>11,658</b>		<b>35,073</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and other payables	15	(69)		(109)	
<b>TOTAL LIABILITIES</b>			<b>(69)</b>		<b>(109)</b>
<b>NET ASSETS</b>			<b>11,589</b>		<b>34,964</b>
<b>EQUITY</b>					
Called-up share capital	16	535		535	
Share premium		27,774		27,774	
Merger reserve		-		7,033	
Share based payments reserve	17	3,439		3,566	
Retained earnings	25	(20,159)		(3,944)	
<b>TOTAL EQUITY</b>			<b>11,589</b>		<b>34,964</b>

These financial statements were approved by the Board of Directors on 29 April 2009 and signed on its behalf by:

Mark Fresson  
Director

Dunbar Dales  
Director

**Group Cash Flow Statement  
for the year ended 31 December 2008**

	For the year ended 31 December 2008	For the year ended 31 December 2007
Note s	£ 000's	£ 000's
<b>Cash flows from operating activities</b>		
Operating Loss	(13,448)	(8,642)
(Increase)/decrease in trade and other receivables	(11)	348
(Decrease)/increase in trade and other payables	(67)	51
Foreign exchange translation	-	-
Share options expensed	(127)	1,194
Impairment charge	9,306	6,000
Depreciation	55	59
Foreign exchange movements in Intangibles	880	-
Foreign exchange movements in Tangibles	77	-
Loss on disposal of subsidiary and plant & machinery	2,046	-
<b>Net cash outflow from operating activities</b>	<b>(1,289)</b>	<b>(990)</b>
<b>Cash flows from investing activities</b>		
Interest Received	400	742
Payments to acquire intangible assets	(3,002)	(4,443)
Payments to acquire tangible assets	(35)	(297)
<b>Net cash outflow from investing activities</b>	<b>(2,637)</b>	<b>(3,997)</b>
<b>Acquisitions and disposals</b>		
Payments to acquire subsidiaries	-	(501)
Sale proceeds received on disposing of plant & machinery	11	-
Sale proceeds received on disposing of a subsidiary	334	-
<b>Net cash inflow/(outflow) from acquisitions and disposals</b>	<b>345</b>	<b>(501)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(3,581)</b>	<b>(5,489)</b>
Cash and cash equivalents at beginning of period	11,126	16,615
Foreign exchange movements in reserves	(223)	-
<b>Cash and cash equivalents at end of period</b>	<b>7,322</b>	<b>11,126</b>

**Company Cash Flow Statement  
for the year ended 31 December 2008**

		For the year ended 31 December 2008	For the year ended 31 December 2007
	Note s	£ 000's	£ 000's
<b>Cash flows from operating activities</b>			
Operating Loss		(16,613)	(2,112)
(Increase)/decrease in trade and other receivables		(13)	25
(Decrease) in trade and other payables		(40)	(38)
Share options expensed		(127)	1,194
Impairment charge		15,311	-
<b>Net cash (out)flow from operating activities</b>		<b>(1,482)</b>	<b>(931)</b>
<b>Cash flows from investing activities</b>			
Interest Received		397	742
Loans to subsidiaries		(2,628)	(4,912)
<b>Net cash outflow from investing activities</b>		<b>(2,231)</b>	<b>(4,170)</b>
<b>Acquisitions and disposals</b>			
Payments to acquire subsidiaries		-	(490)
<b>Net cash outflow from acquisitions and disposals</b>		<b>-</b>	<b>(490)</b>
<b>Cash flows from financing activities</b>			
Issue of ordinary share capital		-	-
Share issue costs		-	-
<b>Net cash inflow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(3,713)</b>	<b>(5,591)</b>
Cash and cash equivalents at beginning of period		11,017	16,608
<b>Cash and cash equivalents at end of period</b>	<b>18</b>	<b>7,304</b>	<b>11,017</b>

**Statement of Changes in Equity**  
**For the year ended 31 December 2008**

Group	Called up share capital	Share premiu m reserve	Merger reserve	Share based payment reserve	Retained earnings	Foreign exchang e reserve	Total equity attributabl e to equity holders of the parent	Minority Interest	Total equity
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
<b>As at 31 December 2006</b>	<b>465</b>	<b>19,535</b>	<b>7,033</b>	<b>2,372</b>	<b>(2,642)</b>	<b>(47)</b>	26,716	-	<b>26,716</b>
Share capital issued	70	8,239	-	-	-	-	8,309	-	<b>8,309</b>
Cost of share issue	-	-	-	-	-	-	-	-	-
Impairment charge	-	-	(5,000)	-	-	-	(5,000)	-	<b>(5,000)</b>
Loss for the year	-	-	-	-	(7,900)	-	(7,900)	-	<b>(7,900)</b>
Share based payments	-	-	-	1,194	-	-	1,194	-	<b>1,194</b>
<b>As at 31 December 2007</b>	<b>535</b>	<b>27,774</b>	<b>2,033</b>	<b>3,566</b>	<b>(10,542)</b>	<b>(47)</b>	<b>23,319</b>	-	<b>23,319</b>
Loss for the year	-	-	-	-	(12,524)	-	(12,524)	(524)	<b>(13,048)</b>
Currency translation differences	-	-	-	-	-	(223)	(223)	-	<b>(223)</b>
Total recognised income and expense	-	-	-	-	(12,524)	(223)	(12,747)	(524)	<b>(13,271)</b>
Share capital issued	-	-	-	-	-	-	-	-	-
Cost of Share issue	-	-	-	-	-	-	-	-	-
Impairment charge	-	-	(2,033)	-	-	-	(2,033)	-	<b>(2,033)</b>
Share based payments	-	-	-	(127)	-	-	(127)	-	<b>(127)</b>
<b>As at 31 December 2008</b>	<b>535</b>	<b>27,774</b>	<b>-</b>	<b>3,439</b>	<b>(23,066)</b>	<b>(270)</b>	<b>8,412</b>	<b>(524)</b>	<b>7,888</b>

**Statement of Changes in Equity continued**  
**For the year ended 31 December 2008**

	Called up share capital	Share premium reserve	Merger reserve	Share based payment reserve	Retained earnings	Total equity
Company	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
<b>As at 31 December 2006</b>	465	19,535	7,033	2,372	(2,574)	26,831
Share capital issued	70	8,239	-	-	-	8,309
Cost of share issue	-	-	-	-	-	-
Loss for the year	-	-	-	-	(1,370)	(1,370)
Share based payments	-	-	-	1,194	-	1,194
<b>As at 31 December 2007</b>	<b>535</b>	<b>27,774</b>	<b>7,033</b>	<b>3,566</b>	<b>(3,944)</b>	<b>34,964</b>
Impairment charge on subsidiary, re: 2007	-	-	(5,000)	-	-	(5,000)
Share capital issued	-	-	-	-	-	-
Cost of share issue	-	-	-	-	-	-
Impairment charge	-	-	(2,033)	-	-	(2,033)
Loss for the year	-	-	-	-	(16,215)	(16,215)
Share based payments	-	-	-	(127)	-	(127)
<b>As at 31 December 2008</b>	<b>535</b>	<b>27,774</b>	<b>-</b>	<b>3,439</b>	<b>(20,159)</b>	<b>11,589</b>

**Notes to the Financial Statements  
for the year ended 31 December 2008**

**1 Summary of Significant Accounting Policies**

**(a) Authorisation of financial statements**

The Group financial statements of Brinkley Mining Plc for the year ended 31 December 2008 were authorised for issue by the Board on 29 April 2009 and the balance sheets signed on the Board's behalf by Mr. Mark Fresson and Mr. Dunbar Dales. The Company is a public limited Company incorporated in England & Wales under the Companies Act 1985. The Company's ordinary shares are traded on the AIM Market operated by the London Stock Exchange.

**(b) Statement of compliance with IFRS**

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Company's financial statements have been prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 1985. The principal accounting policies adopted by the Group and Company are set out below.

**New standards and interpretations not applied**

IASB and IFRIC have issued the following standards and interpretations with an effective date after the date of these financial statements:

**International Accounting Standards (IAS / IFRSs) and (Effective date)**

IFRS 1 First time Adoption of International Financial Reporting Standards and Consolidated and Separate Financial Statements (1 January 2009)

IFRS 2 Amendment to IFRS 2 – Vesting Conditions and Cancellations (1 January 2009)

IFRS 3 Business Combinations - revised January 2008 (1 July 2009)

IFRS 8 Operating Segments (1 January 2009)

IAS 1 Presentation of Financial Statements - revised September 2007 (1 January 2009)

IAS 23 Borrowing Costs - revised March 2007 (1 January 2009)

IAS 27 Consolidated and Separate Financial Statements - revised January 2008 (1 July 2009)

IAS 32 Financial Instruments: Disclosure and Presentation and IAS 1 Presentation of Financial Statements (1 January 2009)

Improvements to IFRSs - May 2008 (1 January 2009)

IAS 39 Financial Instruments: Recognition and Measurement (1 January 2009)

**International Financial Reporting Interpretations Committee (IFRIC)**

IFRIC 13 Customer Loyalty Programmes (1 July 2008)

IFRIC 15 Agreements for the construction of real estate (1 January 2009)

IFRIC 16 Hedges of a net investment in a foreign operation (1 October 2008)

The amendment to IFRS 2 restricts the definition of vesting conditions to include only service conditions (requiring a specified period of service to be completed) and performance conditions (requiring the other party to achieve a personal goal or contribute to achieving a corporate target). All other features are not vesting conditions, and whereas a failure to achieve such a condition was previously regarded as a forfeiture (giving rise to a reversal of amounts previously charged to profit) it must be reflected in the grant date fair value of the award and treated as a cancellation, which results in either an acceleration of the expected charge, or a continuation over the remaining vesting period, depending on whether the condition is under the control of the entity or counterparty. The amendment is mandatory for periods beginning on or after 1 January 2009 and the Group is currently assessing its impact on the financial statements, although it is not expected to be material.

**(c) Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis, except for the measurement to fair value of assets and financial instruments as described in the accounting policies below, and on a going concern basis.

The financial report is presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) unless otherwise stated.

**(d) Basis of consolidation**

The consolidated financial information incorporates the results of the Company and its subsidiaries (the "Group") using the purchase method. In the consolidated balance sheet, the acquiree's identifiable assets, liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated income statement from the date on which control is obtained. Inter-company transactions and balances between Group companies are eliminated in full.

Minority interests represent the portion of profit or loss and net assets in subsidiaries that are not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet.

**(e) Business combinations**

The acquisition of subsidiaries in a business combination is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non Current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

Where there is a difference between the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities and the cost of the business combination, any excess cost is recognised in the balance sheet as goodwill and any excess net fair value is recognised immediately in the income statement as negative goodwill on acquisition of subsidiary.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

**(f) Revenue**

The Group had no revenue during the period ending 31 December 2008.

**(g) Foreign currencies**

The Company's functional currency is Sterling (£). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. As at the reporting date the assets and liabilities of these subsidiaries are translated into the presentation currency of Brinkley Mining Plc at the rate of exchange ruling at the balance sheet date and their income statements are translated at the average exchange rate for the year. The exchange differences arising on the translation are taken directly to a separate component of equity.

All other differences are taken to the income statement with the exception of differences on foreign currency borrowings, which, to the extent that they are used to finance or provide a hedge against foreign

equity investments, are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

**(h) Goodwill and intangible assets**

Intangible assets are recorded at cost less eventual amortisation and provision for impairment in value. Goodwill on consolidation is capitalised and shown within fixed assets. Positive goodwill is subject to an annual impairment review, and negative goodwill is immediately written-off to the income statement when it arises.

**(i) Exploration and development costs**

Exploration and development costs are carried forward in respect of areas of interest where the consolidated entity's rights to tenure are current and where these costs are expected to be recouped through successful development and exploration, or by sale. Alternatively, these costs are carried forward while active and significant operations are continuing in relation to the areas of interest and it is too early to make reasonable assessment of the existence or otherwise of economically recoverable reserves. When the area of interest is abandoned, exploration and evaluation costs previously capitalised are written off to the Income Statement.

In accordance with the full cost method, all costs associated with mining development and investment are capitalised on a project-by-project basis pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads. If a mining development project is successful, the related expenditures will be written-off over the estimated life of the commercial ore reserves on a unit of production basis. Impairment reviews will be carried out regularly by the Directors of the Company. Where a project is abandoned, or is considered to be of no further commercial value to the Company, the related costs will be written off.

The recoverability of deferred mining costs and mining interests is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition of recoverable reserves.

**(j) Significant accounting judgments, estimates and assumptions**

*(i) Significant accounting estimates and assumptions*

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

*(ii) Impairment of goodwill and intangibles with indefinite useful lives*

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated.

*(iii) Share-based payment transactions*

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

**(k) Finance costs/revenue**

Borrowing costs are recognised as an expense when incurred.

Finance revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

**(l) Cash and cash equivalents**

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**(m) Trade and other receivables**

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

**(n) Investments**

Investments in subsidiary undertakings are stated at cost less any provision for impairment in value, prior to their elimination on consolidation.

**(o) Financial instruments**

The Group's financial instruments, other than its investments, comprise cash and items arising directly from its operation such as trade debtors and trade creditors. The Group has overseas subsidiaries in Cyprus, South Africa and Seychelles whose expenses are denominated in Sterling, South African Rand and US Dollars respectively. Market price risk is inherent in the Group's activities and is accepted as such.

There is no material difference between the book value and fair value of the Group's cash.

**(p) Deferred taxation**

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 tax computations, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally 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.

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 it is also dealt with in equity.

**(q) Merger reserve**

The difference between the fair value of an acquisition and the nominal value of the shares allotted in a share exchange have been credited to a merger reserve account, in accordance with the merger relief provisions of the Companies Act 1985 and accordingly no share premium for such transactions is set-up.

**(r) Share Based payments Reserve**

This reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration and provided to consultants and advisors hired by the Group from time to time as part of the consideration paid.

**(s) Foreign Currency Translation Reserve**

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

**(t) Property, plant and equipment**

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Land is measured at fair value less any impairment losses recognised after the date of revaluation.

Depreciation is provided on all tangible assets to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

Land (including option costs) – Nil  
Plant and Equipment – between 5% and 25%  
All assets are subject to annual impairment reviews.

**(u) Impairment of assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Income Statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**(v) Trade and other payables**

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

**(w) Provisions**

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

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

**(x) Share-based payment transactions**

*(i) Equity settled transactions:*

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Brinkley Mining Plc (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Income Statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 8).

**(y) Earnings per share**

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

## 2 Turnover and segmental analysis

The Group has not commenced operationally and therefore recorded no turnover.

The analysis of the operating loss before taxation and the net assets employed by geographical segment of operations is shown below;

### By geographical area

2008	UK	South Africa	DRC	Sudan	Chad	Niger	Cyprus	Total
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
<b>Result</b>								
Operating loss	(10,613)	(2,701)	207	(361)	1	3	16	(13,448)
Investment revenue	397	3	-	-	-	-	-	400
Loss before & after tax	(10,216)	(2,698)	207	(361)	1	3	16	(13,048)
<b>Other information</b>								
Depreciation and impairment	-	4,971	5,513	259	651	-	-	11,394
Capital additions	-	161	997	199	225	1,455	-	3,037
<b>Assets</b>								
Segment assets	-	405	-	199	-	-	-	604
Financial assets	79	59	-	-	-	-	-	138
Cash	7,304	18	-	-	-	-	-	7,322
Consolidated total assets	7,383	482	-	199	-	-	-	8,064
<b>Liabilities</b>								
Segment liabilities	-	-	-	-	-	-	-	-
Financial liabilities	69	17	-	85	1	-	4	176
Consolidated total liabilities	69	17	-	85	1	-	4	176

## 2 Turnover and segmental analysis (continued)

2007	UK	South Africa	DRC	Sudan	Chad	Niger	Cyprus	Total
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
<b>Result</b>								
Operating loss	(2,112)	(280)	(6,157)	(29)	(30)	(3)	(31)	(8,642)
Investment revenue	742	-	-	-	-	-	-	742
Loss before & after tax	(1,370)	(280)	(6,157)	(29)	(30)	(3)	(31)	(7,900)
<b>Other information</b>								
Depreciation & Impairment	-	45	6,014	-	-	-	-	6,059
Capital additions	-	360	12,406	259	427	98	-	13,550
<b>Assets</b>								
Segment assets	-	5,293	6,233	258	427	98	-	12,309
Financial assets	66	39	19	-	-	-	3	127
Cash	11,018	68	37	-	-	-	3	11,126
Consolidated total assets	11,084	5,400	6,289	258	427	98	6	23,562
<b>Liabilities</b>								
Segment liabilities								
Financial liabilities	109	119	6	1	1	1	6	243
Consolidated total liabilities	109	119	6	1	1	1	6	243

## 3 Operating loss

	2008	2007
	£ 000's	£ 000's
Operating loss is arrived at after charging:		
Auditors' remuneration – audit	48	32
Auditors' remuneration – non audit services (accounting advice)	2	3
Directors' emoluments – fees and salaries	889	624
Directors' emoluments – share based payments	202	774
Depreciation	55	59

Auditors remuneration for audit services above includes £9,778 (2007: £10,000) charges by MGI Gregoriou & Co Certified Public Accountants (Cyprus) and £8,736 (2007: £4,000) charged by Moore Stephens MWM Inc. Chartered Accountants (S.A) relating to the audit of the subsidiary companies.

<b>4 Employee information</b>	<b>2008</b>	<b>2007</b>
<b>Staff Costs comprised:</b>	<b>£ 000's</b>	<b>£ 000's</b>
Wages and salaries	288	174
	<b>Number</b>	<b>Number</b>
Administration	9	8
Operations	4	1
	<b>13</b>	<b>9</b>

<b>5 Taxation</b>	<b>2008</b>	<b>2007</b>
<b>Analysis of charge in period</b>	<b>£ 000's</b>	<b>£ 000's</b>
Tax on ordinary activities	-	-

No taxation has been provided due to losses in the year.

**Factors affecting the tax charge for the period**

	<b>£ 000's</b>	<b>£ 000's</b>
Loss on ordinary activities before tax	(13,048)	(7,900)
Standard rate of corporation tax in the UK	28.5%	30%
	<b>£ 000's</b>	<b>£ 000's</b>
Loss on ordinary activities multiplied by the standard rate of corporation tax	(3,719)	(2,370)
<i>Effects of:</i>		
Non deductible expenses	3,033	1,800
Future tax benefit not brought to account	686	570
Current tax charge for period	-	-

No deferred tax asset has been recognised because there is insufficient evidence of the timing of suitable future profits against which they can be recovered.

**6 Dividends**

No dividends were paid or proposed by the Directors. (2007: £nil)

## 7 Directors' emoluments

			2008	2007
			£ 000's	£ 000's
Directors' remuneration			1,091	1,398
<hr/>				
2008	Directors Fees £ 000's	Consultancy Fees £ 000's	Shares/ Options £ 000's	Total £ 000's
<b>Executive Directors</b>				
Donald Strang (#) (A)	14	176	-	190
Gerard Holden (#) (B)	5	392	-	397
Dunbar Dales (#) (C)	15	69	36	120
Mark Fresson (#)	47	-	2	49
<b>Non-Executive Directors</b>				
Zodwa Manase (#)	40	-	-	40
Clayton Dodd	50	-	-	50
Kiran Morzaria (#) (D)	18	7	-	25
Calvyn Gardner (#)	-	-	-	-
Richard Linnell (#) (E)	18	38	164	220
	<b>207</b>	<b>682</b>	<b>202</b>	<b>1091</b>
<hr/>				
<b>2007</b>				
<b>Executive Directors</b>				
Gerard Holden	24	253	484	761
Donald Strang (A)	24	150	290	464
Robert Croll (#)	12	-	-	12
Alan Thom (#)	-	-	-	-
<b>Non-Executive Directors</b>				
Zodwa Manase	48	-	-	48
Clayton Dodd	50	-	-	50
Kiran Morzaria (D)	24	39	-	63
Calvyn Gardener (#)	-	-	-	-
	<b>182</b>	<b>442</b>	<b>774</b>	<b>1,398</b>
<hr/>				

(#): These Directors were not employed for the whole of the financial

(A): Consulting services provided by Isona Services Limited.

(B): Consulting services provided by Llandundo Consulting was

(C): Consulting services provided by Dales Project Management cc.

(D): Consultancy services provided by Kimmell Consulting.

(E): Consultancy services provided by Terra Africa Investments Ltd.

No pension benefits are provided for any Director.

Dunbar Dales was paid consultancy fees of £10,717 by BMSA before his appointment.

## 8 Loss per share

The Loss for the period attributed to shareholders is £13.05 million.

This is divided by the weighted average number of Ordinary shares outstanding calculated to be 356.3 million (2007: 330.5 million) to give a basic loss per share of 3.66 pence (2007: 2.39 pence).

As inclusion of the potential Ordinary shares would result in a decrease in the loss per share they are considered to be anti-dilutive, as such, a diluted earnings per share is not included.

9 Finance revenue	2008	2007
	£ 000's	£ 000's
Bank interest receivable	400	742

## 10 Intangible assets

Group	£ 000's
<b>Cost</b>	
As at 1 January 2008	15,493
Additions	3,002
Transfers and Disposals	(15,291)
<b>As at 31 December 2008</b>	<b>3,204</b>
<b>Impairment and disposals</b>	
As at 1 January 2008	6,000
Impairment charge	9,059
Disposals	(13,034)
Foreign exchange adjustment	880
<b>As at 31 December 2008</b>	<b>2,905</b>
<b>Net Book Value</b>	
As at 31 December 2007	9,493
<b>As at 31 December 2008</b>	<b>299</b>

## 10 Intangible assets (continued)

	2008	2007
	£ 000's	£ 000's
The Net Book Value is analysed as follows:		
Deferred exploration expenditure	299	5,086
Commercial rights	-	4,407
	299	9,493

### Impairment Review

The Directors carried out an impairment review as at 31 December 2008 (see Note 12) and have subsequently written down the value of the Commercial rights in relation to South Africa and the intangible assets relating to Southern Sudan by £2.9 million. Following this action, the Directors are of the opinion that the carrying value of the intangible assets are stated at a fair value but will be subject to an ongoing review.

## 11 Tangible assets

Group	Land	Property, plant & equipment	Total
	£ 000's	£ 000's	£ 000's
<b>Cost</b>			
As at 1 January 2008	7,511	364	7,875
Additions	-	35	35
Disposals	-	(160)	(160)
<b>As at 31 December 2008</b>	<b>7,511</b>	<b>239</b>	<b>7,750</b>
<b>Depreciation and Impairment</b>			
As at 1 January 2008	5,000	59	5,059
Depreciation charge for the year		55	55
Impairment charge for the year	2,280	-	2,280
Disposals	-	(26)	(26)
FX adjustment	72	5	77
<b>As at 31 December 2008</b>	<b>7,352</b>	<b>93</b>	<b>7,445</b>
<b>Net Book Value</b>			
As at 31 December 2007	2,511	305	2,816
<b>As at 31 December 2008</b>	<b>159</b>	<b>146</b>	<b>305</b>

### Impairment Review

At 31 December 2008, the Directors have carried out an impairment review and have subsequently written down the value of the Land in relation to South Africa by £2.4 million. The Directors are of the opinion the carrying value of the Land in relation to South Africa is now stated at a fair value, which will be subject to an ongoing review as the Group's strategic partnership within South Africa develops in the future.

## 12 Impairment Reviews

The Board of Directors undertook an impairment review of the Group's assets as at 31 December 2008, and in view of subsequent events to the Balance Sheet date. The format of the review was to assess the carrying value of assets as at 31 December 2008 by country or sector of origin. The resultant impairment charges and rationales are as follows;

<b>South Africa</b>	<b>Net costs capitalised to 31 December 2008 before impairment charge £ 000's</b>	<b>Impairment charge £ 000's</b>	<b>Net costs carried forward £ 000's</b>
Intangible assets	2,740	(2,640)	100
Tangible assets (land)	2,439	(2,280)	159
<b>Total costs</b>	<b>5,179</b>	<b>(4,920)</b>	<b>259</b>

Due to poorer than expected results and the limited number of licenses awarded to the Company to date, the value of the South African exploration assets and land has been written down by a further £4.92 million.

<b>Southern Sudan</b>	<b>Net costs capitalised to 31 December 2008 before impairment charge £ 000's</b>	<b>Impairment charge £ 000's</b>	<b>Net costs carried forward £ 000's</b>
Intangible assets	458	(259)	199
<b>Total costs</b>	<b>458</b>	<b>(259)</b>	<b>199</b>

The value of the Southern Sudan exploration assets has been impaired in line with the capitalisation criteria under IFRS6 and IAS38 by £0.25 million

<b>Democratic Republic of Congo</b> <i>Intangible Assets</i>	<b>Net costs capitalised to 31 December 2008 before impairment charge £ 000's</b>	<b>Impairment charge £ 000's</b>	<b>Net costs carried forward £ 000's</b>
Deferred exploration expenses	1,975	(1,975)	-
Commercial Rights	3,534	(3,534)	-
<b>Total costs</b>	<b>5,509</b>	<b>(5,509)</b>	<b>-</b>

As detailed on our press release dated 2 September 2008, the Company announced it would cease all operations in the DRC. Consequently the value of the Commercial Rights and deferred exploration expenditure in relation to the DRC has been written down to Nil.

## 12 Impairment Reviews (continued)

Chad	Net costs capitalised to 31 December 2008 before impairment charge £ 000's	Impairment charge £ 000's	Net costs carried forward £ 000's
Intangible assets	651	(651)	-
<b>Total costs</b>	<b>651</b>	<b>(651)</b>	<b>-</b>

As also announced on 2 September 2008, the Company ceased all operations in Chad and wrote down the value of the exploration expenditure to Nil.

	Net costs capitalised to 31 December 2008 before impairment charge £ 000's	Impairment charge £ 000's	Net costs carried forward £ 000's
<b>Group Totals</b>	11,797	(11,339)	458
Intangible assets (Note 10)	9,358	(9,059)	299
Tangible assets (Note 11)	2,439	(2,280)	159

A large part of the impairment charge this year and last year relates to intangible assets for which Brinkley issued its own shares in consideration, as opposed to paying for those intangible assets with cash. Over the last two reported years, a total of £9.9 million has been written off through the Income Statement and a further £7million has been written off to the merger reserve both being in respect of such non cash consideration.

The Directors are of the opinion that, after these impairments and write downs, the carrying value of the tangible and intangible assets in relation to the Company's projects are stated at a fair value. The carrying values will be subject to an ongoing review as the Group's strategic partnership within each country develops in the future.

### 13 Investment in subsidiaries

#### Shares in Group undertakings

Company

£ 000's

Cost

At 1 January 2008 and 31 December 2008

3

The parent company of the Group holds more than 20% of the share capital of the following companies:

Company	Country of Registration	Proportion held	Nature of business
<b>Direct</b>			
Brinkley Mining Ltd	Cyprus	100%	Holding Company
Brinkley Mining Holdings Ltd	Cyprus	100%	Holding Company
<b>Indirect</b>			
<i>Via Brinkley Mining Ltd</i>			
Western Uranium (Pty) Ltd	South Africa	49%	Mineral Exploration
<i>Via Brinkley Mining Holdings Ltd</i>			
Brinkley Mining Project 4 Ltd	Cyprus	100%	Mineral Exploration
Brinkley Mining Project 6 Ltd (*)	Cyprus	100%	Mineral Exploration
Jerivion Trading Ltd	Cyprus	100%	Shell Company
Brinkley Mining South Africa (Pty) Ltd	South Africa	100%	Shell Company
Brinkley Mining South Africa Project 1 (Pty) Ltd	South Africa	100%	Land Holding
<i>Via Brinkley Mining Project 4 Ltd</i>			
Brinkley Mining Project 4 Southern Sudan Ltd	Southern Sudan	100%	Mineral Exploration
<i>Via Brinkley Mining Project 6 Ltd</i>			
Brinkley Mining Tchad Ltd (*)	BVI	100%	Shell Company

(\*) Put into liquidation after year end.

14	Trade and other receivables	2008		2007	
		Group £ 000's	Company £ 000's	Group £ 000's	Company £ 000's
	<b>Current trade and other receivables</b>				
	VAT receivable	36	9	31	6
	Prepayments	33	33	96	60
	Other debtors	69	37	-	-
	<b>Total</b>	<b>138</b>	<b>79</b>	<b>127</b>	<b>66</b>
	<b>Non Current trade and other receivables</b>				
	Loans due from subsidiaries	-	4,272	-	23,987

The loans from subsidiaries are interest free and have no fixed repayment date.

15	Trade and other payables	2008		2007	
		Group £ 000's	Company £ 000's	Group £ 000's	Company £ 000's
	<b>Current trade and other payables:</b>				
	Accruals	83	69	243	109
	Trade payables	93	-	-	-
	<b>Totals</b>	<b>176</b>	<b>69</b>	<b>243</b>	<b>109</b>

## 16 Share capital

Authorised	£ 000's	
1,000,000,000 Ordinary shares of 0.15p each	<b>1,500</b>	
<b>Called up, allotted, issued and fully paid</b>	<b>Number of shares</b>	<b>Nominal value £ 000's</b>
As at 1 January 2008 and 31 December 2008	<b>356,336,248</b>	<b>535</b>
No shares have been issued in the current year.		

16 Share capital (continued)

*Total share options in issue*

During the year, 14,800,000 options were issued (14,000,000 in prior year).

As at 31 December 2008 the options in issue were;

Exercise Price	Expiry Date	Options in Issue 31 December 2008	Options in Issue 31 December 2007
50p	5 June 2011	20,000,000	20,000,000
50p	27 June 2011	6,000,000	6,000,000
50p	13 September 2011	4,000,000	4,000,000
25p	26 January 2012	1,000,000	3,000,000
25p	5 April 2012	8,100,000	8,950,000
13p	3 April 2013	2,500,000	-
13p	20 May 2013	500,000	-
13p	5 August 2013	500,000	-
13p	16 July 2013	200,000	-
10p	3 April 2013	2,500,000	-
10p	20 May 2013	500,000	-
10p	5 August 2013	500,000	-
10p	16 July 2013	200,000	-
7p	3 April 2013	2,500,000	-
7p	20 May 2013	500,000	-
7p	5 August 2013	500,000	-
7p	16 July 2013	200,000	-
5p	3 April 2013	2,500,000	-
5p	20 May 2013	500,000	-
5p	5 August 2013	500,000	-
5p	16 July 2013	200,000	-
		53,900,000	41,950,000

No options were cancelled during the year (2007: 2,050,000). No options were exercised during the year and 2,850,000 options lapsed.

*Total warrants in issue*

No warrants were issued during the year (2007: nil). The outstanding number of warrants at the end of the period was 1,523,756 (2007: 1,523,756). The exercise price is 0.50p and the expiry date is 5 June 2011.

No warrants lapsed, were cancelled or exercised during the year.

## 17 Share based payments

### Share options

During the year, the Company issued share based options to Directors and employees. Options are granted under the plan for no consideration. Options are granted for a five year period. There are no vesting conditions associated with the Directors' options. Employees' options vest after 1 year of continuous employment. Options granted under the plan carry no dividend or voting rights.

Under IFRS 2 'Share Based Payments', the Company determines the fair value of options issued to Directors and Employees as remuneration and recognises the amount as an expense in the income statement with a corresponding increase in equity.

Name	Date Granted/ Vested	Number	Exercise Price (pence)	Expiry Date	Fair Value at Grant Date (pence)
Richard Linnell	3 April 2008	2,500,000	13	3 April 2013	0.0118
Richard Linnell	3 April 2008	2,500,000	10	3 April 2013	0.0143
Richard Linnell	3 April 2008	2,500,000	7	3 April 2013	0.0180
Richard Linnell	3 April 2008	2,500,000	5	3 April 2013	0.0216
Dunbar Dales	20 May 2008	500,000	13	20 May 2013	0.0131
Dunbar Dales	20 May 2008	500,000	10	20 May 2013	0.0158
Dunbar Dales	20 May 2008	500,000	7	20 May 2013	0.0197
Dunbar Dales	20 May 2008	500,000	5	20 May 2013	0.0235
Mark Fresson	5 August 2008	500,000	13	5 August 2013	0.0002
Mark Fresson	5 August 2008	500,000	10	5 August 2013	0.0005
Mark Fresson	5 August 2008	500,000	7	5 August 2013	0.0001
Mark Fresson	5 August 2008	500,000	5	5 August 2013	0.0020
Employees	16 July 2008	200,000	13	16 Jul 2013	0.0010
Employees	16 July 2008	200,000	10	16 Jul 2013	0.0017
Employees	16 July 2008	200,000	7	16 Jul 2013	0.0034
Employees	16 July 2008	200,000	5	16 Jul 2013	0.0057
Totals		14,800,000			

The fair value of the options vested during the period was £0.204 million (2007: £1.194 million). The assessed fair value at grant date is determined using the Black-Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The following table lists the inputs to the model used for the year ended 31 December 2008:

Dividend Yield (%)	Nil
Expected Volatility (%)	38
Risk-free interest rate (%)	1
Share price at grant date (£)	0.02

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

## 18 Analysis of changes in net funds

	2008		2007	
	Group £ 000's	Company £ 000's	Group £ 000's	Company £ 000's
Balance at beginning of period	11,126	11,017	16,615	16,608
Change during the period	(3,804)	(3,713)	(5,489)	(5,591)
<b>Balance at the end of the period</b>	<b>7,322</b>	<b>7,304</b>	11,126	11,017

## 19 Financial instruments

The Group uses financial instruments comprising cash, liquid resources and debtors/creditors that arise from its operations. The Group holds cash as a liquid resource to fund the obligations of the Group. The Group's cash balances are held in Sterling, US Dollars, and in South African Rands. The Group's strategy for managing cash is to maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. This is achieved by a regular monitoring of interest rates and a monthly review of expenditure forecasts.

The Company has a policy of not hedging and therefore takes market rates in respect of foreign exchange risk, however it does review its currency exposures on an ad hoc basis. Currency exposures relating to monetary assets held by foreign operations are included within the foreign exchange reserve in the Group Balance Sheet.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

To date the Group has relied upon equity funding to finance operations. The Directors are confident that adequate cash resources exist to finance operations to commercial exploitation but controls over expenditure are carefully managed.

The net fair value of financial assets and liabilities approximates the carrying values disclosed in the financial statements. The currency profile of the financial assets is as follows:

Cash and short term deposits	2008	2007
	£ 000's	£ 000's
Sterling	6,745	11,011
USD	559	29
South African Rand	18	86
<b>At 31 December 2008</b>	<b>7,322</b>	11,126

The financial assets comprise cash balances in interest earning bank accounts at call and a deposit at a 48 hours access account with the RBS managed Global Treasury Funds.

## 20 Material non-cash transactions

There were no material non-cash transactions for the period.

## 21 Commitments

As at 31 December 2008, the Company had entered into the following material commitments:

### Exploration commitments

Ongoing exploration expenditure is required to maintain title to the Group's mineral exploration permits. No provision has been made in the financial statements for these amounts as the expenditure is expected to be fulfilled in the normal course of the operations of the Group.

## 22 Business combinations

### Disposal of Brinkley Mining Project 7 Ltd ("BMP7")

On 23 December 2008 the Group disposed of a subsidiary Brinkley Mining Project 7 Limited for US\$ 500,000. The control of the business passed on the same date.

	<b>Net assets</b> <b>23 December 2008</b> <b>£ 000's</b>
<b>Non-current Assets</b>	
Investment in subsidiary	899
Loan to subsidiary	619
	<hr/> 1,518 <hr/>
<b>Other creditors</b>	<hr/> (1,523) <hr/> (1,523) <hr/>
<b>Net assets</b>	(5)
Gain on disposal	339
<i>Total consideration</i>	<hr/> 334 <hr/>
<i>Consideration satisfied by:</i>	
Cash received	<hr/> 334 <hr/>
<i>The cash inflow on disposal was as follows</i>	
Cash and cash equivalents disposed of	-
Cash received	334
Net cash inflow	<hr/> 334 <hr/>
The analysis of the net loss arising on the disposal of BMP7 recognised in the income statement is as follows;	<b>£ 000's</b>
Loan to BMP7 written off	(1,523)
Consideration received	334
Loss on disposal recognised in the income statement	<hr/> (1,189) <hr/>

## 23 Related party transactions

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between other related parties are discussed below.

During the period, the Company paid consultancy fees of £175,923 (2007: £150,000) to Isona Services Limited, a Company related to Donald Strang, Director of Brinkley Mining Plc. This amount was paid under a management services agreement dated 1 April 2007.

During the period, the Company paid consultancy fees of £200,000 (2007: Nil) to Llandundo Consulting, a Company related to Gerard Holden, who acted as a Director of Brinkley Mining Plc during the period.

During the period, the Company paid consultancy fees of £6,500 (2007: £39,000) to Kimmell Consulting, a Company related to Kiran Morzaria, who acted as a Director of Brinkley Mining Plc during the period.

During the period, the Company paid consultancy fees of £38,250 (2007: Nil) to Terra Africa Investments, a Company related to Richard Linnell, a Director of Brinkley Mining Plc.

During the period, the Company paid consultancy fees of £68,951 (2007: Nil) to Dales Project Management, a Company related to Dunbar Dales, a Director of Brinkley Mining Plc.

As approved by Shareholders in December 2008 the Company sold its 100% subsidiary Brinkley Mining Project 7 Limited, the Company's wholly owned Cyprus subsidiary, to Slyder Investments Limited for a cash consideration of US\$500,000. Slyder is a wholly owned subsidiary of African Global Capital I, LP, which has an interest in Brinkley's ordinary shares. Slyder is a related party for the purposes of Rule 13 of the AIM rules.

In June 2008, Brinkley Mining Project 5 Limited, a dormant company, changed its name to Leni Investments Trinidad Limited and was sold to Leni Gas and Oil Holdings Limited, a Company related to Donald Strang, a director during the period. There was no consideration paid for this transfer.

### *Remuneration of Key Management Personnel*

The remuneration of the Directors and other key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS24 Related party Disclosures.

	2008	2007
	£ 000's	£ 000's
Short-term employee benefits	1,025	676
Share-based payments	204	817
	1,229	1,493

## 24 Post balance sheet events

Brinkley Mining Tchad was put into voluntary liquidation on 19 January 2009 and Brinkley Mining Project 6 Limited was put into voluntary liquidation on 22 April 2009.

## 25 Profit and loss account of the parent company

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the parent company has not been separately presented in these accounts. The parent company loss for the year was

£16.22 million (2007: £1.37million).

**26 Other**

The financial information in this announcement has been derived from the Company's statutory accounts for the year ended 31 December 2008, which were approved by the Directors on 29 April 2009 and on which the auditors have given an unqualified opinion. The financial information set out in this announcement does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. Statutory accounts for the year ended 31 December 2008 will be delivered to the Registrar of Companies in accordance with section 242 of the Companies Act 1985. The financial information for the year ended 31 December 2007 is derived from the Company's statutory accounts, which have been delivered to the Registrar of Companies and on which the auditors gave an unqualified opinion.

**ENDS**

