IMPERIAL MINERALS PLC

Incorporated in England and Wales with
Registered Number 6275976

Annual Report

For the year ended
30 June 2011

CONTENTS

Directors
Frank H Moxon
Russell P Hardwick

Company Secretary
Russell P Hardwick

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Statutory Auditor
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London E14 4HD

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London W8 4SH

Dear Shareholder,

I am pleased to present the financial results of Imperial Minerals for the year ended 30 June 2011. This period represents the first full financial year since the Company came into being in its current form and I joined the Board.

The highlight of the year was the Company's successful flotation on the PLUS-quoted Market in November 2010 raising £389,500 (before expenses) of funds additional to the £625,000 pre-IPO placing completed in June 2010. Since its market debut Imperial Minerals has remained a PLUS Investment Vehicle (as defined in the PLUS Rules) looking for suitable investments in natural resources where its management team's skills can be leveraged to create significant value for the Company's shareholders.

Without any operational business or associated turnover the Group made a pre-tax loss of £65,421 (2010: £2,892) for the year. Cash at bank at the end of June 2011 was £904,062 (2010: £601,773).

The Board's decision to float the Company on the Plus Market prior to identifying, acquiring or developing an operational business was, to some extent, unorthodox. However, the profile it has given Imperial Minerals and the sophisticated shareholder base relative to its size have been of tremendous benefit in attracting solicitations from potential targets in addition to the more pro-active efforts of the Board to seek the same.

In the eleven months since flotation we have met with or reviewed a large number of interesting opportunities ranging in size from the relatively small with significant development potential, to assets already worth several hundred million dollars with the potential to generate further growth. Despite our stated aim of investing in assets or companies with exposure to the south-east Asian steel production industry we have not ignored opportunities in other commodities where, in addition to very attractive potential returns, we believe we have the skills to realise them. However, we have tended to avoid certain highly specialised commodities such as gemstones, those where barriers to entry are seemingly low such as gold and copper and operations and countries or regions that we perceive to be high risk.

So far we have yet to secure our first deal. This is due largely to the fact that we have been ruthless in our selection criteria and how they are applied. Our key objective has been to secure a high quality, low to medium risk opportunity on fair terms rather than the need for speed. In pursuing these goals we have neither incurred excessive expenses nor, I believe, unnecessarily wasted our own time and other resources nor that of others.

Your Board remains confident that it will achieve its objectives within a reasonable timeframe.

Financial Review

The Company currently only has interest revenue and its cash reserves will be used in the short term to cover travel costs, professional consultancy fees, initial due diligence and other costs incidental to the identification and development of acquisition opportunities.

The loss for the year was £65,421 (2010: £2,892). Total expenditure during the period was £68,899 (2010: £2,892) which consisted mainly of travel & accommodation of £39,255 with the balance comprising corporate and administration expenses.

Financial Position

The Group's balance sheet as at 30 June 2011 and comparatives at 30 June 2010 are summarised below:

	30 June 2011 £	30 June 2010 £
Non-current assets	-	-
Current assets	908,435	605,190
Total assets	**908,435**	**605,190**
Current liabilities	4,390	2,670
Non-current liabilities	-	-
Total liabilities	**4,390**	**2,670**
Net assets	**904,045**	**602,520**

On behalf of the Board, I would like to record our thanks to the Company's advisory board who have played a key role in sourcing and reviewing opportunities and to those others who have contributed in other ways throughout the year.

F Moxon

Frank Moxon
Chairman
Imperial Minerals Plc

Frank Moxon,
Non-Executive Chairman (aged 45)

Frank is a corporate financier with over 25 years of industry experience. Initially an equities analyst at Capel Cure Myers he has subsequently worked in corporate finance roles at Beeson Gregory, Société Générale, Old Mutual, Williams de Broë, where he was head of corporate finance and head of natural resources, Evolution, where he headed up the mining team, and his own natural resources consultancy Hoyt Moxon Ltd.

He is also a non-executive director of AIM-quoted Cove Energy plc and Silvermere Energy Plc, TSX-V quoted Whetstone Minerals Ltd and the Chartered Institute for Securities & Investment of which he is a Chartered Fellow. He holds an economics degree from Loughborough University and is a Fellow of the Institute of Materials, Minerals and Mining and of the Energy Institute.

Russell Hardwick,
Non-Executive Director (aged 43)

Russell is an accountant with 18 years experience in a variety of private and public companies including 7 years in the mining and exploration sector. Russell is a director and company secretary of emerging manganese explorer Spitfire Resources Limited which is listed on the Australian Securities Exchange (“ASX”).

He is a Certified Practicing Accountant and a member of the Australian Institute of Chartered Secretaries and of the Institute of Company Directors. He has experience in capital raisings, corporate governance and compliance and has a strong background in international business and financial management.

The Directors are pleased to present their Report and the audited consolidated financial statements of the Company and its subsidiary for the year ended 30 June 2011.

1. PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of Imperial Minerals plc ("the Company") and its subsidiary (together "the Group") is to make investments and/or acquire projects in the mineral sector, which may include exploration, development or production projects in various minerals.

A review of the business of the Group during the year and an indication of likely future developments may be found in the Chairman's Statement on pages 3 and 4.

Risks and uncertainties are discussed below in this Directors' Report.

2. RESULTS AND DIVIDENDS

Loss on ordinary activities of the Group after taxation amounted to £65,421.

The Directors do not recommend the payment of a dividend.

3. KEY PERFORMANCE INDICATORS

The Board monitors the activities and performance of the Group on a regular basis. The primary performance indicator applicable to the Group is a return based on targeting a suitable investment in the minerals sector. This key performance indicator was not significant during the year ended 30 June 2011 however it will be assessed during the 2011/2012 year and reported on in the 2012 Directors' Report.

4. DIRECTORS

The following have been Directors of the Company since the start of or during the financial year ended 30 June 2011:

Russell Hardwick

Frank Moxon

Directors' Interests in Shares

The Directors who held office during the financial year had at 30 June 2011, the following beneficial interests in share of the Company:

Ordinary Shares	Date of subscriptions	Number of shares	Balance at 30 June 2011
Russell Hardwick	8 June 2010	1,000,000	1,000,000
Frank Moxon	8 June 2010	1,000,000	1,000,000
Total		**2,000,000**	**2,000,000**

Re-election of Directors

The Articles of Association require one third of the Directors who are subject to retirement by rotation to retire and submit themselves for re-election each year.

5. FINANCIAL INSTRUMENTS & RISK MANAGEMENT

Principal Risks and Uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks affecting the Group are set out below.

Risks are reviewed by the Board, and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group.

General and economic risks:

- Contractions in the world economy or increases in the rate of inflation resulting from international conditions.
- Movements in global equity and share markets and changes in market sentiment towards the resource industry.

Funding risk:

- The Group may not be able to raise, either by debt or further equity, sufficient funds to enable it to finance its current investments or future acquisitions or investments.

Project availability risk:

- The Group may not be able to identify or acquire a suitable project in the minerals sector suitable for its investment target.

Financial Risk Management

The Group's principal financial instruments comprise other receivables, other payables and cash on deposit. No bank loans or other financing arrangements have been made. No borrowings have been made to finance working capital. Therefore the Group's exposure to credit risk, liquidity risk and market risk is not material at the moment.

Internal Controls

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of the current activity and proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

6. HEALTH, SAFETY AND ENVIRONMENT

The Group and Company are committed to effective Health, Safety and Environment practices, which benefit its employees, contractors and the community within which the Group conducts its operations.

7. POLITICAL CONTRIBUTIONS AND CHARITABLE DONATIONS

There were no charitable or political donations paid during the period.

8. ANNUAL GENERAL MEETING

Details of the Company's forthcoming Annual General Meeting are set out in a separate circular that will be sent to all Shareholders with the Annual Report and Accounts.

9. SUPPLIER PAYMENT POLICY

Whilst there is no formal code or standard, it is Company policy to settle terms of payment with creditors when agreeing the terms of each transaction and to abide by the creditors' terms of payment. There are no creditors subject to special arrangements outside of suppliers' terms and conditions. The amount of trade payables at 30 June 2011 was £2,640 (2010: £1,170).

10. DIRECTORS' INDEMNITY PROVISIONS

All of the current Directors benefited from qualifying third party indemnity insurance in place during the year ended 30 June 2011 and as at the date of approval of the financial statements.

11. POST BALANCE SHEET EVENTS

The post balance sheet events are set out in Note 12 to the Financial Statements.

12. GOING CONCERN

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on their assumptions and their conclusion thereon are included in the statement on going concern in the accounting policies.

13. DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

14. AUDITORS

Littlejohn LLP have indicated their willingness to continue in office.

This report was approved by the Board on 18 October 2011 and signed on its behalf.

Russell P Hardwick
Director
Imperial Minerals Plc

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and Parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMPERIAL MINERALS PLC

We have audited the Financial Statements of Imperial Minerals Plc for the year ended 30 June 2011 which comprise the Group and Parent Company Statements of Financial Position, the Group Statement of Comprehensive Income, the Group and Parent Company Cash Flow Statements, the Group and Parent Company Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company Financial Statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

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

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion:

- the Financial Statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2011 and of the Group's loss for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mark Ling (Senior statutory auditor)
For and on behalf of Littlejohn LLP
Statutory Auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

18 October 2011

IMPERIAL MINERALS PLC
STATEMENT OF COMPREHENSIVE INCOME
As at 30 June 2011

		Group	
		For the year ended 30 June 2011	For the year ended 30 June 2010
	Note	£	£
Continuing operations			
Other administrative expenses		(68,899)	(2,892)
Loss before taxation		**(68,899)**	**(2,892)**
Finance income – interest received		3,478	-
Corporation tax expense	4	-	-
Loss for the period attributable to the equity shareholders of the parent		**(65,421)**	**(2,892)**
Other comprehensive income		-	-
Total comprehensive income for the period attributable to the equity shareholders of the parent		**(65,421)**	**(2,892)**
Loss per share			
Basic and diluted loss per share attributable to the equity shareholders of the parent (pence)	5	(0.373p)	(0.406p)

The loss for the Company for the year was £53,421 (30 June 2010: £2,892).

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company Statement of Comprehensive Income.

The Accounting Policies and Notes on pages 17 to 27 form an integral part of these Financial Statements.

IMPERIAL MINERALS PLC
STATEMENTS OF FINANCIAL POSITION
As at 30 June 2011

Company number: 6275976	Note	Group		Company	
		As at 30 June 2011 £	**As at 30 June 2010 £**	**As at 30 June 2011 £**	**As at 30 June 2010 £**
ASSETS					
Non-current assets					
Other receivables	8	-	-	14,240	-
Investments in subsidiaries	7	-	-	10	10
Total non-current assets		**-**	**-**	**14,250**	**10**
Current assets					
Cash and cash equivalents		904,062	601,773	902,412	601,773
Trade and other receivables	8	4,373	3,417	3,773	3,417
Total current assets		**908,435**	**605,190**	**906,185**	**605,190**
TOTAL ASSETS		**908,435**	**605,190**	**920,435**	**605,200**
LIABILITIES					
Current Liabilities					
Trade and other payables	9	4,390	2,670	4,390	2,680
Total current liabilities		**4,390**	**2,670**	**4,390**	**2,680**
TOTAL LIABILITIES		**4,390**	**2,670**	**4,390**	**2,680**
NET ASSETS		**904,045**	**602,520**	**916,045**	**602,520**
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	10	189,950	150,000	189,950	150,000
Share premium reserve	10	753,171	427,412	753,171	427,412
Other reserve		29,237	28,000	29,237	28,000
Retained deficit		(68,313)	(2,892)	(56,313)	(2,892)
TOTAL EQUITY		**904,045**	**602,520**	**916,045**	**602,520**

The financial statements were approved and authorised for issue by the Board of Directors on 18 October 2011 and were signed on its behalf by:

Russell P Hardwick
Director

The Accounting Policies and Notes on pages 17 to 27 form an integral part of these Financial Statements.

IMPERIAL MINERALS PLC
STATEMENTS OF CHANGES IN EQUITY
For the year ended 30 June 2011

Group	**Share capital**	**Share premium**	**Shares to be issued under options and warrants**	**Retained losses**	**Total Equity**
	£	**£**	**£**	**£**	**£**
At 30 June 2009	1	-	-	-	1
Total comprehensive income for the period	-	-	-	(2,892)	(2,892)
Transactions with owners					
Issue of shares	149,999	475,000	-	-	624,999
Issue of options	-	(28,000)	28,000	-	-
Share issue expenses	-	(19,588)	-	-	(19,588)
Transactions with owners	149,999	427,412	28,000	-	605,411
Balance at 30 June 2010	**150,000**	**427,412**	**28,000**	**(2,892)**	**602,520**
At 30 June 2010	150,000	427,412	28,000	(2,892)	602,520
Total comprehensive income for the period	-	-	-	(65,421)	(65,421)
Transactions with owners					
Issue of shares	39,950	359,550	-	-	399,500
Issue of warrants	-	(1,502)	1,502	-	-
Exercise of warrants	-	265	(265)	-	-
Share issue expenses	-	(32,554)	-	-	(32,554)
Transactions with owners	39,950	325,759	1,237	-	366,946
Balance at 30 June 2011	**189,950**	**753,171**	**29,237**	**(68,313)**	**904,045**

The Accounting Policies and Notes on pages 17 to 27 form an integral part of these Financial Statements.

Company	Share capital	Share premium	Shares to be issued under options and warrants	Retained losses	Total Equity
	£	£	£	£	£
At 30 June 2009	**1**	**-**	**-**	**-**	**1**
Total comprehensive income for the period	-	-	-	(2,892)	(2,892)
Transactions with owners					
Issue of shares	149,999	475,000	-	-	624,999
Issue of options	-	(28,000)	28,000	-	-
Share issue expenses	-	(19,588)	-	-	(19,588)
Transactions with owners	149,999	427,412	28,000	-	605,411
Balance at 30 June 2010	**150,000**	**427,412**	**28,000**	**(2,892)**	**602,520**
At 30 June 2010	150,000	427,412	28,000	(2,892)	602,520
Total comprehensive income for the period	-	-	-	(53,421)	(53,421)
Transactions with owners					
Issue of shares	39,950	359,550	-	-	399,500
Issue of warrants	-	(1,502)	1,502	-	-
Exercise of warrants	-	265	(265)	-	-
Share issue expenses	-	(32,554)	-	-	(32,554)
Transactions with owners	**39,950**	**325,759**	**1,237**	**-**	**366,946**
Balance at 30 June 2011	**189,950**	**753,171**	**29,237**	**(56,313)**	**916,045**

The Accounting Policies and Notes on pages 17 to 27 form an integral part of these Financial Statements.

IMPERIAL MINERALS PLC
STATEMENTS OF CASH FLOWS
For the year ended 30 June 2011

		Group		Company	
	Note	**2011**	**2010**	**2011**	**2010**
		£	**£**	**£**	**£**
Cash flows from operating activities	11	(68,135)	(3,639)	(69,785)	(3,639)
Net cash used in operating activities		**(68,135)**	**(3,639)**	**(69,785)**	**(3,639)**
Cash flows from investing activities					
Interest received		3,478	-	3,478	-
Cash flows from investing activities		**3,478**	**-**	**3,478**	**-**
Cash flows from financing activities					
Proceeds from issue of share capital		399,500	624,999	399,500	624,999
Share issue expenses paid		(32,554)	(19,588)	(32,554)	(19,588)
Cash flows from financing activities		**366,946**	**605,411**	**366,946**	**605,411**
Net increase in cash and cash equivalents		302,289	601,772	300,639	601,772
Cash and cash equivalents at beginning of year		601,773	1	601,773	1
Cash and cash equivalents at end of year		**904,062**	**601,773**	**902,412**	**601,773**

The Accounting Policies and Notes on pages 17 to 27 form an integral part of these Financial Statements.

Summary of significant accounting policies

The principal Accounting Policies applied in the preparation of these Financial Statements are set out below. These Policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Preparation of Financial Statements

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRIC interpretations as adopted by the European Union and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have also been prepared under the historical cost convention.

Imperial Minerals plc, the legal Parent, is domiciled and incorporated in the United Kingdom. The functional currency of Imperial Minerals plc is £ sterling.

The Financial Statements are presented in sterling (£), rounded to the nearest pound.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in note 1 to these financial statements.

Basis of consolidation

The Group Financial Statements consolidate the Financial Statements of Imperial Minerals plc and the Financial Statements of its subsidiary undertaking made up to 30 June 2011.

Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity.

The cost of acquisition is measured as the fair value of the assets acquired, equity instruments issued and liabilities acquired or assumed at the date of exchange, plus certain costs directly attributable to the acquisition. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

New and Amended Standards Adopted by the Group

(i) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 July 2010 but not currently relevant to the Group

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 July 2010, but are not relevant to the Group.

An amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" relieves first-time adopters of IFRSs from providing the additional disclosures introduced in March 2009 by "Improving Disclosures about Financial Instruments" (Amendments to IFRS 7). This amendment is effective for periods beginning on or after 1 July 2010.

"Improvements to IFRSs" are collections of amendments to IFRSs resulting from the annual improvements project, a method of making necessary, but non-urgent, amendments to IFRSs that will not be included as part of another major project. These improvements have various implementation dates; for May 2010 improvements, the earliest is effective for periods beginning on or after 1 July 2010 subject to EU endorsement.

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" clarifies the treatment required when an entity renegotiates the terms of a financial liability with its creditor, and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. This interpretation is effective for periods beginning on or after 1 July 2010.

(ii) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 July 2010 and not early adopted

The Group and Company's assessment of the impact of these new standards and interpretations is set out below.

Further amendments to IFRS 1 replace references to a fixed date of 1 January 2004 with "the date of transition to IFRSs", thus eliminating the need for companies adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs, and provide guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. This amendment is effective for periods beginning on or after 1 July 2011, subject to EU endorsement, and is not expected to have an impact on the Group's Financial Statements.

Amendments to IFRS 7 "Financial Instruments: Disclosures" are designed to help users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position. These amendments are effective for periods beginning on or after 1 January 2011, subject to EU endorsement. The Directors are assessing the possible impact of these amendments on the Group's Financial Statements.

IFRS 10 "Consolidated Financial Statements" builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group's Financial Statements.

IFRS 11 "Joint Arrangements" provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group's Financial Statements.

IFRS 12 "Disclosure of Interests in Other Entities" is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group's Financial Statements.

IFRS 13 “Fair Value Measurement” improves consistency and reduces complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. It does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group’s Financial Statements.

Amendments to IAS 12 “Income Taxes” introduce a presumption that recovery of the carrying amount of an asset measured using the fair value model in IAS 40 “Investment Property” will normally be through sale. These amendments are effective for periods beginning on or after 1 January 2012, subject to EU endorsement, and are not expected to have an impact on the Group’s Financial Statements.

IAS 27 “Separate Financial Statements” replaces the current version of IAS 27 “Consolidated and Separate Financial Statements” as a result of the issue of IFRS 10 (see above). This revised standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group’s Financial Statements.

IAS 28 “Investments in Associates and Joint Ventures” replaces the current version of IAS 28 “Investments in Associates” as a result of the issue of IFRS 11 (see above). This revised standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group’s Financial Statements.

Amendments to IAS 1 “Presentation of Financial Statements” require items that may be reclassified to the profit or loss section of the income statement to be grouped together within other comprehensive income (OCI). The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. These amendments are effective for periods beginning on or after 1 July 2012, subject to EU endorsement. The Directors are assessing the possible impact of these amendments on the Group’s Financial Statements.

Amendments to IAS 19 “Employment Benefits” eliminate the option to defer the recognition of gains and losses, known as the “corridor method”; streamline the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhance the disclosure requirements for defined benefit plans, providing better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans. These amendments are effective for periods beginning on or after 1 January 2013, subject to EU endorsement, and are not expected to have an impact on the Group’s Financial Statements.

An amendment to IFRIC 14 “IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”, on prepayments of a minimum funding requirement, applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. This amendment is effective for periods beginning on or after 1 January 2011, and is not expected to have an impact on the Group’s Financial Statements.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash at hand and current and deposit balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the Statement of Cash Flows.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual agreement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and financial liabilities

The financial assets and financial liabilities are recognised on the Group or Company's balance sheet when the Group or Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially recognised on the date at which the Group or Company becomes a party to the contractual provisions of the instrument.

The Group or Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Taxation

Current tax is the tax currently payable based on the taxable profit for the period.

Deferred tax is provided in full, using the liability method, on temporary differences between the carrying amounts of assets and liabilities and their tax bases, except when, at the initial recognition of the asset or liability, there is no effect on accounting or taxable profit or loss. Deferred tax is determined using tax rates and laws that have been substantially enacted by the Statement of Financial Position date, and that are expected to apply when the temporary difference reverses.

Tax losses available to be carried forward are recognised as deferred tax assets, to the extent that it is probable that there will be future taxable profits against which the temporary differences can be utilised.

Changes in deferred tax assets or liabilities are recognised as a component of the tax expense in the Statement of Comprehensive Income, except where they relate to items that are charged or credited directly to equity, in which case the related deferred tax is also charged or credited directly to equity.

Share Based Payments

The Company has issued share options and warrants. The fair value of the services received in exchange for the grant of the options and warrants is recognised as an expense in the statement of comprehensive income or charged to equity depending on the nature of the service provided. The total amount to be expensed or charged is determined by reference to the fair value of the options and warrants granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Share Based Payments (continued)

Non-market vesting conditions are included in assumptions about the number of options and warrants that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options and warrants that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

Share Based Payments (continued)

When the warrants are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the warrants are exercised.

Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

Going Concern

The Group and Company's business activities together with the factors likely to affect their future development, performance and position are set out in the Chairman's Statement on pages 3 and 4. In addition notes 1 and 2 to the Financial Statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit and liquidity risk.

The Financial Statements have been prepared on a going concern basis notwithstanding that the Group incurred a net loss of £65,421 during the year ended 30 June 2011. Although the Group and Company's assets are not generating revenues and an operating loss has been reported, the Directors believe that the Group and Company have sufficient funds to undertake its operating activities for a period of at least 12 months from the date of signing these Financial Statements including any additional payments required in relation to any further investments. As projects and acquisition targets are identified additional funding may be required. The amount of funding is unforeseen at the point of approval of these Financial Statements and the Company may be required to raise additional funds either via an issue of equity or through the issuance of debt. The Directors are confident that funds will be forthcoming if needed when an appropriate investment is found.

NOTE 1: CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Significant items subject to such estimates are:

Share based payment transactions

Fair value of options and warrants: in accordance with IFRS 2 'Share Based Payments' the Company has recognised the fair value of options and warrants, calculated using the Black-Scholes option pricing model. The Directors have made significant assumptions particularly regarding the volatility of the share price at the grant date in order to reach a fair value. Further information is disclosed in Note 10.

The valuation of other assets, liabilities, income and expenses were not subject to management's judgement, estimation or assumption.

NOTE 2: FINANCIAL RISK MANAGEMENT

Capital Management

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

Treasury policy and financial instruments

During the periods under review, the only financial instruments were cash and cash equivalents and other receivables which were or will be required for the normal operations of the Group.

The Group operates informal treasury policies which include ongoing assessments of interest rate management and borrowing policy. The Board approves all decisions on treasury policy.

The Company has raised funds to finance future activities through the placing of shares, together with warrants. There are no differences between the book value and fair value of the financial assets. The risks arising from the Group's financial instruments are liquidity and interest rate risk. The Directors review and agree policies for managing these risks and they are summarised below:

Liquidity and interest rate risk

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. This is achieved by the close control by the Directors of the Company in the day to day management of liquid resources. Cash is invested in deposit accounts which provide a modest return on the Group's resources whilst ensuring there is limited risk of loss to the Group.

Credit Risk

Credit risk arises from cash and cash equivalents. The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

NOTE 3: LOSS FROM OPERATIONS

	Group	
Loss on ordinary activities before tax is stated after charging:	**For the year ended 30 June 2011 £**	**For the year ended 30 June 2010 £**
Fees payable to the Company's Auditor for the audit of the Group and Company's annual financial statements	1,750	1,500

NOTE 4: TAXATION ON LOSS FROM ORDINARY ACTIVITIES

	Group	
	For the year ended 30 June 2011 £	**For the year ended 30 June 2010 £**
Loss before tax	(65,421)	(2,892)
Tax on loss for the year multiplied by the UK small companies corporation tax rate of 21%	(13,738)	(607)
Tax losses carried forward	13,738	607
Tax charge for the year	**-**	**-**

The Group has tax losses of approximately £68,310 (2010: £2,892) available to carry forward against future taxable profits. A deferred tax asset has not been recognised because of uncertainty over the timing of future taxable profits against which the losses may be offset.

NOTE 5: LOSS PER SHARE

The calculation of the basic loss per share of 0.373 pence is based on the loss attributable to ordinary shareholders of £65,421 and on the weighted average number of ordinary shares of 17,542,575 in issue during the year.

In accordance with IAS 33, no diluted earnings per share is presented as the effect on the exercise of share options or warrants would be to decrease the loss per share.

Details of share options and warrants that could potentially dilute earnings per share in future periods are set out in Note 10.

NOTE 6: DIRECTORS AND EMPLOYEES

There were no employees in the period other than the Directors. No remuneration has been paid to any Director.

NOTE 7: INVESTMENT IN SUBSIDIARIES

The subsidiaries of Imperial Minerals Plc, all of which have been included in these consolidated financial statements, are as follows:

	Company	
	2011	**2010**
	£	**£**
Cost at the start of the period	10	-
Additions in the period	-	10
Cost at the end of the period	**10**	**10**

Investments in group undertakings are stated at cost which is the fair value of the consideration paid.

Details of subsidiary undertakings

Details of subsidiary undertakings at 30 June 2011 are as follows:

Name	Country of Incorporation	Proportion of ownership interest and voting rights
Imperial Minerals (UK) Limited	United Kingdom	100%

NOTE 8: TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011	**2010**	**2011**	**2010**
	£		**£**	**£**
Non-current				
Amounts due from subsidiary undertaking	**-**	-	**14,240**	-
Current				
VAT receivable	1,287	3,417	687	3,417
Prepayments	3,086	-	3,086	-
	4,373	**3,417**	**3,773**	**3,417**

The fair value of all current receivables is as stated above. The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

Trade and other receivables are all denominated in £ sterling.

NOTE 9: TRADE AND OTHER PAYABLES

	Group		Company	
	2011	**2010**	**2011**	**2010**
	£	**£**	**£**	**£**
Current				
Trade payables	2,640	1,170	2,640	1,170
Accruals and other payables	1,750	1,500	1,750	1,510
	4,390	**2,670**	**4,390**	**2,680**

NOTE 10: SHARE CAPITAL

	Number	**£**
Authorised		
Ordinary Shares of £0.01 each	45,000,000	450,000

There has been no movement in the authorised share capital during the year.

	As at 30 June 2011 Number	**£**	**As at 30 June 2010 Number**	**£**
Allotted and called up:				
Ordinary Shares of £0.01 each	18,995,000	189,950	15,000,000	150,000

The movements in issued share capital during the year are detailed below.

On 10 November 2010, 566,850 warrants were granted with a strike price of £0.10 per share exercisable until expiry at the close of business on 10 November 2015. The fair value of the warrants was determined using the Black Scholes valuation model. The parameters used are detailed below:

Warrants granted on 10 November 2010:	
Share price	£0.05
Exercise price	£0.10
Warrant life (years)	5 years
Risk free rate	2.2%
Expected volatility	25%
Expected dividend yield	Nil
Fair value of options granted	£0.00265
Total fair value of warrants granted	£1,502

The expected volatility is based on historical volatility of comparable listed companies for the 6 months prior to the date of granting. The risk free rate return is based on zero yield government bonds for a term consistent with the life of the warrants.

NOTE 10: SHARE CAPITAL (CONTINUED)

Group and Company

Issued	Number of shares	Ordinary shares £	Share premium £	Total £
At 1 July 2009	3	1	-	1
Issue of new shares – 8 June 2010	4,999,997	49,999	75,000	124,999
Issue of new shares – 15 June 2010	10,000,000	100,000	400,000	500,000
At 30 June 2010	**15,000,000**	**150,000**	**475,000**	**625,000**
Issue of new shares – 4 November 2010	3,895,000	38,950	350,550	389,500
Issue of new shares – 29 November 2010	100,000	1,000	9,000	10,000
At 30 June 2011	**18,995,000**	**189,950**	**834,550**	**1,024,500**

A reconciliation of options and warrants during the year to 30 June 2011 is shown below:

	Number	**Weighted average exercise price (£)**
Opening balance at 1 July 2010	10,000,000	0.10
Granted on 10 November 2010	566,850	0.10
Exercised on 29 November 2010	(100,000)	0.10
Outstanding as at 30 June 2011	10,466,850	0.10
Exercisable as at 30 June 2011	10,466,850	0.10

30 June 2011

Range of exercise prices (£)	**Weighted average exercise price (£)**	**Number of options**	**Weighted average remaining life expected (years)**	**Weighted average remaining life contracted (years)**
0.10	0.10	10,466,850	3.85	3.85

On 29 November 2010 St Helens Capital Partners LLP exercised 100,000 warrants at an exercise price of 10p. The total fair value of warrants granted during the year has resulted in a charge to share premium of £1,502.

NOTE 11: NOTES TO THE CASH FLOW STATEMENT

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Reconciliation of loss from operations to cash flows from operating activities				
Loss from operations	**(65,421)**	**(2,892)**	**(53,421)**	**(2,892)**
Interest revenue included in investing activities	(3,478)	-	(3,478)	-
Increase in trade and other receivables	(955)	(3,417)	(14,595)	(3,417)
Increase in trade and other payables	1,719	2,670	1,709	2,670
Cash flow from operating activities	**(68,135)**	**(3,639)**	**(69,785)**	**(3,639)**

NOTE 12: POST BALANCE SHEET EVENTS

There has not been any matter or circumstance occurring subsequent to the end of the financial year, that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

NOTE 13: ULTIMATE CONTROLLING PARTY

The Directors believe there to be no ultimate controlling party.