

Imperial Minerals Plc  
("Imperial" or the "Company")

Unaudited interim report for the six months to 31 December 2014

Dear Shareholder,

I am pleased to present the unaudited financial results of Imperial Minerals Plc for the half-year ended 31 December 2014.

During the period, Imperial has continued to seek opportunities to invest in appropriate natural resources projects in order to generate long-term growth for shareholders. At the same time, much progress was made at North River Resources Plc ("NRR"), the lead zinc project that the Company invested in at the start of the year. In July 2014 Greenstone Resources, a private equity fund specialising in the mining and metals sector, agreed to invest up to US\$12 million in NRR in four tranches, each at a pre-determined price and subject to certain conditions. So far, Greenstone has invested over US\$5.6 million by completing the first two tranches and now owns a 29.3% stake in NRR. In November 2014 NRR announced the completion of a definitive feasibility study under which it declared a maiden ore reserve of 585,000 tonnes at 6.2% zinc, 2.9% lead and 46ppm silver at its brownfield Namib Lead Zinc Silver Mine ("NLZM") in Namibia and predicted a thirteen month schedule for bringing the mine back into production and a mine life of 3.5 years. In January 2015 NRR made significant management changes in order to support the next phase of development at NLZM and announced that it was confident that it could significantly extend the life of the mine.

On 22 December 2014 Imperial announced that it had entered into an agreement with Symerton Holdings S.A. ("Symerton") under which it effectively secured an option to investigate an opportunity to invest in a South American gold project. Under this agreement Imperial has made a 12% unsecured convertible loan to Symerton of US\$100,000 and has the option to invest further amounts in Symerton subject to certain conditions. Due diligence continues and, while we await certain key developments regarding the gold opportunity, the date for Imperial's decision to demand repayment of or convert the Symerton loan has been extended accordingly.

Whilst we are excited about the South American gold opportunity we accept that it is not without risks and continue to look for suitable late stage mining exploration companies or projects to acquire. Ideally these will have good operational management and technical teams, particularly where existing resources are being upgraded to reporting code standard for pre-feasibility and bankable feasibility studies and in special situations where short-term routes to cash flow can be implemented without significant capital expenditure.

We are particularly interested in projects exploring for or developing resources in base metals, gold, silver and coal but will also consider uranium and mineral sands projects that meet certain criteria. Our expertise lies particularly on the continent of Africa. Although Imperial will also consider projects in Europe, Australasia and the Americas, it will not invest in those based in Russia or FSU countries.

## **Financial Review**

During the period, the Company only earned revenue in the form of bank interest. Its cash reserves will be used in the short term to cover travel costs, salaries, professional consultancy fees, initial due diligence and other costs incidental to the identification and development of acquisition opportunities.

During the six month period ended 31 December 2014, the Group made a pre-tax loss of £59,147 (2013: £60,701). Cash at bank at the end of December 2014 was £112,616 (2013: £734,420).

Total expenditure during the period was £59,480 (2013: £61,688) which consisted mainly of salaries & wages of £30,698 and due diligence costs of £13,026, with the balance comprising corporate and administration expenses.

### **Financial Position**

The Group's Statement of Financial Position as at 31 December 2014 and comparatives at 31 December 2013 and 30 June 2014 are summarised below:

	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>	<b>30 June 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Current assets	217,822	740,407	263,324
Non current assets	351,917	-	330,802
<b>Total assets</b>	<b>569,739</b>	<b>740,407</b>	<b>594,126</b>
Current liabilities	19,736	7,235	6,091
<b>Total liabilities</b>	<b>19,736</b>	<b>7,235</b>	<b>6,091</b>
<b>Net assets</b>	<b>550,003</b>	<b>733,172</b>	<b>588,035</b>

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

**Frank Moxon**

*Chairman*

*Imperial Minerals Plc*

24 February 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
For the six months ended 31 December 2014

	6 months to 31 Dec 2014 Unaudited £	6 months to 31 Dec 2013 Unaudited £	Year ended 30 June 2014 Audited £
<b>Continuing operations</b>			
Revenue	-	-	-
Administrative expenses	(59,480)	(61,688)	(115,899)
<b>Loss before taxation</b>	<b>(59,480)</b>	<b>(61,688)</b>	<b>(115,899)</b>
Finance income – interest received	333	987	1,559
Income tax expense	-	-	-
<b>Loss for the year attributable to the equity shareholders of the parent</b>	<b>(59,147)</b>	<b>(60,701)</b>	<b>(114,340)</b>
<b>Other comprehensive income</b>			
Items that may be subsequently reclassified to profit or loss			
Unrealised changes in value of available for sale financial assets	21,115	-	(91,498)
Other comprehensive income for the year, net of tax	21,115	-	(91,498)
<b>Total comprehensive income for the period/year attributable to the equity shareholders of the parent</b>	<b>(38,032)</b>	<b>(60,701)</b>	<b>(205,838)</b>
<b>Loss per share</b>			
Basic and diluted loss per share attributable to the equity shareholders of the parent (pence)	(0.200p)	(0.320p)	(0.602p)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at 31 December 2014

	As at 31 Dec 2014 Unaudited £	As at 31 Dec 2013 Unaudited £	Year ended 30 June 2014 Audited £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets – Available for sale	351,917	-	330,802
<b>Total non-current assets</b>	<b>351,917</b>	<b>-</b>	<b>330,802</b>
<b>Current assets</b>			
Other receivables	105,206	5,987	2,105
Cash and cash equivalents	112,616	734,420	261,219
<b>Total current assets</b>	<b>217,822</b>	<b>740,407</b>	<b>263,324</b>
<b>TOTAL ASSETS</b>	<b>569,739</b>	<b>740,407</b>	<b>594,126</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	19,736	7,235	6,091
<b>Total current liabilities</b>	<b>19,736</b>	<b>7,235</b>	<b>6,091</b>
<b>TOTAL LIABILITIES</b>	<b>19,736</b>	<b>7,235</b>	<b>6,091</b>
<b>NET ASSETS</b>	<b>550,003</b>	<b>733,172</b>	<b>588,035</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Share capital	189,950	189,950	189,950
Share premium reserve	753,171	753,171	753,171
Other reserve	53,478	53,478	53,478
Available for sale reserve	(70,383)	-	(91,498)
Retained deficit	(376,213)	(263,427)	(317,066)
<b>TOTAL EQUITY</b>	<b>550,003</b>	<b>733,172</b>	<b>588,035</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
For the six months ended 31 December 2014

	Share capital	Share premium	Shares to be issued under options	Retained deficit	Available for sale reserve	Total Equity
	£	£	£	£	£	£
<b>At 1 July 2013</b>	<b>189,950</b>	<b>753,171</b>	<b>53,478</b>	<b>(202,726)</b>	<b>-</b>	<b>793,873</b>
Total comprehensive income for the period	-	-	-	(60,701)	-	(60,701)
<b>Balance at 31 Dec 2013</b>	<b>189,950</b>	<b>753,171</b>	<b>53,478</b>	<b>(263,427)</b>	<b>-</b>	<b>733,172</b>
<b>At 1 July 2014</b>	<b>189,950</b>	<b>753,171</b>	<b>53,478</b>	<b>(317,066)</b>	<b>(91,498)</b>	<b>588,035</b>
Total comprehensive income for the period	-	-	-	(59,147)	21,115	(38,032)
<b>Balance at 31 Dec 2014</b>	<b>189,950</b>	<b>753,171</b>	<b>53,478</b>	<b>(376,213)</b>	<b>(70,383)</b>	<b>550,003</b>

CONSOLIDATED STATEMENT OF CASH FLOWS  
For the six months ended 31 December 2014

	6 months to 31 Dec 2014 Unaudited £	6 months to 31 Dec 2013 Unaudited £	Year ended 30 June 2014 Audited £
<b>Cash flows from operating activities</b>	(52,381)	(73,384)	(124,858)
<b>Net cash used in operating activities</b>	<b>(52,381)</b>	<b>(73,384)</b>	<b>(124,858)</b>
<b>Cash flows from investing activities</b>			
Interest received	333	1,141	1,714
Purchase of available for sale financial asset	-	-	(422,300)
Loans to other entities	(96,555)	-	-
<b>Cash flows from investing activities</b>	<b>(96,222)</b>	<b>1,141</b>	<b>(420,586)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	-	-	-
Share issue expenses paid	-	-	-
<b>Cash flows from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net decrease in cash and cash equivalents	(148,603)	(72,243)	(545,444)
Cash and cash equivalents at beginning of the period	261,219	806,663	806,663
<b>Cash and cash equivalents at end of the period</b>	<b>112,616</b>	<b>734,420</b>	<b>261,219</b>

## **NOTE 1: BASIS OF PREPARATION**

The condensed consolidated interim financial information of the Group for the six months ended 31 December 2014 which comprise the Company and its subsidiary (together referred to as the "Group") were approved by the Board on 24 February 2015. The interim financial information has not been reviewed or audited. The interim financial information has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU. The financial information for the six months to 31 December 2014 does not constitute statutory accounts of the Group. This financial information has been prepared in accordance with the accounting policies that are expected to be applied in the Report and Accounts of Imperial Minerals PLC for the year ending 30 June 2015. The statutory accounts for the year ended 30 June 2014 have been filed with the Registrar of Companies. The auditor's report on those accounts was unqualified, did not include any references to any matters to which the auditors drew attention by way of emphasis and did not contain a statement under section 498(2)-(3) of the Companies Act 2006.

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 and have been prepared on the going concern basis.

## **NOTE 2: TAXATION**

No taxation has been provided due to losses in the period. No deferred tax asset has been recognised for past or current losses as the recoverability of any such assets is not probable in the foreseeable future.

## **NOTE 3: LOSS PER SHARE**

The calculation of the basic loss per share of 0.2 pence is based on the loss attributable to ordinary shareholders of £59,147 and on the weighted average number of ordinary shares of 18,995,000 in issue during the period.

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.

#### NOTE 4: NOTES TO THE CASH FLOW STATEMENT

	6 months to 31 Dec 2014 Unaudited £	6 months to 31 Dec 2013 Unaudited £	Year ended 30 June 2014 Audited £
<b>Reconciliation of loss from operations to cash flows from operating activities</b>			
<b>Loss from operations</b>	<b>(59,147)</b>	<b>(60,701)</b>	<b>(114,340)</b>
Share option expense		-	-
Interest revenue included in investing activities	(333)	(987)	(1,559)
Decrease / (Increase) in trade and other receivables	(6,547)	3,215	7,097
Increase / (Decrease) in trade and other payables	13,646	(14,911)	(16,056)
<b>Cash flow from operating activities</b>	<b>(52,381)</b>	<b>(73,384)</b>	<b>(124,858)</b>

#### NOTE 5: POST BALANCE SHEET EVENTS

There has not been any matter or circumstance occurring subsequent to the end of the half 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 6: FORWARD LOOKING STATEMENTS

This report contains certain forward looking statements, which include assumptions with respect to future plans, results and expenditures. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. All such forward looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control. Please refer to the Company's Annual Report available from the Company's web site for a list of risk factors. The Company's actual results could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this report are made as at the date of this report

#### NOTE 7: INTERIM REPORT

Copies of this interim report for the six months ended 31 December 2014 will be available from the offices of Imperial Minerals Plc, 2 Stone Buildings Lincolns Inn London WC2A 3TH, and on the company's website [www.imperialminerals.com](http://www.imperialminerals.com)