

EMED MINING PUBLIC LIMITED

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE NINE MONTHS ENDED

30 SEPTEMBER 2011

(UNAUDITED)

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

EMED MINING PUBLIC LIMITED
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS TO 30 SEPTEMBER 2011
(UNAUDITED)

Contents	Page
Condensed interim consolidated statements of comprehensive income	2
Condensed interim consolidated statements of financial position	3
Condensed interim consolidated statements of changes in equity	4
Condensed interim consolidated statements of cash flows	5
Notes to the condensed interim consolidated financial statements	6-30
Management's Responsibility for Financial Reporting	31

EMED MINING PUBLIC LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011
(UNAUDITED)

	Nine months ended 30 Sep 2011 €000's	Nine months ended 30 Sep 2010 €000's	Three months ended 30 Sep 2011 €000's	Three months ended 30 Sep 2010 €000's
Revenue	-	-	-	-
Exploration expenditure	(1,105)	(1,051)	(411)	(309)
Care and maintenance expenditure	(3,777)	(3,065)	(1,520)	(926)
Gross loss	(4,882)	(4,116)	(1,931)	(1,235)
Share of results of associates	(201)	(106)	(70)	29
Administration expenses	(2,841)	(2,775)	(1,020)	(934)
Operating loss	(7,924)	(6,997)	(3,021)	(2,140)
Net foreign exchange (loss)/gain	(179)	161	(166)	170
Finance income	178	2	82	-
Finance costs	(1,051)	(848)	(354)	(365)
Loss before tax	(8,976)	(7,682)	(3,459)	(2,335)
Tax	1,363	865	558	279
Loss for the period	(7,613)	(6,817)	(2,901)	(2,056)
Other comprehensive (loss)/income:				
Exchange differences on translating foreign operations	(26)	(95)	(123)	116
Total comprehensive loss for the period	(7,639)	(6,912)	(3,024)	(1,940)
Loss attributable to:				
Equity holders of the parent	(7,612)	(6,816)	(2,900)	(2,056)
Non controlling interest	(1)	(1)	(1)	-
	(7,613)	(6,817)	(2,901)	(2,056)
Total comprehensive loss attributable to:				
Equity holders of the parent	(7,638)	(6,911)	(3,023)	(1,940)
Non controlling interest	(1)	(1)	(1)	-
	(7,639)	(6,912)	(3,024)	(1,940)
Earnings per share information				
Basic and fully diluted loss per share (cents)	(1.08)	(1.75)	(0.41)	(0.48)

The accompanying notes form part of these condensed interim consolidated financial statements.

EMED MINING PUBLIC LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011
(UNAUDITED)

		30 Sep 2011 € 000's	30 Sep 2010 € 000's	31 Dec 2010 € 000's
	Note			
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	8	27,450	25,753	26,037
Intangible assets	9	6,919	5,241	5,761
Deferred tax		5,401	3,550	4,057
Deferred financing expenses		-	71	-
Investment in associates	10	81	341	282
TOTAL NON-CURRENT ASSETS		39,851	34,956	36,137
CURRENT ASSETS				
Available for sale financial assets	11	38	-	38
Trade and other receivables	12	1,191	837	1,067
Deferred financing expenses		71	284	284
Cash and cash equivalents	13	13,132	2,946	21,533
TOTAL CURRENT ASSETS		14,432	4,067	22,922
TOTAL ASSETS		54,283	39,023	59,059
EQUITY AND LIABILITIES				
CAPITAL AND RESERVES				
Share capital	14	2,162	1,331	2,059
Share premium	14	82,869	58,139	79,492
Share options reserve	15	5,221	4,531	5,015
Foreign exchange reserve		(139)	(204)	(113)
Accumulated losses		(59,403)	(48,374)	(51,791)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		30,710	15,423	34,662
Non controlling interest		(102)	(97)	(101)
TOTAL CAPITAL AND RESERVES		30,608	15,326	34,561
NON-CURRENT LIABILITIES				
Borrowings	16	-	7,111	-
Trade and other payables	17	11,836	15,077	13,867
TOTAL NON-CURRENT LIABILITIES		11,836	22,188	13,867
CURRENT LIABILITIES				
Borrowings	16	7,074	-	7,113
Trade and other payables	17	4,765	1,509	3,518
TOTAL CURRENT LIABILITIES		11,839	1,509	10,631
TOTAL LIABILITIES		23,675	23,697	24,498
TOTAL EQUITY AND LIABILITIES		54,283	39,023	59,059

The accompanying notes form part of these condensed interim consolidated financial statements.

EMED MINING PUBLIC LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011
(UNAUDITED)

	Share capital €000	Share premium €000	Share option reserve €000	Accumulated losses €000	Foreign exchange reserve €000	Total €000	Non controlling interest €000	Total €000
Balance at 1 Jan 2010	1,078	48,531	3,471	(41,558)	(109)	11,413	(96)	11,317
Total comprehensive loss for the period	-	-	-	(6,816)	(95)	(6,911)	(1)	(6,912)
Issue of share capital	253	10,297	-	-	-	10,550	-	10,550
Share issue costs	-	(689)	-	-	-	(689)	-	(689)
Recognition of share based payments	-	-	1,060	-	-	1,060	-	1,060
Balance at 30 Sep 2010	1,331	58,139	4,531	(48,374)	(204)	15,423	(97)	15,326
Total comprehensive loss for the period	-	-	-	(3,417)	91	(3,326)	(4)	(3,330)
Issue of share capital	728	24,078	-	-	-	24,806	-	24,806
Share issue costs	-	(2,725)	-	-	-	(2,725)	-	(2,725)
Recognition of share based payments	-	-	484	-	-	484	-	484
Balance at 31 Dec 2010	2,059	79,492	5,015	(51,791)	(113)	34,662	(101)	34,561
Total comprehensive loss for the period	-	-	-	(7,612)	-	(7,612)	(1)	(7,613)
Currency translation differences	-	-	-	-	(26)	(26)	-	(26)
Issue of share capital	103	3,588	-	-	-	3,691	-	3,691
Share issue costs	-	(211)	-	-	-	(211)	-	(211)
Recognition of share based payments	-	-	206	-	-	206	-	206
Balance at 30 Sep 2011	2,162	82,869	5,221	(59,403)	(139)	30,710	(102)	30,608

The accompanying notes form part of these condensed interim consolidated financial statements.

EMED MINING PUBLIC LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011
(UNAUDITED)

		Nine months ended 30 Sep 2011 €000's	Nine months ended 30 Sep 2010 €000's	Year ended 31 Dec 2010 €000's
	Note			
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(8,976)	(7,682)	(11,605)
Adjustments for:				
Depreciation of property, plant and equipment	8	84	56	82
Share based payments		206	1,060	1,544
Payment for services rendered with settlement in shares		-	-	240
Payment of interest with settlement in shares		-	459	-
Impairment of intangible assets		-	-	310
Share of loss from associates		201	106	165
Interest Income		(169)	(2)	(3)
Interest expense		838	-	-
Dividend income		(8)	-	-
Unrealised exchange difference on borrowings		179	235	237
Deferred financing expense		213	-	284
Exchange difference on translation of subsidiaries		(26)	(95)	(10)
Operating loss before working capital changes		(7,458)	(5,863)	(8,756)
Changes in working capital:				
Increase in receivables		(124)	(365)	(633)
Increase/(decrease) in trade creditors		194	(34)	914
Cash flows used in operations		(7,388)	(6,262)	(8,475)
Interest paid		(541)	-	-
Payment of interest with settlement in shares		(258)	-	-
Tax paid		(20)	-	-
Net cash used in operating activities		(8,207)	(6,262)	(8,475)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	8	(1,502)	(1,968)	(2,426)
Purchase of intangible assets	9	(1,158)	(2,002)	(2,522)
Dividend received		8	-	-
Interest received		169	2	3
Net cash used in investing activities		(2,483)	(3,968)	(4,945)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	14	3,691	10,091	34,459
Listing and issue costs	14	(211)	(689)	(3,067)
Loan repayment		(978)	-	-
Deferred financing expense		(213)	213	-
Net cash from financing activities		2,289	9,615	31,392
Net (decrease)/increase in cash and cash equivalents		(8,401)	(615)	17,972
CASH AND CASH EQUIVALENTS:				
At beginning of the period / year		21,533	3,561	3,561
At end of the period / year	13	13,132	2,946	21,533

The accompanying notes form part of these condensed interim consolidated financial statements

EMED MINING PUBLIC LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

1 General information

Country of incorporation

EMED Mining Public Limited (the 'Company') was incorporated in Cyprus on 17 September 2004 as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113 and was converted to a public limited liability company on 26 January 2005. Its registered office is at 1, Lampousas Street, Nicosia, Cyprus. The Company was listed on the Alternative Investment Market ("AIM") of the London Stock Exchange in May 2005 and the Toronto Stock Exchange ("TSX") on 20 December 2010.

Principal activities

The principal activity of the Company and its subsidiaries (the "Group") is to explore for and develop natural resources, with a focus on base and precious metals in the regions of Western and Central Europe, Western Asia and the Middle East.

2 Basis of preparation and accounting policies

Basis of preparation

The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) including International Accounting Standard 34 "Interim Financial Reporting" and using the historical cost convention.

These condensed interim consolidated financial statements ("the statements") are unaudited and include the financial statements of the Company and its subsidiary undertakings. They have been prepared using accounting bases and policies consistent with those used in the preparation of the consolidated financial statements of the Company and the Group for the year ended 31 December 2010. These condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements, and accordingly, should be read in conjunction with the consolidated financial statements and other information set out in the Company's 31 December 2010 Annual Report.

Going concern

The Directors have formed a judgment at the time of approving the condensed interim consolidated financial statements that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The financial statements have been prepared on a going concern basis, the validity of which depends principally on the discovery of economically viable mineral deposits, obtaining the necessary mining licences and the availability of subsequent funding to extract the resource or alternatively the availability of funding to extend the Company's exploration activities. The financial statements do not include any adjustment that would arise from a failure to complete either option. Changes in future conditions could require write downs of the carrying values of property, plant and equipment, intangible assets and deferred tax.

Use and revision of accounting estimates

The preparation of the condensed interim consolidated financial statements requires the making of estimations and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011
(UNAUDITED)**

2 Basis of preparation and accounting policies (continued)

Adoption of new and revised International Financial Reporting Standards (IFRSs)

The Group has adopted all the new and revised IFRSs and International Accounting Standards (IAS) which are relevant to its operations and are effective for accounting periods commencing on 1 January 2011.

The adoption of these Standards did not have a material effect on the condensed interim consolidated financial statements.

At the date of authorisation of these condensed interim consolidated financial statements some Standards were in issue but not yet effective. The Board of Directors expects that the adoption of these Standards in future periods will not have a material effect on the consolidated financial statements of the Group.

Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial of the Group.

Basis of consolidation

The condensed interim consolidated financial statements incorporate the interim financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The interim financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

Business Combinations:

(i) Acquisitions

The acquisition of subsidiaries 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 values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

(ii) Goodwill

Purchased goodwill is capitalized and classified as an asset on the interim condensed consolidated statement of financial position. Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

Goodwill is reviewed for impairment on an annual basis. When the directors consider the initial value of the acquisition to be negligible, the goodwill is written off to the consolidated statement of comprehensive income immediately. Trading results of acquired subsidiary undertakings are included from the date of acquisition. Goodwill is deemed to be impaired when the present value of the future cash flows expected to be derived is lower than the carrying value. Any impairment is charged to the condensed interim consolidated statement of comprehensive income immediately.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011
(UNAUDITED)**

2 Basis of preparation and accounting policies (continued)

Investments in subsidiary companies

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified. This policy only applies to the "Company" financial statements

Investments in associate companies

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are initially recognized at cost and are accounted for by the equity method of accounting.

Revenue recognition

Revenues earned by the Group are recognised on the following basis:

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Finance costs

Interest expense and other borrowing costs are charged to the statement of comprehensive income as incurred.

Foreign currency translation

(i) Functional and presentation currency

Items included in the Group's condensed interim consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The condensed interim consolidated financial statements are presented in Euros, which is the Group's functional and presentation currency.

(ii) Foreign currency translation

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

(iii) Foreign operations

On consolidation, the assets and liabilities of the consolidated entity's foreign operations are translated at exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are recognised in the foreign currency translation reserve which are recognised in profit or loss on disposal of the foreign operation, or in the other comprehensive income/loss.

Tax

Current tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011
(UNAUDITED)**

2 Basis of preparation and accounting policies (continued)

Acquisitions of assets

All assets acquired, including property, plant and equipment other than goodwill and intangibles, are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value, except where the notional price at which they could be placed in the market is a better indication of fair value.

Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise they are expensed.

Exploration costs

The Group has adopted the provisions of IFRS 6 “Exploration for and Evaluation of Mineral Resources” for expenses and exploration costs. The Group’s stage of operations as at the year end and as at the date of approval of these condensed interim consolidated financial statements have not yet met the criteria for capitalization of exploration costs. Care and maintenance costs are expensed in the statement of comprehensive income.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

Plant and machinery	10%-20%
Motor vehicles	20%
Furniture, fixtures and office equipment	10%-20%

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Expenditure for repairs and maintenance of property, plant and equipment is charged to the statement of comprehensive income of the year in which they were incurred. The cost of major renovations and other subsequent expenditures are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the condensed interim consolidated statement of comprehensive income.

Intangible assets

Intangible assets relate to mineral rights acquired and permits in respect of projects that are at the pre-development stage. Intangible assets acquired through a business combination or an asset acquisition are capitalised separately from goodwill if the asset is separable or arises from contractual or legal rights, and the fair value can be measured reliably on initial recognition. No depreciation charge is recognised in respect of intangible assets.

EMED MINING PUBLIC LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

2 Basis of preparation and accounting policies (continued)

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Financial instruments

Financial assets and financial liabilities are recognised on the Group's statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise of cash at bank and on hand.

Investments

The Group classifies its investments in equity and debt securities in the following categories: financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of investments at initial recognition and re-evaluates this designation at every reporting date.

Trade and other receivables

Trade receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Impairment of trade receivables is established when there is objective evidence as a result of a loss event that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The impairment is recognised in the statements of comprehensive income.

Available-for-sale financial assets

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale; these are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the reporting date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

Regular way purchases and sales of investments are recognised on the trade date which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

EMED MINING PUBLIC LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

2 Basis of preparation and accounting policies (continued)

Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are included in the condensed interim consolidated statement of comprehensive income in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in the condensed interim consolidated statement of comprehensive income and then in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in the condensed interim consolidated statement of comprehensive income.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognised in profit and loss. Impairment losses recognised on equity instruments are not subsequently reversed.

Borrowings

Borrowings are recorded initially as the proceeds are received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Share capital

Ordinary shares are classified as equity.

Share based compensation benefits

IFRS 2 "Share-based Payment" requires the recognition of equity-settled share-based payments at fair value at the date of grant and the recognition of liabilities for cash-settled share-based payments at the current fair value at each balance sheet date.

The fair value is measured using the Black Scholes pricing model. The inputs used in the model are based on management's best estimates for the effects of non-transferability, exercise restrictions, behavioural considerations and expected volatility.

EMED MINING PUBLIC LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

2 Basis of preparation and accounting policies (continued)

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Provisions

Provisions are recognised when the Group has a present obligation, whether legal or constructive, as a result of a past event for which 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. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Critical accounting estimates and judgements

The preparation of the financial report requires the making of estimations and assumptions that affect the recognized amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future periods.

EMED Mining takes a conservative approach in its accounting policy towards exploration expenditure and to goodwill on acquisition. All such expenditures are written off on acquisition or when incurred pending the Board's decision to commence project development. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

EMED MINING PUBLIC LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

2 Basis of preparation and accounting policies (continued)

Income taxes

Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Capitalisation of exploration and evaluation costs

Under the Group's accounting policy, exploration and evaluation expenditure is not capitalised until the point is reached at which there is a high degree of confidence in the project's viability and it is considered probable that future economic benefits will flow to the Group.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any related impairment provisions are written off.

Impairment review of asset carrying values

Events or changes in circumstances can give rise to significant impairment charges or reversals of impairment in a particular year.

Where the recoverable amounts of Group cash generating units are assessed by analyses of discounted cash flows, the resulting valuations are particularly sensitive to changes in estimates of long term commodity prices, exchange rates, operating costs, the grouping of assets within cash-generating units and discount rates.

Contingencies

Material contingencies facing the Group are set out in Note 19 of the condensed interim consolidated financial statements. A contingent liability arises where:

- i) a past event has taken place for which the outcome will be confirmed only by the occurrence or non-occurrence of one or more uncertain events outside of the control of the Group; or
- ii) a present obligation exists but is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

A provision is made when a loss to the Group is likely to crystallise. The assessment of the existence of a contingency and its likely outcome, particularly if it is considered that a provision might be necessary, involves significant judgement taking all relevant factors into account.

Share-based compensation benefits

Share-based compensation benefits are accounted for in accordance with the fair value recognition provisions of IFRS 2 'Share-based Payment'. As such, share-based compensation expense for equity-settled share-based payments is measured at the grant date based on the fair value of the award and is recognized as an expense over the vesting period. The fair value of such share-based awards at the grant date is measured using the Black Scholes pricing model. The inputs used in the model are based on management's best estimates for the effects of non-transferability, exercise restrictions, behavioural considerations and expected volatility.

Fair value estimation

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the balance sheet date.

EMED MINING PUBLIC LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

2 Basis of preparation and accounting policies (continued)

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period.

3 Financial risk management

Financial risk factors

The Group is exposed to interest rate risk, liquidity risk and currency risk arising from the financial instruments that it may hold. The risk management policies employed by the Group to manage these risks are discussed below:

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk in relation to its bank deposits. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

Currency risk

The Company has exploration activities in Spain, Slovakia and Cyprus. During the nine month period to 30 September 2011 most funds are held in Euro, some deposits are held in Canadian Dollars and GBP for working capital purposes. The Company is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the group's measurement currency and also the Convertible Loan Facility with RCF and RMB to provide a borrowing facility of up to US\$8.5 million. The Company is mainly exposed to Euros and the Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly. The Group's policy is not to enter into any currency hedging transactions.

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from last year.

4 Tax

The Company is subject to corporation tax in Cyprus on its taxable profits at the rate of 10%. Under certain conditions interest income may be subject to defence contribution at the rate of 15%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

EMED MINING PUBLIC LIMITED

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011
(UNAUDITED)**

5 Business and geographical segments

Business segments

The Group has only one distinct business segment, being that of mineral exploration.

Geographical segments

The Group's exploration activities are located in Cyprus, Georgia, Slovakia, Europe and Spain, and its administration and management is based in Cyprus.

	Nine months ended 30 September 2011					
	Cyprus	Georgia	Slovakia	Europe	Spain	Total
	€000	€000	€000	€000	€000	€000
Operating loss	(1,916)	(1)	(846)	(301)	(4,659)	(7,723)
Foreign exchange (loss)	(165)	(14)	-	-	-	(179)
Financial income	170	-	-	-	8	178
Financial costs	(604)	-	-	-	(447)	(1,051)
Net loss for period	(2,515)	(15)	(846)	(301)	(5,098)	(8,775)
Share of results from associates						(201)
Loss before tax						(8,976)
Tax						1,363
Net loss for the period						(7,613)
Total assets	12,545	-	95	51	41,592	54,283
Total liabilities	7,995	-	20	28	15,632	23,675
Depreciation of fixed assets	33	-	33	-	18	84
	Nine months ended 30 September 2010					
	Cyprus	Georgia	Slovakia	Europe	Spain	Total
	€000	€000	€000	€000	€000	€000
Operating loss	(3,343)	(3)	(478)	31	(3,098)	(6,891)
Foreign exchange gain	77	84	-	-	-	161
Financial income	-	-	2	-	-	2
Financial costs	(641)	-	(2)	-	(205)	(848)
Net (loss)/profit for the period	(3,907)	81	(478)	31	(3,303)	(7,576)
Share of results from associates						(106)
Loss before tax						(7,682)
Tax						865
Net loss for the period						(6,817)
Total assets	3,443	1	107	51	35,421	39,023
Total liabilities	7,643	-	2	3	16,049	23,697
Depreciation of fixed assets	39	-	9	-	8	56

EMED MINING PUBLIC LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

6 Loss per share

The calculation of the basic and diluted earnings per share attributable to the ordinary shareholders of the parent is based on the following data:

	Nine months ended 30 Sep 2011 €000's	Nine months ended 30 Sep 2010 € 000's
Net loss attributable to equity shareholders	<u>(7,612)</u>	<u>(6,816)</u>
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000s)	<u>703,323</u>	<u>388,501</u>
Basic and fully diluted loss per share (cents)	<u>(1.08)</u>	<u>(1.75)</u>

The diluted loss per share is the same as the basic loss per share as the exercise of the share options would decrease the basic loss per share, thus being anti-dilutive.

7 Controlled entities

The Group has the following subsidiaries which have been consolidated in these condensed interim consolidated financial statements.

Name of entity	Incorporation/ Date of acquisition	Country of incorporation	Effective proportion of shares held
Eastern Mediterranean Minerals (Cyprus) Ltd	28-Feb-05	Cyprus	95%
Tredington Ventures Ltd	28-Feb-05	Cyprus	95%
Winchcombe Ventures Ltd	28-Feb-05	Cyprus	95%
Eastern Mediterranean Resources A.E (Greece)	21-Jun-05	Greece	100%
Eastern Mediterranean Resources (Slovakia)S.R.O.	10-Jul-05	Slovakia	100%
Eastern Mediterranean Resources (Caucasus) Ltd	11-Nov-05	Georgia	100%
Georgian Mineral Development Company Ltd	27-Dec-05	Georgia	100%
Slovenske Kovy S.R.O.	30-Mar-07	Slovakia	100%
EMED Mining Spain S.L.	12-Apr-07	Spain	100%
Slovenske Nerasty Spol S.R.O	14-Apr-07	Slovakia	100%
EMED Tartessus S.L.	12-Apr-07/ 30-Sep-08	Spain	100%
EMED Marketing Ltd	08-Sep-08	Cyprus	100%
EMED Holdings (UK) Ltd	10-Sep-08	United Kingdom	100%

Eastern Mediterranean Resources Romania SRL was deregistered on 23 August 2010.

EMED Mining Armenia LLC was sold on 30 July 2010.

EMED MINING PUBLIC LIMITED

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011
(UNAUDITED)**

8 Property, plant and equipment

	Land and buildings €000's	Plant and machinery €000's	Furniture, fittings and equipment €000's	Motor vehicles €000's	Total €000's
Cost					
At 1 January 2010	1,259	6,913	123	163	8,458
Additions	16,984	846	26	-	17,856
At 31 December 2010	18,243	7,759	149	163	26,314
Additions	-	1,332	96	69	1,497
At 30 September 2011	18,243	9,091	245	232	27,811
Depreciation					
At 1 January 2010	-	69	54	72	195
Charge for the year	-	32	21	29	82
At 31 December 2010	-	101	75	101	277
Charge for the period	-	24	18	42	84
At 30 September 2011	-	125	93	143	361
Net book value					
At 30 September 2011	18,243	8,966	152	89	27,450
At 31 December 2010	18,243	7,658	74	62	26,037

In May 2010, EMED Tartessus entered into an agreement with the Department of Social Security in Spain. Under the terms of the agreement, the Department of Social Security has agreed not to enforce the liens held by it against the relevant assets now owned by EMED Tartessus provided that the outstanding debt of €16.9 million is repaid in full over a five year period.

9 Intangible assets

	Permits of Rio Tinto Mine €000	Acquisition of mineral rights €000	Goodwill €000	Total €000
Cost				
At 1 January 2010	3,239	-	10,023	13,262
Additions	2,522	310	-	2,832
At 31 December 2010	5,761	310	10,023	16,094
Additions	1,158	-	-	1,158
At 30 September 2011	6,919	310	10,023	17,252
Provision for impairment				
On 1 January 2010	-	-	10,023	10,023
Provision for the period	-	310	-	310
At 31 December 2010	-	310	10,023	10,333
Provision for the period	-	-	-	-
At 30 September 2011	-	310	10,023	10,333
Closing net book amount				
At 30 September 2011	6,919	-	-	6,919
At 31 December 2010	5,761	-	-	5,761

EMED MINING PUBLIC LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

9 Intangible assets (continued)

Proyecto Rio Tinto ("Rio Tinto Mine")

On 11 May 2007, EMED Mining announced an opportunity for the Company to acquire, in stages, 100% of the Rio Tinto Mine through the Company's Spanish associate EMED Tartessus S.L.

The evaluation costs of the Rio Tinto Mine consist of all expenditures incurred up to 31 December 2007 that were necessary to evaluate the project and include the incorporation costs of the Spanish subsidiary EMED Tartessus S.L. These amounts were fully provided for as at 31 December 2007 since the Group had no beneficial interest if it did not exercise its option to acquire the Rio Tinto Mine. However, on 30 September 2008, the Company moved to 100% ownership by acquiring the remaining 49 per cent of the issued capital of EMED Tartessus S.L. which owns 100% of the Rio Tinto Mine. EMED Tartessus S.L. is now a wholly owned subsidiary. This resulted in reversing the previous year's provision of initial evaluation costs and has formed part of the Group's cost of investment.

EMED Tartessus S.L. has submitted its proposals for the restart of production to the Government. A shareholder meeting will be called at the appropriate time to seek approval to proceed if all conditions precedent have been met to the satisfaction of the Government and the Company.

As part of the purchase consideration, 39,140,000 new ordinary shares of the Company were issued to MRI Investment AG, a member of the MRI Group at an issue price of 21 pence each. This resulted in goodwill amounting to €9,333,000 which the Company has fully provided for since the mining licence has not yet been obtained.

Further deferred consideration totalling up to €43,883,382 is to be paid by the Group on the occurrence of the following events:

- €8,833,333 when both (a) the authorisation from the Junta de Andalucía to restart mining activities in the Rio Tinto Mine has been granted and (b) EMED Tartessus or another company in the Group has secured senior debt finance and guarantee facilities for a sum sufficient for the acquisition and re-start of mining operations at the Mine. These milestones will effectively remain a matter of discretion of the Company and will not in practice be triggered until approval from the Company's shareholders has been received for the restart; and
- with the balance of the consideration being paid in equal annual or quarterly instalments over the following six years (the "Payment Period").

In consideration for agreeing to defer the above instalments over 6 years and for MRI's consent to the arrangements being entered into in connection with the Convertible Loan Facility, the Company agreed to potentially pay further deferred consideration of up to €15,900,000 in regular instalments over the Payment Period depending upon the price of copper. Any such additional payment will only be made if, during the relevant period, the average price of copper per tonne is \$6,613.86 or more (\$3.00/lb).

The Company also acquired the benefit of certain loans owed to members of the MRI Group which were incurred in relation to the operation of the Rio Tinto Mine amounting to €9,116,617. These loans have been acquired at their face value, such consideration to be paid once the authorisation from the Junta de Andalucía to restart mining activities in the Rio Tinto Mine has been granted and Restart has been achieved.

The funds required to make these payments will be sourced from planned banking facilities and from project cash flow.

EMED MINING PUBLIC LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

9 Intangible assets (continued)

The restart of mining operations remains subject to the following conditions:

- Regulatory approvals by the Junta de Andalucía Government, support of the local community and approvals by the relevant statutory authorities in respect of performance bonds;
- Settlement satisfactory to EMED Mining of the Rio Tinto Mine vendor's liabilities, liens and contractual arrangements with a number of third parties including landholders. These various obligations arose over several years as a result of the funding of ongoing care and maintenance, bankruptcy and litigation amongst some parties;
- Completion of technical due diligence for:
 - i. planning the restart of the mine, processing plant and product marketing operations;
 - ii. planning for a fast-track approach to site rehabilitation where reasonable, to be undertaken concurrently with ongoing long-term production; and
 - iii. completion of all due diligence to EMED Mining's satisfaction including environmental considerations and infrastructure needs.

Carrying Value of Intangible Assets

The ultimate recoverability of balances carried forward in relation to areas of interest or all such assets including intangibles is dependent on successful development, and commercial exploitation or, alternatively sale of the respective areas. The Company conducts impairment testing on an annual basis unless indicators of impairment are present at the reporting date.

In considering the carrying value of the assets at the Rio Tinto Copper Project, including the intangible assets and any impairment thereof, the Company assessed the carrying values having regard to (a) the current recovery value (less costs to sell) and (b) the net present value of potential cash flows from operations. In both cases, the estimated net realisable values exceeded current carrying values and thus no impairment has been recognised.

Regua Tungsten Deposit in Portugal

On 21 September 2010, the Company announced that it had entered into an option agreement dated 15 September 2010, pursuant to which Iberian Resources Portugal Minerais Unipessoal LDA ("Iberian Portugal") has granted the Company an option to acquire a 100% interest in all of the assets (including the mineral licence and assets located thereon and all mining information) held by it in respect of the Regua Tungsten Deposit in Portugal. As consideration for the grant of the option, the Company has issued 2,500,000 Ordinary Shares at a deemed issue price of £0.105. The option may be exercised by the Company at any time prior to 31 December 2011 (the "Option Period") upon a further payment by the Company to Iberian Portugal of €750,000, in cash or Ordinary Shares at the Company's election. The Company will also make a cash payment of €100,000 or such higher amount to cover costs incurred by Iberian Portugal during the Option Period. In order to earn an interest in the Regua Tungsten Deposit, the Company must spend: (i) a minimum of €250,000 on the project during the Option Period, and (ii) a further €1,500,000 over the three years following the exercise of the option.

The acquisition of mineral rights consists of all expenditures incurred up to 31 December 2010 for the purchase of the above option. These amounts were impaired as at 31 December 2010 since the Company has no beneficial interest in the Regua Tungsten Deposit in Portugal until it exercises its option. EMED Mining has completed initial planned drilling aimed at extending known mineralisation and will next complete its assessment of the property and decide whether or not to exercise its purchase option.

EMED MINING PUBLIC LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

10 Investment in associates

	30 Sep 2011 €000	30 Sep 2010 €000	31 Dec 2010 €000
The Group			
Opening balance	282	447	447
Additions at cost	-	-	-
Disposals	-	-	-
Share of results for the period/year	(201)	(106)	(165)
Closing amount based on equity accounting	<u>81</u>	<u>341</u>	<u>282</u>

Company name	Date of incorporation	Country of incorporation	Effective proportion of shares held
Kefi Minerals Public Plc	24 October 2006	United Kingdom	18.5%

	30 Sep 2011 €000	30 Sep 2010 €000	31 Dec 2010 €000
Amounts relating to associate:			
Total assets	1,638	878	1,112
Total liabilities	(341)	(250)	(250)
	<u>1,297</u>	<u>628</u>	<u>862</u>
Loss for the period/year	<u>(1,089)</u>	<u>(442)</u>	<u>(815)</u>

11 Available-for-sale financial assets

	30 Sep 2011 €000	30 Sep 2010 €000	31 Dec 2010 €000
Opening and closing balance	<u>38</u>	-	<u>38</u>
	<u>38</u>	-	<u>38</u>
Fair values and cost :	€000	€000	€000
Investment in funds	<u>38</u>	-	<u>38</u>
	<u>38</u>	-	<u>38</u>

Available-for-sale financial assets, comprising principally investment in funds, are fair valued at the end of each reporting period. For investments traded in active markets, fair value is determined by reference to Stock Exchange quoted bid prices. For other investments, fair value is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying assets. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

EMED MINING PUBLIC LIMITED

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011
(UNAUDITED)**

12 Trade and other receivables

	30 Sep 2011	30 Sep 2010	31 Dec 2010
	€000's	€000's	€000's
Receivables from associates	99	40	7
Deposits and prepayments	572	140	266
VAT receivable	520	657	794
	<u>1,191</u>	<u>837</u>	<u>1,067</u>

13 Cash and cash equivalents

Cash included in the cash flow statement comprise the following balance sheet amounts:

	30 Sep 2011	30 Sep 2010	31 Dec 2010
	€000's	€000's	€000's
Cash at bank and on hand	<u>13,132</u>	<u>2,946</u>	<u>21,533</u>

14 Share capital

	Number of shares 000's	Share Capital €000's	Share premium €000's	Total €000's			
Authorised							
Ordinary shares of GBP0.0025 each	<u>1,000,000</u>	<u>2,500</u>	-	<u>2,500</u>			
Issued and fully paid							
Balance at 1 January 2010	<u>340,333</u>	<u>1,078</u>	<u>48,531</u>	<u>49,609</u>			
Issue Date	Price						
	(GBP)						
24 Feb 10	0.112	Share placement	a)	1,015	3	126	129
24 Feb 10	0.120	Option exercised	b)	34	-	5	5
03 May 10	0.105	Share placement	c)	83,571	240	9,851	10,091
04 May 10	0.114	Share placement	d)	980	3	125	128
18 Aug 10	0.083	Share placement	e)	1,356	4	133	137
18 Aug 10	0.050	Option exercised	f)	1,000	3	57	60
02 Dec 10	0.088	Share placement	g)	1,282	4	130	134
02 Dec 10	0.105	Share placement	h)	2,500	7	302	309
20 Dec 10	0.085	Share placement	i)	180,970	539	17,786	18,325
20 Dec 10	0.085	Share placement	j)	60,126	178	5,860	6,038
		Share issue costs		-	-	(3,414)	(3,414)
				<u>673,167</u>	<u>2,059</u>	<u>79,492</u>	<u>81,551</u>
Balance at 31 December 2010							
Issue Date	Price						
	(GBP)						
11 Jan 11	0.085	Share placement	a)	18,146	52	1,712	1,764
12 Jan 11	0.075	Warrants exercised	b)	1,834	5	155	160
18 Jan 11	0.080	Option exercised	c)	367	1	33	34
19 Jan 11	0.090	Option exercised	d)	1,000	3	102	105
19 Jan 11	0.105	Warrants exercised	e)	4,554	13	542	555
19 Jan 11	0.109	Share placement	f)	1,043	3	129	132
6 April 11	0.080	Option exercised	g)	131	1	11	12
28 April 11	0.080	Option exercised	h)	375	1	33	34
9 May 11	0.080	Option exercised	i)	7,033	19	618	637
19 May 11	0.159	Interest	j)	709	2	126	128
20 Sep 11	0.101	Interest	k)	1,115	3	127	130
		Share issue costs		-	-	(211)	(211)
Balance at 30 September 2011				<u>709,474</u>	<u>2,162</u>	<u>82,869</u>	<u>85,031</u>

EMED MINING PUBLIC LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

14 Share capital (continued)

Authorised capital (continued)

Under its Memorandum the Company fixed its share capital at 1,000 ordinary shares of nominal value of one Cyprus pound (CY£1) each.

On 22 November 2010, shareholders approved an increase in the authorized share capital of the Company from GBP1,750,000 to GBP2,500,000 by the creation of 300,000,000 new ordinary shares of GBP0.0025 each in the capital of the Company ranking pari passu with the existing ordinary shares of GBP0.0025 each in the capital of the Company.

On 23 March 2009, shareholders approved an increase in the authorised share capital of the Company from GBP1,000,000 to GBP1,750,000 by the creation of 300,000,000 new ordinary shares of GBP0.0025 each in the capital of the Company ranking pari passu with the existing ordinary shares of GBP0.0025 each in the capital of the Company.

On 26 May 2008, the Company passed the following special resolution:

That the authorized share capital of the Company be increased from GBP500,000 divided into 200,000,000 shares of GBP 0.0025 each, by GBP500,000 by the creation of 200,000,000 new ordinary shares of GBP0.0025 each, resulting in GBP1,000,000 divided into 400,000,000 shares of GBP0.0025 each.

Issued capital

2011

- a) On 11 January 2011, 18,145,500 shares at GBP 0.0025 were issued at a price of GBP 0.085. Upon the issue an amount of €1,711,868 was credited to the Company's share premium reserve.
- b) On 12 January 2011, 1,832,680 shares at GBP 0.0025 were issued upon exercise of warrants at a price of GBP 0.075. Upon the issue an amount of €154,419 was credited to the Company's share premium reserve.
- c) On 18 January 2011, 367,493 shares at GBP 0.0025 were issued upon exercise of share options at a price of GBP 0.080. Upon the issue an amount of €33,097 was credited to the Company's share premium reserve.
- d) On 19 January 2011, 1,000,000 shares at GBP 0.0025 were issued upon exercise of share options at a price of GBP 0.090. Upon the issue an amount of €101,692 was credited to the Company's share premium reserve.
- e) On 19 January 2011, 4,553,571 shares at GBP 0.0025 were issued upon exercise of warrants at a price of GBP 0.105. Upon the issue an amount of €542,441 was credited to the Company's share premium reserve.
- f) On 19 January 2011, 1,043,025 shares at GBP 0.0025 were issued at a price of GBP 0.109. Upon the issue an amount of €128,604 was credited to the Company's share premium reserve.
- g) On 6 April 2011, 130,968 shares at GBP 0.0025 were issued at a price of GBP 0.08. Upon the issue an amount of €11,545 was credited to the Company's share premium reserve.
- h) On 28 April 2011, 375,000 shares at GBP 0.0025 were issued at a price of GBP 0.08. Upon the issue an amount of €32,899 was credited to the Company's share premium reserve.
- i) On 9 May 2011, 7,033,555 shares at GBP 0.0025 were issued at a price of GBP 0.08. Upon the issue an amount of €618,068 was credited to the Company's share premium reserve.
- j) On 19 May 2011, 709,322 shares at GBP 0.0025 were issued at a price of GBP 0.159. Upon the issue, an amount of €125,874 was credited to the Company's share premium reserve.
- k) On 20 September 2011, 1,114,472 shares at GBP 0.0025 were issued at a price of GBP 0.101. Upon the issue, an amount of €126,601 was credited to the Company's share premium reserve.

EMED MINING PUBLIC LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

14 Share capital (continued)

Issued capital (continued)

2010

- a) On 24 February 2010, 1,014,921 shares at GBP 0.0025 were issued at a price of GBP 0.1116. Upon the issue an amount of €125,786 was credited to the Company's share premium reserve.
- b) On 24 February 2010, 34,000 shares at GBP 0.0025 were issued upon exercise of share options at a price of GBP 0.120. Upon the issue an amount of €4,538 was credited to the Company's share premium reserve.
- c) On 3 May 2010, 83,571,429 shares at GBP 0.0025 were issued at a price of GBP 0.105. Upon the issue an amount of €9,850,982 was credited to the Company's share premium reserve.
- d) On 4 May 2010, 979,964 shares at GBP 0.0025 were issued at a price of GBP 0.1137. Upon the issue an amount of €125,318 was credited to the Company's share premium reserve.
- e) On 18 August 2010, 1,355,998 shares at GBP 0.0025 were issued at a price of GBP 0.0833. Upon the issue an amount of €132,591 was credited to the Company's share premium reserve.
- f) On 18 August 2010, 1,000,000 shares at GBP 0.0025 were issued upon exercise of share options at a price of GBP 0.050. Upon the issue an amount of €57,475 was credited to the Company's share premium reserve.
- g) On 2 December 2010, 1,281,939 shares at GBP 0.0025 were issued at a price of GBP 0.0884. Upon the issue an amount of €129,870 was credited to the Company's share premium reserve.
- h) On 2 December 2010, 2,500,000 shares at GBP 0.0025 were issued at a price of GBP 0.105. Upon the issue an amount of €302,375 was credited to the Company's share premium reserve.
- i) On 20 December 2010, 180,970,000 shares at GBP 0.0025 were issued at a price of GBP 0.085. Upon the issue an amount of €17,785,954 was credited to the Company's share premium reserve.
- j) On 20 December 2010, 60,126,386 shares at GBP 0.0025 were issued at a price of GBP 0.085. Upon the issue an amount of €5,860,198 was credited to the Company's share premium reserve.

Warrants

The Company has issued warrants to advisers to the Group. Warrants, noted below, expire five or one and a half years after the grant date and are exercisable at the exercise price.

2011

On 12 January 2011, 0.78 million warrants were issued to Cannacord Genuity which expire one and a half years after the grant date, and are exercisable at any time within that period.

On 12 January 2011, 0.15 million warrants were issued to GPM Securities which expire one and a half years after the grant date, and are exercisable at any time within that period.

On 12 January 2011, 0.07 million warrants were issued to Paradigm Capital which expire one and a half years after the grant date, and are exercisable at any time within that period.

2010

On 4 May 2010, 4.55 million warrants were issued to Fox Davies Capital which expire five years after the grant date, and are exercisable at any time within that period.

On 20 December 2010, 7.23 million warrants were issued to Canaccord Genuity Corp which expire 1.5 years after the grant date, and are exercisable at any time within that period.

On 20 December 2010, 1.39 million warrants were issued to GMP Securities which expire 1.5 years after the grant date, and are exercisable at any time within that period.

On 20 December 2010, 0.65 million warrants were issued to Paradigm Capital which expire 1.5 years after the grant date, and are exercisable at any time within that period.

EMED MINING PUBLIC LIMITED

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011
(UNAUDITED)**

14 Share capital (continued)

Warrants (continued)

Details of share warrants outstanding as at 30 September 2011:

Grant date	Expiry date	Exercise price	Number of warrants 000's
13 Aug 2009	12 Aug 2014	7.5p	1,237
20 Dec 2010	19 Jun 2012	CAD0.135	9,278
12 Jan 2011	12 Jul 2012	CAD0.135	998
			11,513
Warrants:-			
Outstanding at 1 January 2011:			16,902
-	granted during the reporting period		998
-	exercised during the reporting period		(6,387)
Outstanding warrants at 30 September 2011			11,513

The estimated fair values of the warrants were calculated using the Black & Scholes option pricing model. The inputs into the model and the results are as follows:

	Weighted average share price	Weighted average exercise price	Expected volatility	Expected life (years)	Risk free rate	Expected dividend yield	Discount factor	Estimated fair value
12 Jan 2011	CAD0.290	CAD0.135	60%	1	3.5%	Nil	Nil	10.64p
20 Dec 2010	CAD0.135	CAD0.135	45%	1	2.25%	Nil	Nil	1.61p
04 May 2010	10.50p	10.50p	45%	1	2.75%	Nil	Nil	3.03p
24 Dec 2009	11.00p	11.00p	105.13%	5	5%	Nil	30%	6.19p
13 Aug 2009	7.50p	7.50p	111.59%	5	5%	Nil	30%	6.87p

EMED MINING PUBLIC LIMITED

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011
(UNAUDITED)**

15 Share option plan

Details of share options outstanding as at 30 September 2011:

Grant date	Expiry date	Exercise price GBP	Number of share options 000's
28 Apr 2006	28 Apr 2012	0.135	3,530
08 Sep 2006	08 Sep 2012	0.110	1,000
25 Jan 2007	25 Jan 2013	0.120	1,500
26 Feb 2007	26 Feb 2013	0.135	3,750
11 May 2007	11 May 2012	0.120	1,000
11 May 2007	11 May 2013	0.150	2,500
26 Jun 2007	26 Jun 2013	0.187	500
26 Jun 2007	26 Jun 2013	0.170	625
23 Jul 2007	23 Jul 2013	0.200	1,000
21 Sep 2007	21 Sep 2012	0.170	911
31 Dec 2007	31 Dec 2013	0.220	4,615
15 Jan 2008	14 Jan 2014	0.200	1,000
07 May 2008	06 May 2013	0.200	1,712
01 Sep 2008	01 Sep 2014	0.200	1,050
23 Mar 2009	22 Mar 2011	0.245	1,000
23 Mar 2009	22 Mar 2011	0.280	1,000
23 Mar 2009	22 Mar 2013	0.041	9,500
09 Jun 2009	08 Jun 2013	0.080	6,250
25 Jan 2010	24 Jan 2014	0.134	11,725
22 Apr 2010	21 Apr 2014	0.134	500
01 Jul 2010	30 Jun 2014	0.080	2,000
12 Oct 2010	11 Oct 2014	0.100	2,150
20 Dec 2010	19 Dec 2014	0.120	11,250
Total			70,068
			Number of share options 000's
Outstanding options at 1 January 2011:			79,882
- cancelled/expired during the reporting period			(907)
- exercised during the reporting period			(8,907)
Outstanding options at 30 September 2011			70,068

EMED MINING PUBLIC LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

15 Share option plan (continued)

2010

On 25 January 2010, each of the Directors and certain of the management and employees were granted options to subscribe at any time until 24 January 2014 for an aggregate total of 9,975,000 Ordinary Shares at an exercise price per Ordinary Share of 13.4 pence.

On 25 January 2010, certain consultants were granted options to subscribe at any time until 24 January 2014 for up to 1,750,000 new Ordinary Shares at an exercise price of 13.4 pence per Ordinary Share, expiring on 24 January, 2014.

On 22 April 2010, a non executive director was granted options to subscribe at any time until 21 April 2014 for an aggregate total of 500,000 Ordinary Shares at an exercise price per Ordinary Share of 13.40 pence.

On 1 July 2010, a senior manager was granted options to subscribe at any time until 30 September 2014 for an aggregate total of 2,000,000 Ordinary Shares at an exercise price per Ordinary Share of 8 pence. These options are only exercisable after satisfactory settlement of certain commercial matters and successful project permitting in Spain.

On 12 October 2010, certain consultants were granted options to subscribe at any time until 11 October 2014 for up to 2,150,000 new Ordinary Shares at an exercise price of 10 pence per Ordinary Share, expiring on 11 October, 2014 exercisable only after satisfactory settlement of certain commercial matters and successful project permitting in Spain.

On 20 December 2010, each of the Directors and certain of the management and employees were granted options to subscribe at any time until 19 December 2014 for an aggregate total of 11,250,000 Ordinary Shares at an exercise price per Ordinary Share of 12 pence.

The option agreements contain provisions adjusting the exercise price in certain circumstances including the allotment of fully paid Ordinary Shares by way of a capitalisation of the Company's reserves, a sub division or consolidation of the Ordinary Shares, a reduction of share capital and offers or invitations (whether by way of rights issue or otherwise) to the holders of Ordinary Shares.

EMED MINING PUBLIC LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

15 Share option plan (continued)

The estimated fair values of the options were calculated using the Black & Scholes option pricing model. The inputs into the model and the results are as follows:

Grant date	Weighted average share price	Weighted average exercise price	Expected volatility	Expected life (years)	Risk free rate	Expected dividend yield	Discount factor	Estimated fair value
20 Dec 2010	12.00p	12.00p	45%	2.5	2.25%	Nil	Nil	3.58p
12 Oct 2010	10.00p	10.00p	45%	2.5	2.25%	Nil	Nil	2.82p
01 Jul 2010	8.00p	8.00p	45%	2.5	2.25%	Nil	Nil	2.39p
22 Apr 2010	12.00p	13.40p	45%	2.5	2.25%	Nil	Nil	3.11p
25 Jan 2010	13.40p	13.40p	45%	2.5	2.25%	Nil	Nil	4.00p
09 Jun 2009	7.82p	8.00p	104.52%	4	5.00%	Nil	30%	4.00p
23 Mar 2009	4.53p	4.13p	100.27%	4	3.50%	Nil	Nil	3.26p
23 Mar 2009	4.53p	28.00p	100.27%	2	2.75%	Nil	30%	0.47p
23 Mar 2009	4.53p	24.50p	100.27%	2	2.75%	Nil	30%	0.53p
23 Mar 2009	4.53p	5.00p	100.27%	2	2.75%	Nil	Nil	2.31p
01 Sep 2008	21.50p	20.00p	68.16%	6	5.00%	Nil	30%	10.07p
07 May 2008	23.75p	20.00p	69.36%	5	4.98%	Nil	30%	10.82p
15 Jan 2008	19.75p	23.80p	65.96%	6	4.98%	Nil	30%	8.35p
31 Dec 2007	22.00p	22.00p	65.96%	6	4.27%	Nil	30%	9.76p
18 Dec 2007	19.00p	50.00p	65.42%	4	4.27%	Nil	30%	3.85p
21 Sep 2007	17.00p	17.00p	61.93%	5	5.00%	Nil	30%	6.47p
23 Jul 2007	14.00p	20.00p	57.88%	6	6.35%	Nil	30%	5.13p
26 Jun 2007	13.50p	18.66p	57.88%	6	6.32%	Nil	30%	5.09p
26 Jun 2007	13.50p	17.00p	57.88%	6	6.32%	Nil	30%	5.30p
11 May 2007	13.25p	12.00p	57.88%	5	6.07%	Nil	30%	5.43p
11 May 2007	13.25p	15.00p	57.88%	6	6.07%	Nil	30%	5.37p
26 Feb 2007	11.83p	13.50p	60.00%	6	5.85%	Nil	30%	4.19p
25 Jan 2007	11.10p	12.00p	57.88%	6	5.97%	Nil	30%	4.56p
08 Sep 2006	9.00p	11.00p	46%	6	4.90%	Nil	20%	5.51p
08 Sep 2006	9.00p	9.00p	46%	6	4.90%	Nil	20%	5.86p
28 Jun 2006	9.50p	13.50p	37%	6	4.80%	Nil	20%	3.30p
28 Apr 2006	9.50p	13.50p	37%	6	4.70%	Nil	20%	3.25p

For the nine months ended 30 September 2011, the impact of share-based payments was a net charge to income of €92,318 (31 December 2010: €1,197,570) and €113,578 (31 December 2010: €383,041) share issue costs charged to share premium. At 30 September 2011, the equity reserve recognised for share based payments amounted to €5,220,943 (31 December 2010: €5,014,824).

EMED MINING PUBLIC LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

16 Borrowings

	30 Sep 2011 €000's	30 Sep 2010 €000's	31 Dec 2010 €000's
Non-current borrowings			
Convertible Note	-	7,111	-
	<hr/>	<hr/>	<hr/>
Maturity of non-current borrowings			
Between one to two years	-	7,111	-
Between two to five years	-	-	-
After five years	-	-	-
	<hr/>	<hr/>	<hr/>
	-	7,111	-
	<hr/>	<hr/>	<hr/>
Current borrowings			
Convertible Note	7,074	-	7,113
	<hr/>	<hr/>	<hr/>

Convertible Note Facility

On 4 March 2009, the Company entered into a Convertible Loan Agreement with RCF and RMB to provide a borrowing facility of up to US\$8.5 million (the 'Facility').

The Facility was arranged to provide funds for the Rio Tinto copper project in Spain and the Biely Vrch gold project in Slovakia and for general working capital purposes.

Loans made under the Facility are repayable on or prior to 31 December 2011. Amounts drawn down under the Facility may be converted at the discretion of each Lender into Ordinary Shares at the Conversion Price of 4.13 pence per ordinary share.

Interest is payable at a rate of 7.5% on funds drawn down. The annual commitment fee of 3.0% on any undrawn amounts and the establishment fee of US\$212,500 paid by issuing 3,785,274 new Ordinary shares is amortised over the period of the loan.

The balance of the Convertible Note as at 30 September 2011 was €7,073,517 (US\$8,662,917).

Interest can be paid in cash or shares at the election of the Company or the Lenders. In the case of shares, the price of such shares will be based upon the volume weighted average market price at the time of the payment. Interest for the six month period up to 30 June 2011 of €257,688 was paid by the issue of 1,823,794 new Ordinary shares. The outstanding interest for the period 1 July to 30 September 2011 of €133,026 will be paid by issuing new Ordinary shares in the next quarter.

Loans under the Facility are secured against the shares of the Company's subsidiaries, the Company's principal bank account, and certain assets of the Company's Slovakian subsidiaries.

EMED MINING PUBLIC LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

17 Trade and other payables

	30 Sep 2011 €000's	30 Sep 2010 €000's	31 Dec 2010 €000's
Non-current Trade and other payables			
Other payables*	<u>11,836</u>	<u>15,077</u>	<u>13,867</u>
Current Trade and other payables			
Trade payables and accruals	2,149	1,040	1,955
Other payables*	<u>2,616</u>	<u>469</u>	<u>1,563</u>
	<u>4,765</u>	<u>1,509</u>	<u>3,518</u>

* On 25 May 2010, EMED Tartessus S.L recognised a debt with the Social Security's General Treasury in Spain amounting to €16.9 m and incurred by a previous owner, to stop the execution process by public auction of certain land initiated by that entity. On 30 September 2011, the balance of this debt amounts to €14.5 m. Of the non-current element of the debt, €8 m is payable within 1-3 years and €3.9 m is payable between 4-5 years.

18 Acquisition of subsidiaries

There have been no acquisitions in the nine months ended 30 September 2011.

19 Contingent liabilities

As part of the acquisition cost of a 95% share in Eastern Mediterranean Minerals (Cyprus) Limited, an additional contingent consideration of GBP600,000 is payable by the Company one month after the date on which Eastern Mediterranean Minerals (Cyprus) Limited first receives revenue of GBP1,000,000 from or in respect of specific exploration tenements.

On 23 September 2010, EMED Tartessus was notified of a Statement of Objections and Opening of File initiated by the Andalusian Water Authority following allegations by third parties of unauthorized discharges from the Rio Tinto Copper Mine to the public water course. The Opening of File was suspended pending the outcome of the related judicial claims and in March 2011, all the judicial claims were dismissed against the Company. It is expected that the administrative file open against the company will also be dismissed in due course. The Company has obtained legal advice and will continue to vigorously defend these allegations. The sanction proposed in the Statement of Objections is potentially a fine of €450,000 and damages in the amount of €1,171,712.60. These amounts have not been accrued in the condensed interim consolidated financial statements.

20 Commitments

On 15 September 2010, the Company was granted an option to acquire a 100% interest in all of the assets (including the mineral licence and assets located thereon and all mining information) held by it in respect of the Regua Tungsten Deposit in Portugal. The option may be exercised by the Company at any time prior to 31 December 2011 (the "Option Period") upon a further payment by the Company to Iberian Portugal of €750,000, in cash or Ordinary Shares at the Company's election. The Company will also make a cash payment of €100,000 or such higher amount to cover costs incurred by Iberian Portugal during the Option Period. In order to earn an interest in the Regua Tungsten Deposit, the Company must spend: (i) a minimum of €250,000 on the project during the Option Period, and (ii) a further €1,500,000 over the three years following the exercise of the option.

EMED MINING PUBLIC LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

21 Events after the reporting period

There were no material post balance sheet events, which have a bearing on the understanding of the financial statements.

22 Related party transactions

The following transactions were carried out with related parties:

Compensation of key management personnel

The total remuneration of the Directors and other key management personnel was as follows:

	Nine months ended 30 Sep 2011	Twelve months ended 31 Dec 2010
	€000's	€000's
Directors' fees	423	546
Directors' other benefits	150	380
Option-based benefits to directors	37	401
Other key management personnel fees	395	427
Option-based and other benefits to other key management personnel	129	361
	<u>1,134</u>	<u>2,115</u>

Share-based benefits

The directors and key management personnel have been granted options as set out in Note 15.

Transactions with KEFI Minerals PLC.

The Company has an ongoing service agreement with KEFI Minerals PLC for provision of management and other professional services.

	Nine months ended 30 Sep 2011	Twelve months ended 31 Dec 2010
	€000's	€000's
Transactions with KEFI Minerals PLC	<u>87</u>	<u>117</u>

EMED MINING PUBLIC LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (UNAUDITED)

Management's Responsibility for Financial Reporting

The accompanying condensed interim unaudited consolidated financial statements of EMED Mining Public Limited were prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the condensed interim unaudited consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarised in Note 2 to the condensed interim unaudited consolidated financial statements.

Management has established systems of Internal Control over the Financial Reporting ("ICFR"), process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced. There was no change in the Company's ICFR that occurred during the period beginning on 1 January 2011 and ended on 30 September 2011 that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

The Board of Directors is responsible for reviewing and approving the condensed interim unaudited consolidated financial statements and for ensuring that management fulfils its financial reporting responsibilities. An Audit and Financial Risk Management Committee assists the Board of Directors in fulfilling this responsibility. The members of the Audit and Financial Risk Management Committee are not officers of the Company. The Audit and Financial Risk Management Committee meets with management to review the internal controls over the financial reporting process, the consolidated financial statements and the auditors' report. The Audit and Financial Risk Management Committee also reviews the Annual Report to ensure that the financial information reported therein is consistent with the information presented in the consolidated financial statements. The Audit and Financial Risk Management Committee reports its findings to the Board of Directors for its consideration in approving the condensed interim unaudited consolidated financial statements for issuance to the shareholders.

Management recognises its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, as defined in National Instrument 52-109-Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") of the Canadian Securities Regulators, and for maintaining proper standards of conduct for its activities.

Original signed by:

Mr. Aristidis (Harry) Anagnostaras-Adams
Managing Director

10 November 2011

Original signed by:

Mr. John Leach
Finance Director