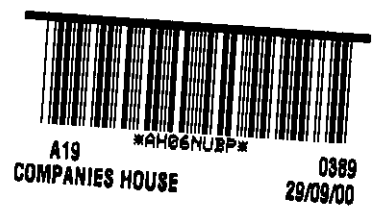


Company Number: 3607558

BASERESULT LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY, 2000



BASERESULT LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY, 2000

The Directors present their Report and the financial statements of the company for the year ended 31 July, 2000.

Principal Activities

When trading commences the principal activity of the company, via a wholly owned subsidiary, will be the mining of non-ferrous metal ores.

Review of the Business

During the year under review no trading was undertaken. However, the company carried out extensive research and development in preparation for its intended mine site acquisition and the future operations.

Directors

The Directors who served during the year and their interest in the Ordinary Shares of the company were as follows:

	Ordinary Shares of £1 each	
	<u>31.7.00</u>	<u>31.7.99</u>
David John Stone	1	1
Christine Stone (resigned 21.2.00)	1	1
Kevin Peter Williams (appointed 21.2.00)		
Charmian Denise Larke (appointed 21.2.00)	----	----
	2	2
	----	----

By Order of the Board

Charmian D Larke

Charmian D Larke - Secretary

28 Sep 00

Date

BASERESULT LIMITED
DIRECTORS' RESPONSIBILITIES IN THE PREPARATION
OF THE FINANCIAL STATEMENTS

Company Law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those accounts the directors are required to:

- * Select suitable accounting policies and then apply them consistently.
- * Make judgements and estimates that are reasonable and prudent.
- * Follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts.

The Directors are responsible for the maintenance of proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and enable them to ensure that the accounts comply with the Companies Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BASERESULT LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED
31 JULY,2000

	Notes	Year to <u>31.7.00</u>	Year to <u>31.7.99</u>
Turnover	1	-	-
Cost of Sales		-	-
		-----	-----
Gross Profit		-	-
Other Operating expenses		-	-
		-----	-----
OPERATING LOSS		-	-
Interest payable and similar charges		-	-
		-----	-----
(Loss) on Ordinary Activities Before Taxation		-	-
Taxation		-	-
		-----	-----
(Loss) on Ordinary Activities After Taxation carried forward		-	-
(Loss)/Profit brought forward		-	-
		-----	-----
(Loss) on Ordinary Activities carried forward		£ -	£ -
		=====	=====

The Notes on pages 6 to 8 form part of these financial statements.

Continuing Operations

The Company had no trading activity during the above financial period.

Total Recognised Gains and Losses

The Company has no recognised gains or losses for the above financial period.

BASERESULT LIMITED**BALANCE SHEET****AS AT 31 JULY, 2000**

	Notes	<u>31.7.00</u>	<u>31.7.99</u>
Fixed Assets			
Tangible Assets	2	87,770	
Research & Development		491,113	
Current Assets			
Debtors	3	6,962	
Cash at Bank and in hand		80,087	2
		-----	-----
		87,049	
Creditors due within one year	4	19,190	
		-----	-----
Net Current Assets		67,859	
		-----	-----
Total Assets		646,742	
Creditors due after more than one year	5	52,000	
		-----	-----
Net Assets		<u>£ 594,742</u>	<u>£ 2</u>

Capital and Reserves

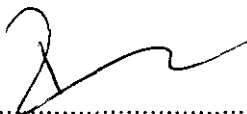
Share Capital	6	2	2
Reserves	7	594,740	
		-----	-----
		<u>£ 594,742</u>	<u>£ 2</u>

BASERESULT LIMITED
BALANCE SHEET
AS AT 31 JULY, 2000

In not having these accounts audited, the directors have taken advantage of s249(1) of the Companies Act 1985 ("the Act"), and :-

1. Confirm that no notice has been deposited with the company under s249B(2) of the Act in relation to its accounts for the financial year.
2. Acknowledge their responsibility for ensuring that the company keeps accounting records which comply with s221 of the Act.
3. Acknowledge their responsibility for preparing accounts which give a true and fair view of the state of the company's affairs at 31 July, 2000 in accordance with the requirements of s226 of the Act and which otherwise comply with the accounting requirements of the Act so far as they apply to the company.

Approved by the Board on 28 Sep 2000


.....
David J. Stone - Director

The Notes on pages 6 to 8 form part of these Financial Statements.

BASERESULT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(1) ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of Accounting

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and on a going concern basis.

Advantage has been taken of the exemption conferred by Financial Reporting Standard 1 and no cash flow statement has accordingly been produced.

Turnover

Turnover represents the company's income from sales during the period.

Depreciation

The company's policy is to defer depreciation until trading commences, at which time fixed assets will be written off, on the straight line basis, over their expected useful lives:

Mining Equipment	25%
Office Equipment & Fittings	10%

BASERESULT LIMITED
NOTES TO THE FINANCIAL STATEMENTS CONTINUED

(2) TANGIBLE FIXED ASSETS

	<u>Total</u>	<u>Land & Buildings</u>	<u>Drawings & Mine Plans</u>	<u>Mine & Survey Equipment</u>	<u>Office Equipment & Fittings</u>
<u>Cost</u> 1.4.00	-	-	-	-	-
Additions	87,770	14,983	50,000	19,500	3,287
Disposed	-	-	-	-	-
	-----	-----	-----	-----	-----
Cost at 31.7.00	£87,770	14,983	50,000	19,500	3,287
	-----	-----	-----	-----	-----
<u>Depreciation</u> 1.4.00	-	-	-	-	-
Provision for the period	-	-	-	-	-
Disposed	-	-	-	-	-
Accumulated	-----	-----	-----	-----	-----
Depreciation at 31.7.00	£ -	-	-	-	-
	-----	-----	-----	-----	-----
Net Book Values:	£87,770	£14,983	£50,000	£19,500	£ 3,287
	=====	=====	=====	=====	=====

2000
£

1999
£

(3) DEBTORS

Trade	-	-
Other Debtors	229	-
Social Security and Taxation	6,733	-
	-----	-----
	6,962	-
	=====	=====

(4) CREDITORS DUE WITHIN ONE YEAR

Trade Creditors	17,010	-
Accruals and deferred income	2,180	-
	-----	-----
	19,190	-
	=====	=====

BASERESULT LIMITED
NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	<u>2000</u> £	<u>1999</u> £
(5) CREDITORS AFTER ONE YEAR		
Long Term Loans	52,000 ==	- ==
(6) SHARE CAPITAL		
Authorised		
1000 Ordinary Shares of £1 each	£1,000 ==	£1,000 ==
Issued and Fully paid		
2 Ordinary Shares of £1 each	£2 ==	£2 ==
(7) RESERVES		
Reserves represent funds injected by investors.		