



### Net asset value update

Since the Company issued a net asset value statement for the Annual General Meeting held on 13 December 2010, the portfolio value has risen by over £1m, thus consolidating the gains then reported.

Overall, the portfolio value has risen by 125% since 30 September 2010 with investments in nine companies now accounting for 85% of the portfolio value: Ariana Resources, Beowulf Mining, Greatland Gold, Kefi Minerals, Oracle Coalfields, Red Rock Resources, Regency Mines, Sheba Exploration and Sunrise Diamonds.

The Company has taken advantage of the opportunity to sell its remaining holding in Franconia Minerals Corporation, the subject of a takeover approach, and consequently now holds cash in excess of £600,000.

During the three month period, investment sales have realised £1,129,000 delivering a gross profit of £904,000.

A full corporation tax provision is included in the portfolio valuation.

	<b>31 December 2010</b>	30 September 2010	<b>Change %</b>
Trading portfolio value	<b>£10.32m</b>	£4.57m	<b>125%</b>
Company asset value net of debt	<b>£10.44m</b>	£4.19m	<b>149%</b>
Net asset value – fully diluted per share	<b>25.89 pence</b>	11.28 pence	<b>129%</b>
Share price - mid	<b>17.00 pence</b>	7.75 pence	<b>119%</b>
Share price discount to fully diluted net asset value	<b>34.3%</b>	31.3%	
Market capitalisation	<b>£6.24m</b>	£2.84m	<b>119%</b>

All valuations are based on the closing market bid prices or lower directors' valuation as described in the 2010 annual report.

Inasmuch as the closing mid price of the Company's shares was 17 pence, all share options are now in the money and included in the net asset per share calculation.

The overall result for the period is excellent and demonstrates that our patience is being rewarded. We look forward to 2011 with interest!

**R Bruce Rowan**

*Chairman & Chief Executive*

4 January 2010

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