

BPC Limited

**Interim report
30 June 2008**

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BPC Limited

Interim report 30 June 2008

Chairman's Statement

The six month period to 30 June 2008 has seen the commencement of farmout negotiations with various industry parties for the five existing exploration licences and application for a further five exploration licences in The Bahamas.

The main focus of both the BPC group management team and the board of the Company during the period has centred on the initiation and progression of discussions in order to effect a reverse takeover by BPC Limited ("BPC") of Falkland Gold and Minerals Limited ("FGML") and subsequently list the new merged entity on AIM.

The Admission Document was issued on 8 August 2008 and the reverse takeover of FGML was unanimously approved by shareholders at an Extraordinary General Meeting held on 1 September 2008. The shares were readmitted to trading under the symbol AIM: BPC on 2 September 2008.

The following unaudited consolidated financial information reflects the BPC group's activities and balances at 30 June 2008 prior to completion of the reverse takeover and therefore does not include any information from FGML's accounts in respect of this period. Fully consolidated financial information reflecting the balances post the FGML reverse takeover will be available in the Company's annual report to 31 December 2008.

The Company's focus over the next six months will be to continue and hopefully complete farmout negotiations and secure the additional five exploration licences.



Alan Burns
Chairman

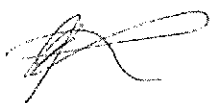
BPC Limited

Interim condensed consolidated balance sheet

As at 30 June 2008

Note	30 June 2008 (Unaudited)	30 June 2007 (Unaudited)	31 December 2007 (Audited)
	\$	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	1,034,105	1,583,127	675,711
Trade and other receivables	<u>521,727</u>	<u>584,365</u>	<u>515,782</u>
	<u>1,555,832</u>	<u>2,167,492</u>	<u>1,191,493</u>
Non-current assets			
Cash not available for use	1,109,665	1,050,000	1,103,474
Property, plant and equipment	168,494	208,767	191,016
Exploration and evaluation assets	<u>3,804,499</u>	<u>2,565,349</u>	<u>3,185,179</u>
	<u>5,082,658</u>	<u>3,824,116</u>	<u>4,479,669</u>
Total assets	<u>6,638,490</u>	<u>5,991,608</u>	<u>5,671,162</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	359,566	214,365	764,982
Loan notes payable	<u>1,545,452</u>	<u>-</u>	<u>-</u>
	<u>1,905,018</u>	<u>214,365</u>	<u>764,982</u>
Total liabilities	<u>1,905,018</u>	<u>214,365</u>	<u>764,982</u>
EQUITY			
Ordinary shares	1,185,650	10,849,997	1,118,700
Share premium reserve	12,573,748	1,000,000	11,871,197
Share based payments reserve	281,925	121,033	253,799
Other reserves	(26,434)	-	(4,932)
Retained earnings	<u>(9,281,417)</u>	<u>(6,193,787)</u>	<u>(8,332,584)</u>
Total equity	<u>4,733,472</u>	<u>5,777,243</u>	<u>4,906,180</u>
Total equity and liabilities	<u>6,638,490</u>	<u>5,991,608</u>	<u>5,671,162</u>

The interim financial statements were approved by the Board of Directors on 29 September 2008.



Alan Burns, Chairman



Robert Carroll, Director

BPC Limited

Interim condensed consolidated income statement

For the six months ended 30 June 2008

	Note	Six months ended 30 June 2008 (Unaudited) \$	Six months ended 30 June 2007 (Unaudited) \$	Year ended 31 December 2007 (Audited) \$
Finance income		18,574	48,696	86,358
Employee benefits expense		(488,051)	(535,621)	(1,280,171)
Depreciation and amortisation expense		(41,645)	(24,025)	(63,105)
Other expenses		<u>(437,710)</u>	<u>(809,261)</u>	<u>(2,202,090)</u>
Loss before income tax		(948,832)	(1,320,211)	(3,459,008)
Income tax expense		—	—	—
Loss for the period		<u>(948,832)</u>	<u>(1,320,211)</u>	<u>(3,459,008)</u>
Attributable to:				
Equity holders of BPC Limited		<u>(948,832)</u>	<u>(1,320,211)</u>	<u>(3,459,008)</u>
Earnings per share for loss attributable to the ordinary equity holders of the Company:				
Basic earnings per share		\$(0.01)	\$(0.01)	\$(0.03)
Diluted earnings per share		\$(0.01)	\$(0.01)	\$(0.03)

BPC Limited**Interim condensed consolidated cash flow statement****For the six months ended 30 June 2008**

	Note	Six months ended 30 June 2008 (Unaudited) \$	Six months ended 30 June 2007 (Unaudited) \$	Year ended 31 December 2007 (Unaudited) \$
Cash flows from operating activities				
Payments to suppliers and employees		(1,295,296)	(1,683,214)	(3,062,759)
Exchange differences on consolidation		<u>(21,502)</u>	<u>-</u>	<u>(4,932)</u>
Net cash used in operating activities		<u>(1,316,798)</u>	<u>(1,683,214)</u>	<u>(3,067,691)</u>
Cash flows from investing activities				
Payments for property, plant and equipment		(19,122)	(221,614)	(242,943)
Payments for exploration and evaluation assets		(619,320)	(987,197)	(1,607,027)
Deposits for performance guarantees and credit cards		(6,191)	(1,050,000)	(1,103,474)
Interest received		<u>18,574</u>	<u>48,696</u>	<u>86,358</u>
Net cash used in investing activities		<u>(626,059)</u>	<u>(2,210,115)</u>	<u>(2,867,086)</u>
Cash flows from financing activities				
Proceeds from issuance of ordinary shares		769,500	2,654,997	3,794,897
Proceeds from issuance of loan notes		<u>1,500,000</u>	<u>-</u>	<u>-</u>
Net cash generated from financing activities		<u>2,269,500</u>	<u>2,654,997</u>	<u>3,794,897</u>
Net (decrease)/increase in cash and cash equivalents		326,643	(1,238,332)	(2,139,880)
Cash and cash equivalents at the beginning of the period		675,711	2,834,665	2,834,665
Effects of exchange rate changes on cash and cash equivalents		<u>31,751</u>	<u>(13,206)</u>	<u>(19,074)</u>
Cash and cash equivalents at the end of the period		<u>1,034,105</u>	<u>1,583,127</u>	<u>675,711</u>

BPC Limited

Interim condensed consolidated statement of changes in equity

For the six months ended 30 June 2008

	Share Capital	Share Premium	Share based payments	Other reserves	Retained earnings	Total equity
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2007	9,195,000	-	12,151	-	(4,873,576)	4,333,575
Changes in equity for the first half of 2007						
Loss for the period	-	-	-	-	(1,320,211)	(1,320,211)
Issue of share capital	1,654,997	1,000,000	-	-	-	2,654,997
Employee share option scheme:						
Value of employee services	-	-	108,882	-	-	108,882
Options exercised	-	-	-	-	-	-
Balance at 30 June 2007	<u>10,849,997</u>	<u>1,000,000</u>	<u>121,033</u>	<u>-</u>	<u>(6,193,787)</u>	<u>5,777,243</u>
Balance at 1 July 2007	10,849,997	1,000,000	121,033	-	(6,193,787)	5,777,243
Changes in equity for the second half of 2007						
Currency translation differences	-	-	-	(4,932)	-	(4,932)
Net income recognised directly in equity	-	-	-	(4,932)	-	(4,932)
Loss for the period	-	-	-	-	(2,138,797)	(2,138,797)
Total recognised income and expense for the period	-	-	-	(4,932)	(2,138,797)	(2,143,729)
Value of employee services	-	-	132,766	-	-	132,766
Share capital reorganisation following share exchange	(9,764,997)	9,764,997	-	-	-	-
Options exercised	12,000	108,000	-	-	-	120,000
Issue of share capital	<u>21,700</u>	<u>998,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,019,900</u>
Balance at 31 December 2007	<u>1,118,700</u>	<u>11,871,197</u>	<u>253,799</u>	<u>(4,932)</u>	<u>(8,332,584)</u>	<u>4,906,180</u>
Balance at 1 January 2008	1,118,700	11,871,197	253,799	(4,932)	(8,332,584)	4,906,180
Changes in equity for the first half of 2008						
Currency translation differences	-	-	-	(21,502)	-	(21,502)
Net income recognised directly in equity	-	-	-	(21,502)	-	(21,502)
Loss for the period	-	-	-	-	(948,832)	(948,832)
Total recognised income and expense for the period	-	-	-	(21,502)	(948,832)	(970,334)
Value of employee services	-	-	28,126	-	-	28,126
Options exercised	<u>66,950</u>	<u>702,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>769,500</u>
Balance at 30 June 2008	<u>1,185,650</u>	<u>12,573,747</u>	<u>281,925</u>	<u>(26,434)</u>	<u>(9,281,416)</u>	<u>4,733,472</u>

BPC Limited

Notes to the unaudited interim condensed consolidated financial information for the six month period ended 30 June 2008

1. Basis of preparation

This unaudited consolidated interim financial information reflects the results and financial position of the whole group for the 6 month period to 30 June 2008. The comparatives cover the 6 month period to 30 June 2007. The principal accounting policies used in preparing the interim results are unchanged from those disclosed in the Admission Document issued on 8 August 2008 which included financial information on BPC Limited for the year ended 31 December 2007 (available on BPC Limited's website www.bpcltdgroup.com).

The information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2007, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial information for the six months ended 30 June 2008 and 30 June 2007 is unaudited and does not constitute the group's statutory financial statements for those periods.

2. Group restructuring and consolidation

As at 1 January 2007 the holding company of the group was BPC Limited ("BPC Limited (*Bahamas*)"), a company incorporated in The Bahamas.

On 9 August 2007 a new company, BPC Limited ("BPC Limited (*Jersey*)") was incorporated in Jersey for the purpose of becoming the parent company of the group.

Pursuant to a share exchange agreement between the shareholders of BPC Limited (*Bahamas*) and BPC Limited (*Jersey*), on 30 November 2007 BPC Limited (*Jersey*) became the parent company of the group, with the ultimate shareholders remaining the same immediately pre and post the transaction.

Where business combinations involve entities under common control, predecessor accounting is used: The following are some of the key principles of predecessor accounting relating to the group:

- The group does not restate assets and liabilities to their fair values. Instead the group incorporates the assets and liabilities at the amounts recorded in the books of the combined companies.
- The consolidated financial statements reflect both companies' full year's results, even though the later business combination occurred part way through the year (November 2007).
- The corresponding amounts in the consolidated financial statements for the previous year reflect the results of the combined companies, even though the business combination did not occur until November 2007.

The consolidated financial information incorporates the assets and liabilities of all subsidiaries of BPC Limited (*Jersey*) as at 30 June 2008 and 2007 and the results of all subsidiaries for the period then ended. BPC Limited (*Jersey*) and its subsidiaries together are referred to in this interim report as the group or the consolidated entity.

In the consolidated financial information, intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries are consistent with the policies adopted by the group.

BPC Limited

Notes to the unaudited interim condensed consolidated financial information for the six month period ended 30 June 2008

3. Events after the balance sheet date

After the period end the company completed a reverse takeover of Falkland Gold and Minerals Limited ("FGML") on 1 September 2008. The offer was on the basis of 6 FGML shares for every BPC share and was unanimously approved by shareholders at an Extraordinary General Meeting of FGML held on that date. The implementation of the offer has combined the net cash in FGML with the interests of the BPC group.

FGML changed its name to BPC Limited and was readmitted to AIM on 2 September 2008 with its new Board of Directors consisting of the original BPC directors who replaced the outgoing FGML board. Full details of the transaction can be found in the Admission Document dated 8 August 2008 which is available on the Company's website www.bpcltdgroup.com.

On 19 September 2008 all the loan notes issued by the Company in April 2008 were repaid in full. The total amount repaid was \$1,585,500 representing \$1,500,000 principal and \$85,500 interest.

BPC Limited

Independent review report to BPC Limited

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2008 which comprises the condensed consolidated income statement, balance sheet, statement of changes in equity, cash flow statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the AIM rules for Companies. As disclosed, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2008 is not prepared, in all material respects, in accordance with the AIM Rules for Companies.



PricewaterhouseCoopers LLP
Chartered Accountants
29 September 2008
London