Brady Exploration plc
2012 Interim Report

Unaudited interim results for the six months ended 30 June 2012

Brady Exploration plc ("Brady" or the "Company"), the AIM listed, natural resources focused investment company, announces its unaudited interim results for the six months ended 30 June 2012.

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Chairman's Statement

I am pleased to report on the Company's results for the six month period ended 30 June 2012.

On 26 October 2011, the Company adopted an investing policy to invest in companies operating in the natural resources sector, with a focus mainly, but not exclusively, on the mining sector. The Board believes that value can be generated for shareholders through the implementation of the Company's investing policy through investments or acquisitions, or a combination of both. Any acquisition which the Company undertakes may be deemed to be a reverse takeover transaction of the Company under the AIM Rules and would therefore be subject to shareholders' approval and would be accompanied by the publication of an admission document.

I am pleased to note that, during the period under review, the Company has had the opportunity to consider a number of potential investments and acquisitions which would fall within the scope of the Company's investing policy. As at this date the Company has not made any investments and currently our discussions with parties with regards to potential acquisition opportunities remain at an early stage.

We are conscious that the Company has limited cash resources for carrying out appropriate due diligence and we continue to maintain a tight control over costs. We are therefore focusing on opportunities where we believe enhanced value can be generated for shareholders.

The unaudited results for the six month period show a loss before taxation of £81,100, principally comprising administrative expenses, and a loss per share of 0.1p. Net assets at 30 June 2012 amounted to £331,600 while cash, and cash equivalents, at that date were £342,800.

We remain focused on the implementation of our investing policy for the benefit of the Company and its shareholders and look forward to updating shareholders in due course.

Alex Borrelli
Chairman

Profit and loss account for the six months ended 30 June 2012

	Note	Unaudited Six months ended 30 June 2012 £'000	Unaudited Six months ended 31 March 2011 £'000	Audited 15 months ended 31 December 2011 £'000
Administrative expenses		(81.7)	-	(50.7)
Operating loss		(81.7)	-	(50.7)
Profit on disposal of subsidiary companies		-	-	1,381.4
(Loss)/profit on ordinary activities before taxation		(81.7)	-	1,330.7
Interest receivable		0.6	-	-
Interest payable and similar charges		-	(58.1)	(121.9)
(Loss)/ profit before taxation		(81.1)	(58.1)	1,208.8
Tax on (loss) /profit on ordinary activities		-	-	-
(Loss)/profit on ordinary activities after taxation		(81.1)	(58.1)	1,208.8
(Loss)/earnings per share				
Basic	3	(0.1)p	(0.5)p	6.4p
Diluted		(0.1)p	(0.5)p	5.8p

Balance sheet at 30 June 2012

	Unaudited as at 30 June 2012 £'000	Unaudited as at 31 March 2011 £'000	Audited as at 31 December 2011 £'000
Fixed assets			
Investments	-	50.0	-
Current assets			
Debtors	10.3	-	13.6
Cash and cash equivalents	342.8	0.1	463.8
Total current assets	353.1	0.1	477.4
Creditors amounts falling due within one year			
Amounts due to subsidiary undertakings	-	(272.8)	-
Other creditors and accruals	(21.5)	(495.3)	(45.4)
Redeemable loan stock	-	-	(25.0)
Total current liabilities	(21.5)	(768.1)	(70.4)
Total assets less current liabilities	331.6	(718.0)	407.0
Creditors amounts falling due within one year			
Loans and borrowings	-	(650.0)	-
Net assets/(liabilities)	331.6	(1,368.0)	407.0
Capital and reserves			
Called up share capital	582.4	121.9	577.5
Share premium account	2,888.1	2,842.9	2,887.3
Share based payment reserve	40.3	-	8.2
Profit and loss account	(3,179.2)	(4,332.8)	(3,066.0)
Shareholder funds/(deficit)	331.6	(1,368.0)	407.0

Cash flow statement for the six months ended 30 June 2012

	Unaudited as at 30 June 2012 £'000	Unaudited as at 31 March 2011 £'000	Audited as at 31 December 2011 £'000
Cash flows from operating activities			
Operating loss	(81.7)	-	(50.7)
Decrease/(increase) in debtors	3.3	-	(13.6)
Increase/(decrease) in creditors	(23.9)	3.0	(234.1)
Write back of intercompany creditors	-	-	279.0
Share based payment	-	-	8.2
Net cash (outflow)/inflow from operating activities	(102.3)	3.0	(11.2)
Return on investment and servicing of finance			
Interest received/(paid)	0.6	(2.9)	-
Cash (outflow)/inflow before financing	(101.7)	0.1	(11.2)
Financing activities			
Issue of ordinary shares	5.7	-	500 .0
Loan stock repaid	(25.0)	-	-
Cash (outflow)/inflow from financing	(19.3)	-	475.0
Net (decrease)/increase in cash in the period	(121.0)	0.1	463.8
Cash and cash equivalents at beginning of period	463.8	-	-
Cash and cash equivalents at end of period	342.8	0.1	463.8

Notes to the unaudited interim accounts
For the six months ended 30 June 2012

1. Basis of preparation

The financial statements included in the interim accounts have been prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP). The comparative financial statements for the six months ended 31 March 2011 have also been re-produced for the purposes of these interim accounts under the historical cost convention and in accordance with UK GAAP.

The principal accounting policies used in preparing these interim accounts are those expected to apply in the Company's Financial Statements for the year ended 31 December 2012 and are unchanged from those disclosed in the Company's annual Report for the fifteen months ended 31 December 2011.

The interim accounts were approved by the Board of Brady on 10 August 2012. The interim financial information for the six months ended 30 June 2012 do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 and are unaudited. The comparatives for the fifteen month period ended 31 December 2011 are not the Company's full statutory accounts for that period. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report(s) and did not contain statements under sections 498(2) or (3) of the Companies Act 2006. Copies of the accounts for the fifteen months ended 31 December 2011 are available on the Company's website (www.bradyexploration.com).

Except as noted above, the following principal accounting policies have been applied consistently in the preparation of these interim accounts:

2. Accounting policies

The principal accounting policies are:

Basis of consolidation

At 30 June 2012 Brady Exploration plc had one wholly owned subsidiary, Brady Exploration (Operations) Limited. Since incorporation, Brady Exploration (Operations) Limited has not commenced operations and has no material assets or liabilities. As such, no consolidated financial statements have been prepared on the basis that in accordance with section 405 of the Companies Act 2006 its inclusion is not material for the purpose of giving a true and fair view.

The comparative figures for the six months ended 31 March 2011 have been presented on the same basis as the interim accounts for the six months ended 30 June 2012.

Going concern

The financial statements have been prepared on the going concern basis as, in the opinion of the Directors, at the time of approving the financial statements, there is a reasonable expectation that the Company will continue in operational existence for the foreseeable future. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment in value.

Deferred taxation

Deferred tax is provided in full on timing differences that have originated but not reversed by the balance sheet date. The recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

Financial Instruments

Financial instruments are measured initially and subsequently at cost. Finance costs are charged to the profit and loss account over the term of the debt so that the amount charged is at the constant rate on the carrying amount of the debt. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument. Loan stock interest accruals are rolled up and included in the loan stock balance.

Notes to the interim accounts
For the six months ended 30 June 2012

2. Accounting policies (cont'd)

Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of the grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit and loss account over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the profit and loss account is charged with the fair value of goods and services received.

Where warrants are issued for services of Directors and employees the accounting treatment is consistent with the above.

3. (Loss)/earnings per share

	Unaudited Six months ended 30 June 2012 £'000	Unaudited Six months ended 31 March 2011 £'000	Audited 15 months ended 31 December 2011 £'000
(Loss)/profit used for calculation of basic and diluted EPS	(81.1)	(58.1)	1,208.8
Shares used for calculation of basic EPS	58,112,637	12,185,598	18,865,307
Dilutive effect of share warrants	19,633,455	-	2,115,685
Shares used for calculation of diluted EPS	77,746,092	12,185,598	20,980,992
(Loss) /earnings per share			
Basic	(0.1)p	(0.5)p	6.4p
Fully diluted	(0.1)p	(0.5)p	5.8p

At 29 June 2012 there were 17,848,448 warrants in issue with an exercise price of 1.15 pence and 5,800,000 options with an exercise price of 1.55 pence.

4. Distribution of Interim Report

A copy of the Interim Report will be available shortly on the Company's website, www.bradyexploration.com, in accordance with rule 26 of the AIM Rules for Companies and copies will be available from the Company's head office, 31 Harley Street, London, W1 9QS.