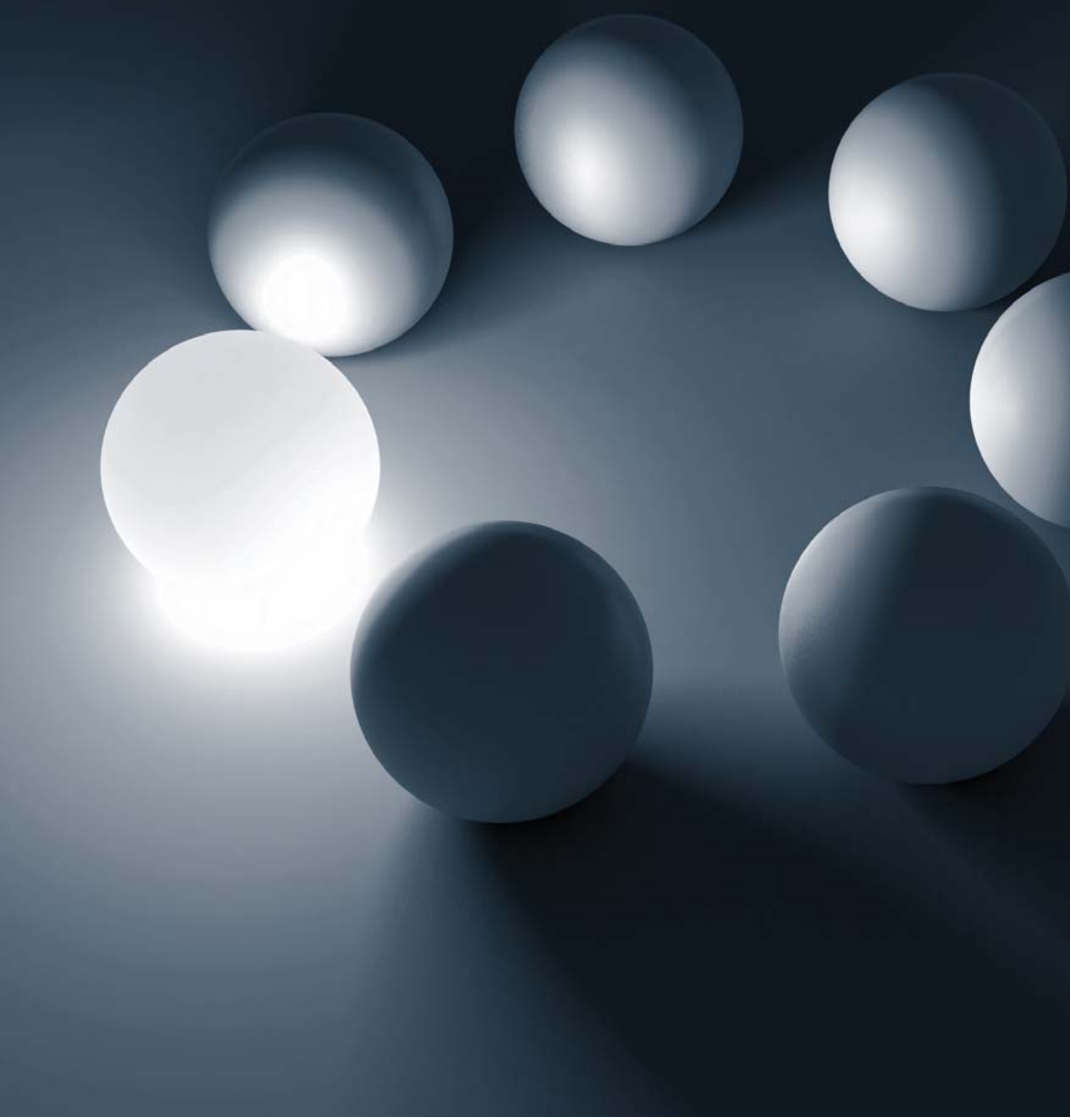
INTERIM REPORT



SIX MONTHS TO 31 DECEMBER 2007

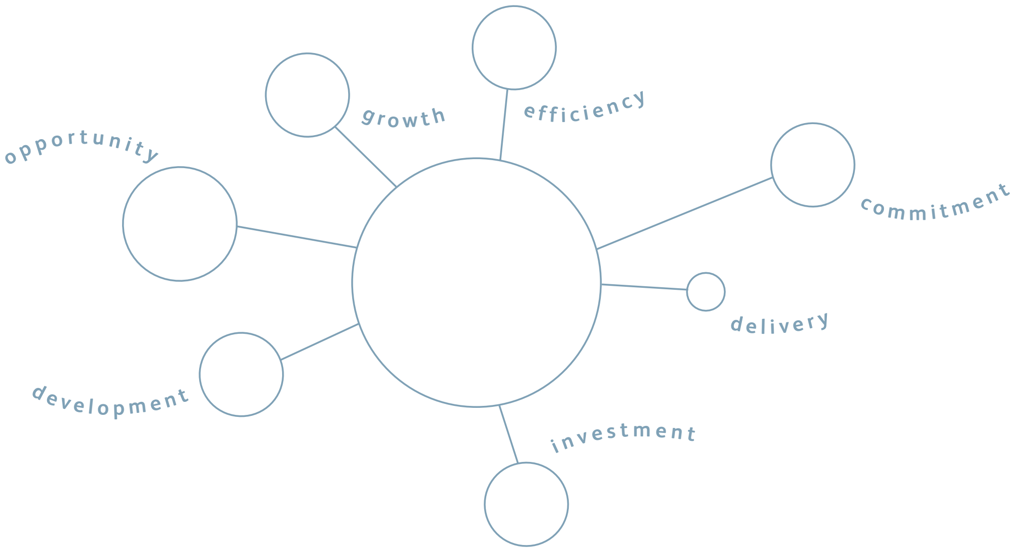
GCM's vision is:

To maximise shareholder value by developing the Phulbari Coal Project and investing in coal mining and other related projects which provide opportunities for positive returns.

GCM Resources plc (GCM) is a London-based resource development and exploration company with its Phulbari Coal Project awaiting approval from the Government of Bangladesh and a portfolio of investments in companies with coal projects in China and South Africa. GCM's shares are quoted on the Alternative Investment Market (AIM).

Ticker code : GCM

CONTENTS



opportunity
growth
efficiency
commitment
delivery
development
investment

HIGHLIGHTS SINCE 30 JUNE 2007

ARE SUMMARISED AS FOLLOWS:

- Advisory Committee recommendations on the draft Coal Policy were submitted to the Bangladeshi Government on 8 January 2008.
- New Energy Advisor was appointed in Bangladesh on 8 January 2008.
- Coal mining and coal fired power generation increasingly advocated as key to solving Bangladesh's energy crisis.
- 6% equity interest in CCEC Ltd acquired providing opportunity for entry into coal projects in China.
- 2% equity interest in Regent Pacific Group Limited (RPG), a Hong Kong listed mining company, acquired in December as a result of RPG's successful take-over of CCEC Ltd.
- Coal of Africa (formerly known as GVM Metals Ltd) investment grows in value as it progresses with the development of the company's South African projects.
- Aura Alliance submits a number of exploration licence applications in West African countries.

CHIEF EXECUTIVE'S STATEMENT

INTRODUCTION

GCM's vision is to maximise shareholder value by developing the Phulbari Coal Project and investing in other opportunities for positive returns. The Company has cemented this vision throughout the first half of the 2007/08 financial year.

The Phulbari Coal Project remains the priority for GCM. While awaiting approval of the Scheme of Development (Project Feasibility Study), we continue to ensure that upon approval, the early project development phase will be implemented efficiently.

RESULTS

The Group made a profit of £1,472,000 after tax for the six months to 31 December 2007 (December 2006: loss of £721,000). The profit is due to the gain made on disposal of GCM's interest in CCEC Ltd, when Regent Pacific Group Ltd acquired 100% of CCEC Ltd shares.

Exploration expenditure relating to the Phulbari Coal Project amounted to £940,000 for the six months (December 2006: £1,830,000) reflecting the reduced activity while awaiting approval from the Government of Bangladesh, to proceed with the next stage of the Phulbari Coal Project.

BANGLADESH

Political situation update

The Caretaker Government remains in place and has stated its commitment to holding credible and fair elections by the end of 2008. No exact date for the elections has been given.

In June 2007 the Government of Bangladesh announced the formation of an eight member multi stakeholder advisory committee to review the draft Coal Policy for recommendation to the Government. The team met 21 times since its inception and submitted their recommendations on the draft Coal Policy to the Energy Ministry on 8 January 2008. We await the Energy Ministry and Government comments on the recommendations of the advisory committee and the final approval of the Coal Policy.

Also on 8 January 2008, four Advisors to the Caretaker Government, including the Energy Advisor, resigned from office. The total number of Advisor resignations now stands at five since the Advisory Council took office in January 2007. Five new Advisors have since been sworn in.

Solving the energy crisis in Bangladesh remains one of the key focuses for the Government.

INVESTMENTS

GCM's other investments have been value adding in the past six months.

In July 2007 GCM acquired a 6% equity interest in CCEC Ltd a company focussed on coal projects in China. On 14 December 2007 Regent Pacific Group Limited successfully completed the take over of CCEC Ltd, resulting in a gain of 110% for GCM's initial investment. GCM holds a 2% equity interest in Regent Pacific Group Limited a Hong Kong listed mining company focussed on commodities, particularly thermal coal, in China. Refer to Note 3 for the details.

The investment in Coal of Africa Ltd (CoAL) (previously GVM Metals Ltd) continues to strengthen, with CoAL making significant progress towards the development of it's coal projects in South Africa.

The Aura Alliance continues its uranium exploration programme, with a number of exploration lease applications lodged in several countries in West Africa.

Peoples Telecommunications and Information Services Ltd (PeoplesTel) continue to forge ahead with their expansion plans; completing infrastructure layout and network connectivity. In February 2008 GCM increased its equity interest in PeoplesTel to 37%. The cash injection allows PeoplesTel to secure a National Licence, providing growth opportunities to service the Dhaka area.

OTHER

The GCM Annual General Meeting (AGM) was held on 11 December 2007. At the AGM shareholders approved a name change to GCM Resources plc.

IN SUMMARY

The Company remains focussed on developing the Phulbari Coal Project, whilst actively evaluating other investment opportunities in order to create value for shareholders.

GCM is positioned to commence the early development phase of the Phulbari Coal Project, upon Government approval for the Scheme of Development.

We continue to keep shareholders informed of our progress and also disclose information to the market and stakeholders as developments occur.

On behalf of the board,

Steve Bywater

Chief Executive

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	6 months ended 31 December 2007 unaudited £000	6 months ended 31 December 2006 unaudited £000	Year ended 30 June 2007 unaudited £000
Operating expenses				
Exploration costs		43	-	42
Share based payments		-	833	833
Other operating expenses		810	839	1,541
Operating loss		(853)	(1,672)	(2,416)
Profit on disposal of investment	3	2,486	-	-
Finance revenue		438	647	1,163
Profit (loss) before tax		2,071	(1,025)	(1,253)
Taxation		(599)	304	330
Profit (loss) for the period		**1,472**	**(721)**	**(923)**
Attributable to:				
Equity shareholders of the parent		1,472	(721)	(923)
		1,472	(721)	(923)
Basic (pence per share)	4	3.0p	(1.5)p	(1.9)p
Diluted (pence per share)	4	2.8p	(1.5)p	(1.9)p

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital £000	Share premium account £000	Other reserves £000	Accumulated losses £000	Total £000
Balance at 1 July 2006	4,877	42,664	346	(1,811)	46,076
Change in fair value of available-for-sale financial assets	-	-	4,656	-	4,656
Tax on items taken directly to equity	-	-	(1,304)	-	(1,304)
Share based payments	-	-	375	833	1,208
Loss for the financial year	-	-	-	(923)	(923)
Equity share options issued	4	22	-	-	26
Share issue costs refundable	-	45	-	-	45
Balance at 30 June 2007	4,881	42,731	4,073	(1,901)	49,784
Change in fair value of available-for-sale financial assets	-	-	9,536	-	9,536
Tax on items taken directly to equity	-	-	(1,974)	-	(1,974)
Transfer to income statement on disposal	-	-	(2,486)	-	(2,486)
Share based payments	-	-	61	-	61
Profit for the financial period	-	-	-	1,472	1,472
Balance at 31 December 2007	4,881	42,731	9,210	(429)	56,393
Balance at 1 July 2006	4,877	42,664	346	(1,811)	46,076
Change in fair value of available-for-sale financial assets	-	-	(99)	-	(99)
Tax on items taken directly to equity	-	-	30	-	30
Share based payments	-	-	191	833	1,024
Loss for the financial period	-	-	-	(721)	(721)
Share issue costs refundable	-	45	-	-	45
Balance at 31 December 2006	4,887	42,709	468	(1699)	46,355

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	31 December 2007 unaudited £000	31 December 2006 unaudited £000	30 June 2007 unaudited £000
Current assets				
Cash and cash equivalents		13,602	23,502	16,932
Receivables		353	305	551
Total current assets		13,955	23,807	17,483
Non-current assets				
Property, plant and equipment		281	351	310
Intangible assets		22,156	19,760	21,216
Other investments	5	23,873	2,414	12,068
Deferred tax asset		-	321	-
Total non-current assets		46,310	22,846	33,594
Total assets		60,265	46,653	51,077
Current liabilities				
Payables		312	298	306
Total current liabilities		312	298	306
Non-current liabilities				
Deferred tax liabilities	6	3,560	-	987
Total non-current liabilities		3,560	-	987
Total liabilities		3,872	298	1,293
Net assets		56,393	46,355	49,784
Equity				
Share capital		4,881	4,877	4,881
Share premium account		42,731	42,709	42,731
Other reserves		9,210	468	4,073
Accumulated losses		(429)	(1,699)	(1,901)
Total equity		56,393	46,355	49,784

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	6 months ended 31 December 2007 unaudited £000	6 months ended 31 December 2006 unaudited £000	Year ended 30 June 2007 unaudited £000
Cash flows from operating activities			
Profit (loss) before tax	2,071	(1,025)	(1,253)
Adjusted for:			
Depreciation of non-current assets	7	7	14
Share based payments	-	833	833
Profit on disposal of investment	(2,486)	-	-
Finance revenue	(438)	(647)	(1,163)
	(846)	(832)	(1,569)
Movements in working capital:			
Decrease (increase) in operating receivables	(10)	20	(72)
Increase (decrease) in operating payables	(5)	46	105
Cash used in operations	(861)	(766)	(1,536)
Interest received	434	568	1,096
Net cash used in operating activities	(427)	(198)	(440)
Cash flows from investing activities			
Payments for property, plant and equipment	(13)	(47)	(47)
Payments for intangible assets	(832)	(1,822)	(3,112)
Payments for investments	(2,058)	(2,514)	(7,623)
Net cash used in investing activities	(2,903)	(4,383)	(10,782)

Continued overleaf

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Continued

	6 months ended 31 December 2007 unaudited £000	6 months ended 31 December 2006 unaudited £000	Year ended 30 June 2007 unaudited £000
Cash flows from financing activities			
Issue of ordinary share capital	-	-	26
Refund of share issue costs	-	-	45
Net cash generated by financing activities	-	-	71
Total decrease in cash and cash equivalents	(3,330)	(4,581)	(11,151)
Cash and cash equivalents at the start of the period	16,932	28,083	28,083
Cash and cash equivalents at the end of the period	13,602	23,502	16,932

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of preparation

The financial information contained herein does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985 and is unaudited. The figures for the year ended 30 June 2007 have been extracted from the notes to the statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and contained an unqualified auditors' report which included an emphasis of matter reference and did not include a statement under section 237(2) or 237(3) of the United Kingdom Companies Act 1985.

The Group has adopted International Financial Reporting Standards (IFRS) with effect from 1 July 2007 and will prepare annual financial statements under IFRS as adopted by the European Union for the first time for the financial year ending 30 June 2008.

The reconciliation and disclosures required by *IFRS 1 First-time Adoption of International Financial Reporting Standards* in relation to transition from UK GAAP to IFRS, were included, on an unaudited basis together with a statement of the Group's accounting policies under IFRS, as part of the Group's 2007 Annual Report and Accounts (pages 57 to 69). The effect of IFRS transition on comparative financial information for the six months ended 31 December 2006 is disclosed in Note 8 of this report.

The interim financial statements have been prepared using the same IFRS accounting policies published within the Group's 2007 Annual Report and Accounts. The company is not required to comply with *IAS 34 Interim Financial Statements* in preparing its 2007 interim statements and accordingly has elected not to adopt this standard.

The Company's auditors, Ernst & Young LLP, have reviewed the interim financial information for the six months ended 31 December 2007 and their report is set out on page 21.

Political and economic risks

The Group's Bangladesh operations are currently subject to various political, social and economic risks inherent in an emerging market.

The Caretaker Government remains in place and has committed to holding free and fair elections by December 2008. No exact date for elections has been given.

In June 2007 an eight member multi stakeholder advisory committee was formed to review the draft Coal Policy and make recommendations to the Government. Their report was submitted in January 2008.

The Directors remain hopeful of gaining approval from the Caretaker Government for the Scheme of Development to develop a mine at Phulbari to which the Group mining assets relate.

If the contract was to be cancelled or the Group does not secure approval for development of a mine, the Group would be required to impair all of its intangible mining assets.

The Directors continue to assess and review alternative opportunities and new investments.

The Group has taken legal advice concerning the Phulbari contract pertaining to any proposed cancellation or breach of contract. The Directors believe that they have a legally binding agreement and consequently will endeavour to receive approval for development. They believe approval will ultimately be secured.

Accordingly, the Directors consider that it is appropriate not to record any impairment in respect of the intangible mining assets.

Fundamental accounting concept

The Directors are of the opinion that the Group has sufficient funds for the foreseeable future to meet its obligations as they fall due. The Group has lodged the Feasibility Study and Scheme of Development for approval with the Government of Bangladesh in line with the Group's contractual obligations. The multi stakeholder advisory committee has reviewed the draft Coal Policy and submitted their recommendations to the Government in January 2008.

The Group has received no notification from the Government of Bangladesh of any changes to the terms of the Company's Contract and the Directors do not believe that there are any grounds for the Contract to be cancelled. The Directors believe that approval for further development will be granted.

Development of the Project will require further funding. The Directors are of the opinion that the current funding is sufficient to determine the appropriate funding arrangements, secure financing commitment from interested parties and, following approval of the Scheme of Development to commence initial Project development. The process to determine and secure the optimal funding arrangements will continue after Project approval.

On this basis, the Directors believe that the adoption of the going concern basis is justified.

2. SEGMENT ANALYSIS

The Group operates in one principal business segment being coal exploration and evaluation. The Group operates within one geographical segment, being Bangladesh, and is supported by management and administrative functions in Australia, Singapore and the United Kingdom.

There was no segment revenue during the financial year. The result for the period relates to one principal business segment and one geographical segment.

The Group also holds investments in companies with projects in China and South Africa.

3. PROFIT ON DISPOSAL OF INVESTMENT

On 14 December 2007 100% of the shares of CCEC Limited were acquired by Regent Pacific Group Limited (RPG), in exchange for shares in RPG. As a result, the Group has disposed of its interest in CCEC Limited, and now holds 68,867,000 shares in RPG.

	CCEC Limited investment £000
Sale proceeds	
- shares	4,754
Asset disposed	(4,751)
Disposal costs	(3)
Transfer from other reserves on disposal	2,486
Profit on disposal of investment	2,486

4. EARNINGS PER SHARE

	6 months ended 31 December 2007	6 months ended 31 December 2006	Year ended 30 June 2007
	000	000	000
Weighted average number of shares			
Number of shares with voting rights	48,806	48,771	48,774
Effect of share options, warrants and conditional shares on issue	4,603	4,551	4,611
Total used in calculation of diluted earnings per share	53,409	53,322	53,385
	£000	£000	£000
Profit (loss) for the period	1,472	(721)	(923)
Basic (pence per share)	3.0p	(1.5)p	(1.9)p
Diluted (pence per share)	2.8p	(1.5)p	(1.9)p

There were no potentially dilutive shares for the six months ended 31 December 2006 and year ended 30 June 2007 as the Group made a loss for those periods.

5. OTHER INVESTMENTS

	31 December 2007	31 December 2006	30 June 2007
	£000	£000	£000
Fair value at the beginning of the period	12,068	-	-
Acquisitions	7,020	2,513	7,412
Disposals	(4,751)	-	-
Movement in fair value	9,536	(99)	4,656
Fair value at the end of the period	23,873	2,414	12,068

The investments held have been classified as "available-for-sale financial assets" under *IAS 39 Financial Instruments: Recognition and Measurement*. Accordingly, movements in the fair value of the assets are recognised directly in equity, net of any tax effect and then transferred to the income statement on disposal.

The Group acquired a 6% interest in CCEC Limited (CCEC) on 25 July 2007, for a total cost of £2,265,000. On 14 December 2007 Regent Pacific Group Limited (RPG) acquired 100% of CCEC. The CCEC shares held by the Group were transferred to RPG in exchange for 68,867,000 RPG shares, at a market value of £4,754,000.

Accordingly, the Group is deemed to have sold the interest in CCEC and acquired RPG shares for a cost of £4,754,000.

6. DEFERRED TAX LIABILITIES

The movement in deferred tax liabilities from £987,000 at 1 July 2007 to £3,560,000 at 31 December 2007 was primarily due to the tax effect on the increase in fair value of investments for the same period.

7. POST-BALANCE SHEET EVENTS

On 14 February 2008 GCM invested a further £2 million to increase its equity interest in PeoplesTel to 37%. The PeoplesTel investment will be treated as an associate going forward.

8. RECONCILIATION BETWEEN UK GAAP AND IFRS FOR THE PERIOD ENDED 31 DECEMBER 2006

The following information has been provided for the purpose of understanding the effect of the transition to IFRS on the comparative financial information for the six months ended 31 December 2006.

The adjustments shown below should be read in conjunction with the explanations and IFRS accounting policies provided in the Group's 2007 Annual Report and Accounts.

Note 8 continued

Adjustments

IAS 39 Financial Instruments: Recognition and Measurement

An investment held at cost under UK GAAP has been measured at fair value as at 31 December 2006. The resulting decrease in assets at 31 December 2006 is:

	31 December 2006 £000
Movement in fair value of investments	(99)
Less: Deferred tax asset	30
Net movement in assets	(69)

As the investment is classified as "available-for-sale financial asset" the movement in fair value, net of deferred tax, has been taken to equity.

IAS 12 Income Taxes

As part of the transition to IFRS, deferred tax assets and liabilities were recorded in accordance with *IAS 12 Income taxes*. This treatment has consistently been applied from transition date. As at 31 December 2006 a net deferred tax asset of £321,000 was recorded, calculated as follows:

	31 December 2006 £000
Deferred tax assets	
Fair value movement (as described above)	30
Tax losses carried forward	292
	322
Deferred tax liabilities	
Capital allowances	(1)
Net deferred tax assets	321

RECONCILIATION OF LOSS

For the six months ended 31 December 2006

	Reported under UK GAAP £000	Income Taxes IAS 12 £000	Restated under IFRS £000
Operating expenses			
Share based payments	833	-	833
Other operating expenses	839	-	839
Operating loss	(1,672)	-	(1,672)
Finance revenue	647	-	647
Loss before tax	(1,025)	-	(1,025)
Taxation	(1)	305	304
Loss for the period	(1,026)	305	(721)
Basic (pence per share)	(2.1)p	0.6p	(1.5)p
Diluted (pence per share)	(2.1)p	0.6p	(1.5)p

RECONCILIATION OF EQUITY

as at 31 December 2006

	Reported under UK GAAP £000	Financial Instruments IAS 39 £000	Income Taxes IAS 12 £000	Restated under IFRS £000
Current assets				
Cash and cash equivalents	23,502	-	-	23,502
Receivables	305	-	-	305
Total current assets	23,807	-	-	23,807
Non-current assets				
Property, plant and equipment	351	-	-	351
Intangible assets	19,760	-	-	19,760
Other investments	2,513	(99)	-	2,414
Deferred tax asset	-	30	291	321
Total non-current assets	22,624	(69)	291	22,846
Total assets	46,431	(69)	291	46,653
Current liabilities				
Payables	298	-	-	298
Total current liabilities	298	-	-	298
Total liabilities	298	-	-	298
Net assets	46,133	(69)	291	46,355
Equity				
Share capital	4,877	-	-	4,877
Share premium account	42,709	-	-	42,709
Other reserves	537	(69)	-	468
Accumulated losses	(1,990)	-	291	(1,699)
Total equity	46,133	(69)	291	46,355

INDEPENDENT REVIEW REPORT

TO GCM RESOURCES PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the 6 months ended 31 December 2007 which comprises the consolidated income statement, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and the related explanatory 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.

This report is made solely to the company in accordance with guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

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 half-yearly financial report as required by the AIM Rules issued by the London Stock Exchange.

As disclosed in Note 1, the next annual financial statements of the company will be prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IFRS accounting policies published within the Group's 2007 Annual Report and Accounts. The accounting policies are consistent with those that the Directors intend to use in the next annual financial statements.

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.

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 audit opinion.

Fundamental Uncertainty

While not qualifying our opinion, we draw attention to Note 1 in the financial statements concerning the material uncertainty over GCM Resources plc's contract with the Government of Bangladesh and consequently over the recoverability of the intangible exploration assets. The recoverability of these assets is dependent on the company being permitted to develop the mine at Phulbari and at present there is a risk that the Government may cancel the existing contract. The intangible assets are included in the balance sheet at £22,156,000 and in the event that the contract is cancelled, these amounts would be fully impaired.

The ultimate outcome of these matters cannot be presently determined and no impairment has been recorded in respect of the intangible exploration assets as at 31 December 2007.

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 6 months ended 31 December 2007 is not prepared, in all material respects, in accordance with the IFRS accounting policies published within the Group's 2007 Annual Report and Accounts.

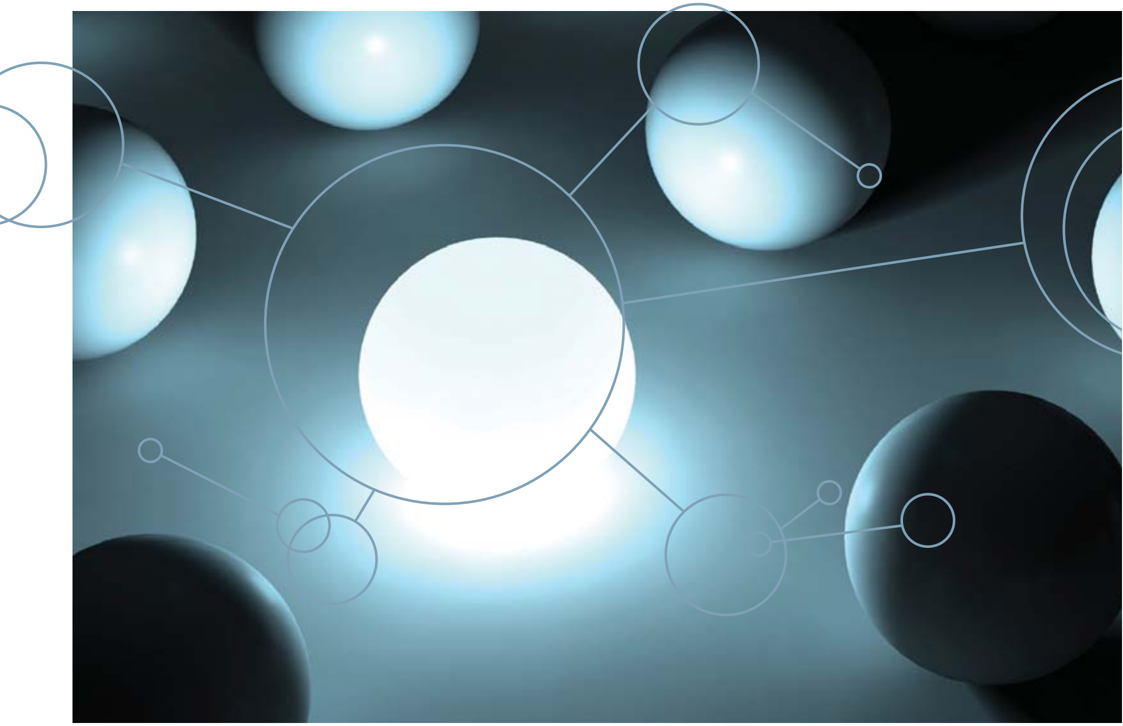
Ernst & Young LLP

Ernst & Young LLP

London

4 March 2008

GCM RESOURCES



GCM Resources plc
Foxglove House
166 - 168 Piccadilly
London
United Kingdom
W1J 9EF

Tel: +44 (0)20 7290 1630
Fax: +44 (0)20 7290 1631
Email: info@gcmplc.com
www.gcmplc.com

Registered in England and Wales. Company number 04913119

This Report and Accounts is printed on material from sustainable resources