COMPANY NUMBER – FC025715

FALKLAND GOLD AND MINERALS LIMITED

("the Company")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2008

London, UK, 18 June 2008 – Falkland Gold and Minerals Limited (AIM: FGML), today announces its interim results for the six months ended 31 March 2008.

Operational Highlights:
- Closure of Falkland Island operations

Financial Highlights:
- Cash balances of over £3.7 million

Commenting on the Company's interim results, Richard Linnell, Chairman of Falkland Gold and Minerals Limited, said:

"The Board is continuing to look at opportunities in the resources sector and is optimistic that the Company will be able to identify a situation with the potential to deliver value to its shareholders."

For more information please contact:

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This report is available on the Company's website, www.fgml.co.uk.

Falkland Gold and Minerals Limited

Highlights

Interim results for the six months ended 31 March 2008

Chairman's Statement

We have now ceased operations in the Falklands and our withdrawal is almost complete. With the exception of the core shed, which has been rented through to the end of the calendar year, the drilling base at Goose Green has been closed down and the drilling equipment has been containerised ready for shipment. It is intended the office in Stanley will be vacated at the end of the month or shortly thereafter.

The loss after tax for the 6 months ended 31 March 2008 was £622,804 reflecting the foregoing. The reduction in cash in the period amounted to £468,464.

We had hoped to identify a suitable project to which to transfer our remaining exploration personnel but none of the projects examined were considered suitable. In order to conserve cash we have now released the four man exploration team.

The current position is that the Company is effectively a cash shell with no material liabilities. As at 31 March 2008 the Company had £3.7 million in cash and drilling equipment with a book value of £95 thousand.

The Board is continuing to look at opportunities in the resources sector and is optimistic that the Company will be able to identify a situation with the potential to deliver value to its shareholders.

Richard Linnell
Chairman
18 June 2008

Falkland Gold and Minerals Limited

Interim Income Statement

For the six months ended 31 March 2008

	Note	Six months ended 31 March 2008	Reclassified See Note 1 Six months ended 31 March 2007	Reclassified See Note 1 Year ended 30 September 2007
		£	£	£
Administrative expenses		**(239,601)**	(251,614)	(618,755)
Operating loss		**(239,601)**	(251,614)	(618,755)
Interest payable and similar charges		**(36)**	-	-
Interest receivable and similar income		**113,693**	133,173	257,612
Other income		**32,900**	20,209	36,146
Loss before taxation		**(93,044)**	(98,232)	(324,997)
Taxation		**(23,616)**	(25,303)	(48,935)
Loss after tax from continuing operations		**(116,660)**	(123,535)	(373,932)
Loss on discontinued operations	4	**(506,144)**	(432,892)	(3,376,592)
Loss for the period		**(622,804)**	(556,427)	(3,750,524)
Loss per share expressed in pence per share				
From continuing operations				
- Basic and diluted	2	(0.15)	(0.16)	(0.48)
From continuing and discontinued operations				
- Basic and diluted	2	(0.80)	(0.71)	(4.79)

The calculation of the loss per share for the period ended 31 March 2008 is based upon the loss after tax for the period divided by the weighted average number of shares in issue during the six month period to 31 March 2008. There is no difference between the diluted loss per share and the basic loss per share.

As the Company has not been able to identify any mineral deposits of economic interest, the Company's exploration programme in the Falklands was completed during the interim period to 31 March 2008 and hence the above results have been split between continuing and discontinued operations.

No separate statement of recognised income and expense has been presented since all such income and expense has been dealt with in the income statement.

Falkland Gold and Minerals Limited

Interim Balance Sheet

As at 31 March 2008

	Note	31 March 2008	Reclassified See Note 1 31 March 2007	Reclassified See Note 1 30 September 2007
		£	£	£
Assets				
Non-Current Assets				
Intangible assets		**-**	2,223,389	-
Property, plant and equipment		**95,299**	351,194	217,898
		95,299	2,574,583	217,898
Current Assets				
Trade and other receivables		**40,674**	66,160	39,469
Cash and cash equivalents		**3,708,752**	4,916,663	4,177,216
		3,749,426	4,982,823	4,216,685
Total Assets		**3,844,725**	7,557,406	4,434,583
Liabilities				
Current liabilities				
Trade and other payables		**(27,199)**	(31,742)	(20,450)
Taxation and social security		**(72,544)**	(77,832)	(51,324)
Accruals and deferred income		**(65,336)**	(2,485)	(68,499)
Total current liabilities		**(165,079)**	(112,059)	(140,273)
Net current assets		**3,584,347**	4,870,764	4,076,412
Net assets		**3,679,646**	7,445,347	4,294,310
Issued share capital		**1,565**	1,565	1,565
Share premium		**10,209,182**	10,209,182	10,209,182
Other reserve		**250,220**	199,020	242,080
Profit and loss reserve		**(6,781,321)**	(2,964,420)	(6,158,517)
Total equity	3	**3,679,646**	7,445,347	4,294,310

The interim results were approved by the Board of Directors on 18 June 2008.

Falkland Gold and Minerals Limited

Notes to the Interim Report

For the six months ended 31 March 2008

	Note	Six months ended 31 March 2008	Six months ended 31 March 2007	Year ended 30 September 2007
		£	£	£
Cash flows from operating activities				
Pre-tax loss for the period		**(599,188)**	(531,124)	(3,701,589)
Adjustments for:				
Net interest received		**(113,657)**	(133,173)	(257,612)
Share based payment		**8,140**	43,060	86,120
Depreciation and amortisation		**361,351**	218,545	2,992,502
(Increase)/Decrease in receivables		**(1,205)**	(30,389)	(3,698)
(Decrease)/increase in payables		**24,806**	(24,368)	3,846
Cash generated from operations		**(319,753)**	(457,449)	(880,431)
Net interest received		**113,657**	133,173	257,612
Taxes paid		**(23,616)**	(25,303)	(48,935)
Net cash outflow from operating activities		**(229,712)**	(349,579)	(671,754)
Cash flow from investing activities				
Purchase of intangible assets		**(248,502)**	(456,842)	(850,075)
Purchase of plant, property and equipment		**(2,331)**	(59,872)	(83,911)
Proceeds from sale of plant, property and equipment		**12,081**	-	-
Net cash used in investing activities		**(238,752)**	(516,714)	(933,986)
Cash flows from financing activities				
Net cash from financing activities		**-**	-	-
Net decrease in cash and cash equivalents		**(468,464)**	(866,293)	(1,605,740)
Cash and cash equivalents at the beginning of the period		**4,177,216**	5,782,956	5,782,956
Cash and cash equivalents at end of the period		**3,708,752**	4,916,663	4,177,216

1. Accounting policies

Basis of preparation

These interim condensed financial statements are for the six months ended 31 March 2008. They have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” and the requirements of International Financial Reporting Standards’ 1 'First-time Adoption of International Financial Reporting Standards' relevant to interim reports. They have been prepared on this basis as they will form part of the period covered by the Company’s first IFRS financial statements for the year ended 30 September 2008. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements for the year ended 30 September 2007.

These condensed interim financial statements (the interim financial statements) have been prepared in accordance with the accounting policies set out below which are based on the recognition and measurement principles of IFRS in issue and as adopted by the European Union (EU) and are effective at 30 September 2008 or are expected to be adopted and effective at 30 September 2008, our first annual reporting date at which we are required to use IFRS accounting standards adopted by the EU.

The financial statements have been prepared under the historical cost convention on a going concern basis.

The policies have changed from the previous year when the financial statements were prepared under applicable United Kingdom Generally Accepted Accounting Principles (UK GAAP). The comparative information has been reclassified in accordance with IFRS. The changes to accounting policies are explained in note 2 with the transition statement which shows the reconciliation of opening balances. The date of transition to IFRS was 1 October 2006.

The Company has taken advantage of certain exemptions available under IFRS 1 First-time adoption of International Financial Reporting Standards. The exemptions used are explained under the respective accounting policy, where appropriate.

The results for the six months to 31 March 2008 are unaudited and do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985.

The financial information for the year ended 30 September 2007 has been derived from the Company's audited financial statements for the year as filed with the Registrar of Companies. The auditor's report on the statutory financial statements for the year ended 30 September 2007 was not qualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

Going Concern

The financial statements are prepared on the going concern basis, which the directors believe to be appropriate for the following reasons. The directors have decided that despite the cessation of work programs in the Falkland Islands, due to the failure to identify deposits of commercial interest, the Company will continue with its ongoing purpose of exploration activities and the directors are actively pursuing and considering alternative prospects outside the Falkland Islands. The Company has access to drilling contractors and is well equipped with the appropriate operational hardware which can be deployed to other mineral prospects.

At the interim balance sheet date, the Company had cash balances totalling £3.7 million, sufficient to support an annual level of exploration activity, similar to that undertaken on the Falkland Islands over the last few years, for between 18 months and 2 years. On this basis, the directors consider that the Company will continue in operational existence for the foreseeable future by meeting its liabilities as they fall due. As is common with many exploration companies, the Company may need to raise additional funds for exploration and capital projects as and when required.

1. Accounting policies *(continued)*

However, there can be no certainty in relation to these matters, which may cast significant doubt on the Company's ability to continue as a going concern. The Company may therefore be unable to continue realising its assets and discharging its liabilities in the normal course of business, but the interim financial statements do not include any adjustments that might result from the basis of preparation being inappropriate.

Deferred exploration costs
All costs associated with mineral exploration and investments are capitalised on a project by project basis, pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses, but not general overhead. If an exploration project is successful, the related expenditures will be transferred to intangible assets and amortised over the estimated life of the commercial ore reserves on a unit of production basis. Where a licence is relinquished, a project is abandoned, or considered to be of no further commercial value to the Company, the related costs are written off.

The recoverability of deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition thereof.

Ceiling tests
Where there is an indication that the value of a mining asset may be impaired, the net amount at which the asset is recorded is assessed for recoverability against the estimated discounted future estimated net cashflows expected to be generated from the estimated remaining commercial reserves. This assessment is made on the basis of future mineral prices, exchange rates and cost levels as forecast at the balance sheet date. A provision is made, by way of an additional depreciation charge, where the carrying value of the asset exceeds the discounted future net cashflows to be derived from its estimated remaining commercial reserves.

Exploration licence
The exploration licence is amortised on a straight line basis over the life of the licence.

Decommissioning, site restoration and environmental costs
Licensees are generally required to restore mine and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities. The expected cost of any decommissioning or restoration program, discounted to its net present value, is provided and capitalised at the beginning of each project development. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision for the expected cost is included with interest payable and similar items.

The cost of ongoing programs to prevent and control pollution and to rehabilitate the environment is charged to the income statement as incurred.

Tangible fixed assets
All fixed assets are stated at cost.

Depreciation
Depreciation is provided on all tangible fixed assets on a straight line basis over their estimated lives. Assets are depreciated from the date of acquisition. Depreciation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

Property, plant and equipment: 33.33% straight line

Depreciation in respect of exploration and evaluation expenditure is referred to within the accounting policies.

1. Accounting policies *(continued)*

Foreign currency
Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income statement.

Leases
Rentals paid under operating leases are charged to the income statement as incurred.

Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated, but not reversed, at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Pension contributions
The Company contributes to the personal pension plans of certain employees only. Contributions are charged to the income statement as they become payable in accordance with the rules of the scheme.

Share based payments
The Company is required to measure the fair value of equity settled transactions with employees at the grant date of the equity instruments. The fair value is determined by using the Black-Scholes method. This requires assumptions regarding dividend yields, risk-free interest rates, share price volatility and expected life of an employee share option.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with the other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. In addition, bank overdrafts which are repayable on demand are included.

Discontinued operations
A discontinued operation is a component of the Company's business that represents a separate major line of business. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

2. Explanation of transition to IFRS

As stated in the Basis of Preparation, these are the Company's first condensed interim financial statements for part of the period covered by the first IFRS annual financial statements prepared in accordance with IFRS.

The transition from UK GAAP to IFRS has not affected the Company's financial position, financial performance and cash flows and consequently there are no reconciling adjustments between the previously reported UK GAAP numbers and the numbers reported under IFRS.

3. Statement of changes in equity

	Issued share Capital £	Share Premium £	Other reserve £	Profit and loss reserve £	Total £
Balance at 1 October 2006	**1,565**	**10,209,182**	**155,960**	**(2,407,993)**	**7,958,714**
Changes in equity for the first half of 2006/07					
Recognition of equity settled share based payment	-	-	43,060	-	**43,060**
Loss for the period	-	-	-	(556,427)	**(556,427)**
Balance at 31 March 2007	**1,565**	**10,209,182**	**199,020**	**(2,964,420)**	**7,445,347**
Changes in equity for the second half of 2006/07					
Recognition of equity settled share based payment	-	-	43,060	-	**43,060**
Loss for the period	-	-	-	(3,194,097)	**(3,194,097)**
Balance at 30 September 2007	**1,565**	**10,209,182**	**242,080**	**(6,158,517)**	**4,294,310**
Recognition of equity settled share based payment	-	-	8,140	-	**8,140**
Loss for the period	-	-	-	(622,804)	**(622,804)**
Balance at 31 March 2008	**1,565**	**10,209,182**	**250,220**	**(6,781,321)**	**3,679,646**

4. Discontinued operations

Analysis of income statement result:

	Six months ended 31 March 2008 £	Six months ended 31 March 2007 £	Year ended 30 September 2007 £
Administrative expenses	(257,642)	(432,892)	(733,710)
Impairment of exploration assets	(248,502)	-	(2,642,882)
Loss on discontinued operations	(506,144)	(432,892)	(3,376,592)

Analysis of cash flow movement:

Operating	(147,718)	(285,366)	(432,132)
Investing	(238,752)	(516,714)	(933,986)
Financing	-	-	-
	(386,470)	(802,080)	(1,366,118)