



AIM Release

30 June 2008

## **Minerva Resources Plc (AIM:MVA)** **('Minerva Resources' or 'the Company')**

### **Interim Results for the six months ended 31 March 2008**

#### **Highlights**

- Appointment of new Chief Financial Officer
- Official opening of company office in Addis Ababa, Ethiopia
- Loss for the six months ended 31 March 2008 was £ 469,445 (0.40p per share) compared with a loss of £31 1,827 (0.5 1p per share) for the same period in the previous year
- The group spent £481,792 on exploration during the period
- Exciting early results from the Tulu Kapi gold project in Ethiopia
- Sale of Palladex KR LLC, the Company's wholly owned Kyrgyzstan exploration company, to Lingxi Ltd Investment Company, Urumqi, China for US\$2,000,000
- Agreement to acquire a further 22% interest in Yubdo Platinum & Gold Development PLC for a maximum consideration of US\$5,000,000

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## **Chairman's Statement**

The Company continued to consolidate its focus on Africa and on Ethiopia in particular during the six months to 31 March 2008.

Drilling and other exploration activities picked up pace at the Tulu Kapi, Gudeya-Guji and Guji gold prospects in western Ethiopia and early results were very exciting. As with many other junior exploration and mining companies around the world, we continue to find it difficult to secure drill rigs and the turnaround on assays from laboratories is painstakingly slow. Notwithstanding, we remain very hopeful that definition of a JORC resource will be possible at Tulu Kapi by early 2009.

At the Yubdo Platinum Project, only 25km from Tulu Kapi, the new gravity recovery plant was commissioned and initial results were encouraging. Unfortunately, failures with some components of the equipment hindered the production build up. However, at the end of the half year, these problems appear to have been overcome and we are looking forward to increased production during the next half year.

In Addis Ababa, a new office was opened for the Company by the Ethiopian Minister of Mines and Energy. Establishing this office is a further demonstration of our commitment to the country. Our Country Manager, Dr Kebede Hailu Belete, and his team will now manage all the Company's activities in Ethiopia from this office.

In London, a new Chief Financial Officer was appointed at the beginning of 2008 and arrangements were in train to relocate the head office to more suitable premises near Covent Garden.

The sale of our Kyrgyzstan exploration subsidiary to a Chinese group for £998,813 (US\$2 million) provided additional exploration funds.

In January 2008, Minerva Resources, which holds a 51% interest in Yubdo Platinum and Gold Development PLC ('YPGD') through its wholly owned subsidiary Golden Prospect Mining Company Limited, entered into an agreement to acquire a further 22% interest in YPGD, for a maximum consideration of \$5million, depending upon the results of stages in the project, from Ato Benti Tasissa Negewo, who holds 47% of YPGD, upon the completion of a feasibility study into the viability of a mining and processing operation to produce a minimum of 50,000 ounces of platinum per year.

Overall the company is proceeding well with its stated strategy, primarily in Ethiopia, while keeping an open mind on other potential opportunities in the region. In order to continue the development of its assets and to provide additional working capital, the Company is currently seeking additional funding.

**Andrew Daley**  
**Non-Executive Chairman**  
**30 June 2008**

**Minerva Resources plc (formerly Palladex plc)**

Unaudited Consolidated Income Statement for the six months ended 31 March 2008

	<b>Unaudited Six months ended 31 March 2008</b>	Unaudited Six months ended 31 March 2007	Audited Year ended 30 September 2007
<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Revenue</b>	<b>136,933</b>	-	306,519
Cost of sales	<b>(222,973)</b>	-	(181,135)
<b>Gross (Loss) / Profit</b>	<b>(86,040)</b>	-	125,384
Other income from continuing operations	<b>24,843</b>	-	963,060
Administrative expenses	<b>(652,611)</b>	(354,647)	(1,436,795)
<b>Loss from operations</b>	<b>(713,808)</b>	(354,647)	(348,351)
Financial expense	<b>(19,827)</b>	-	(9,437)
Financial income	<b>15,427</b>	35,866	62,657
<b>Loss before taxation</b>	<b>(718,208)</b>	(318,781)	(295,131)
<b>Taxation</b>	-	-	(15,240)
Loss for the period from continuing operations	<b>(718,208)</b>	(318,781)	(310,371)
Gain on disposal of discontinued operations	<b>248,763</b>	-	-
Profit for the period from discontinued operations	-	6,954	50,065
<b>Loss for the period</b>	<b>(469,445)</b>	(311,827)	(260,306)
Attributable to:			
Equity holders of the parent	<b>(451,660)</b>	(311,827)	(240,165)
Minority interest	<b>(17,785)</b>	-	(20,141)
Loss per share attributable to equity holders of the parent- basic and diluted	<b>4 (0.0040)</b>	(0.0051)	(0.0032)
Loss per share attributable to equity holders of the parent for continuing operations - basic and diluted	<b>4 (0.0063)</b>	(0.0052)	(0.0039)

**Minerva Resources plc (formerly Palladex plc)**  
 Unaudited Consolidated Balance Sheet as at 31 March 2008

	<b>Unaudited Six months ended 31 March 2008 £</b>	Unaudited Six months ended 31 March 2007 £	Audited Year ended 30 September 2007 £
<b>Assets:</b>			
<b>Non-current assets</b>			
Intangible assets	3,710,202	1,000,972	3,248,587
Property, plant and equipment	414,847	458,724	380,049
Available for sale investments	-	720,000	-
<b>Total non-current assets</b>	<b>4,125,049</b>	<b>2,179,696</b>	<b>3,628,636</b>
<b>Current assets</b>			
Inventories	68,192	5,788	47,418
Trade and other receivables	271,883	79,222	376,365
Cash and cash equivalents	1,227,391	1,550,011	1,361,897
Non-current assets classified as held for sale	21,417	-	772,255
<b>Total current assets</b>	<b>1,588,883</b>	<b>1,635,021</b>	<b>2,557,935</b>
<b>Total assets</b>	<b>5,713,932</b>	<b>3,814,717</b>	<b>6,186,571</b>
<b>Liabilities:</b>			
<b>Non-current liabilities</b>			
Borrowings	(5,732)	-	(5,849)
Deferred tax liability	(12,522)	-	(3,075)
<b>Total non-current liabilities</b>	<b>(18,254)</b>	<b>-</b>	<b>(8,924)</b>
<b>Current liabilities</b>			
Trade payables	(248,330)	(33,731)	(88,070)
Accruals and deferred income	(68,345)	-	(186,375)
Borrowings	(334,480)	-	(334,480)
Liabilities directly associated with non-current assets classified as held for sale	-	-	(11,701)
<b>Total current liabilities</b>	<b>(651,155)</b>	<b>(33,731)</b>	<b>(620,626)</b>
<b>Total liabilities</b>	<b>(669,409)</b>	<b>(33,731)</b>	<b>(629,550)</b>
<b>Total net assets</b>	<b>5,044,523</b>	<b>3,780,986</b>	<b>5,557,021</b>
<b>Equity attributable to equity holders of the company</b>			
Called up share capital	2,793,574	1,543,574	2,793,574
Share premium account	4,290,765	4,290,765	4,290,765
Revaluation reserve	-	720,000	-
Merger reserve	949,713	-	949,713
Foreign currency translation reserve	(38,249)	-	23,471
Retained losses	(3,322,734)	(2,773,353)	(2,897,673)
<b>Total equity attributable to equity holders of the company</b>	<b>4,673,069</b>	<b>3,780,986</b>	<b>5,159,850</b>
Minority interest	371,454	-	397,171
<b>Total equity</b>	<b>5,044,523</b>	<b>3,780,986</b>	<b>5,557,021</b>

**Minerva Resources plc (formerly Palladex plc)**

Unaudited Consolidated Cash Flow Statement for the six months ended 31 March 2008

	<b>Unaudited Six months ended</b>	Unaudited Six months ended	Audited Year ended 30 September
	<b>31 March 2008</b>	31 March 2007	2007
Note	£	£	£
<b>Cash flows from operating activities</b>			
<b>Loss before tax for the year</b>	<b>(451,660)</b>	(311,827)	(252,330)
Adjustments for:			
Depreciation	<b>50,994</b>	36,614	75,757
Share based payments	<b>26,599</b>	-	21,882
Profit on sale of investment	<b>(248,763)</b>	-	(955,200)
Profit on sale of assets	<b>(1,156)</b>	-	-
Provision against deferred exploration expenditure	-	-	79,610
Finance income	<b>(15,427)</b>	(35,898)	(62,657)
Finance expense	<b>19,827</b>	-	9,437
Exchange (gains)/loss	<b>(5,726)</b>	-	23,470
Minority interest	<b>(17,785)</b>	-	(20,141)
<b>Cash flows from operating activities before changes in working capital</b>	<b>(643,097)</b>	(311,111)	(1,080,172)
(Increase) in inventory	<b>(20,774)</b>	(230)	(41,860)
Decrease in trade and other receivables	<b>104,482</b>	188,617	16,316
Decrease / (Increase) in trade and other payables	<b>39,859</b>	(27,596)	(518,344)
<b>Cash flows from operating activities</b>	<b>(519,530)</b>	(150,320)	(1,624,060)
Income taxes paid	-	-	(12,165)
<b>Net cash flows from operating activities</b>	<b>(519,530)</b>	(150,320)	(1,636,225)
<b>Investing activities</b>			
Finance income	<b>15,427</b>	35,898	62,657
Proceeds from disposal of tangible assets	<b>1,156</b>	-	159,017
Proceeds from disposal of intangible assets	<b>998,813</b>	-	-
Purchase of property, plant and equipment	<b>(141,079)</b>	(158,622)	(292,066)
Sale of Saddleback Shares	-	-	955,200
Acquisition of ERL cash acquired	-	-	13,499
Payments for intangible assets	<b>(481,792)</b>	(215,257)	(90,882)
Cash flows from investing activities	<b>392,525</b>	(337,981)	807,425
<b>Financing activities</b>			
Interest expense	<b>(19,827)</b>	-	(9,437)
Draw down of loan	-	-	430,000
Loan repayments	-	-	(95,520)
Issue of ordinary share capital (net of issue costs)	-	-	(50,287)
Cash flows from financing activities	<b>(19,827)</b>	-	274,756
Decrease in cash	<b>(146,832)</b>	(488,301)	(554,044)
Cash and cash equivalents at beginning of the period	<b>1,361,897</b>	1,891,610	1,891,610
<b>Foreign exchange movements</b>	<b>12,326</b>	146,702	24,331
<b>Cash and cash equivalents at end of the period</b>	<b>1,227,391</b>	1,550,011	1,361,897

## **Notes to the Interim Report**

For the six months ending 31 March 2008

### **1. Basis of preparation**

The financial information set out above is based on the consolidated financial statements of Minerva Resources plc and its subsidiary companies (together referred to as the "Group"). The accounts of the Group for the six months ended 31 March 2008, which are unaudited, were approved by the Board on 27 June 2008. In accordance with s240(s) of the Companies Act 1985, such unaudited results do not constitute statutory accounts of the Company or Group.

These accounts have been prepared in accordance with the accounting policies set out in the Report and Accounts of Minerva Resources plc for the year ended 30 September 2007. The statutory accounts for the year ended 30 September 2007 have been filed with the registrar of Companies. The auditors' report on those accounts was unqualified, did not include any references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 237(2)-(3) of the Companies Act 1985.

The comparative figures presented are for the six months ended 31 March 2007 and the full year ended 30 September 2007. The Group's consolidated annual financial statements for the year ended 30 September 2007 were prepared using the recognition and measurement principles of International Financial Reporting Standards (IFRSs and IFRIC interpretations) as adopted by the European Union and also in accordance with the Companies Act 1985.

### **2. Changes in accounting policies**

There were no changes in accounting policies during the six months ended 31 March 2008.

### **3. Taxation**

Due to an operating loss for the period, no taxation has been provided for (2007: Nil).

### **4. Loss per share**

Loss per Ordinary Share has been calculated using the weighted average number of shares in issue during the relevant financial periods. The weighted average number of equity shares in issue for the period is 111,742,960 (six months ended 31 March 2007: 61,742,960 and year ended 30 September 2007: 74,242,960).

Losses for the Group attributable to the equity holders of the Company for the six months are £ 451,660 (six months ended 31 March 2007: £311,827 and year ended 30 September 2007: £240,165). Losses for the Group from continuing operations excluding minority interest are £700,423 (six months ended 31 March 2007: £318,781 and year ended 30 September 2007: £290,230).

In 2008 and 2007, the effect of the share options in issue under the option scheme are anti-dilutive and therefore diluted earnings per share has not been calculated. As at 31 March 2008, there were 4,800,000 share options in issue.

### **5. Discontinued operations**

At the end of March 2008, the group successfully concluded the sale of Palladex KR LLC, its wholly owned exploration company based in Kyrgyzstan, to Lingxi Ltd Investment Company, Urumqi, China for US\$2,000,000 (£998,813). No exploration costs were incurred during the six months ended 31 March 2008 in Kyrgyzstan.

The gain on discontinued operations was calculated as follows:

	<b>£</b>
Consideration:	
Cash	998,813
Total Assets	750,050
Total Liabilities	-
<b>Gain on disposal of discontinued operations</b>	<b><u>248,763</u></b>

Result of discontinued operations:

	<b>Unaudited Six months ended 31 March 2008 £</b>	Unaudited Six months ended 31 March 2007 £	Audited Year ended 30 September 2007 £
Gain on disposal of discontinued operations	248,763	-	-
Revenue *	-	173,509	316,086
Cost of sales *	-	(131,579)	(213,557)
Administrative expenses *	-	(35,008)	(52,512)
Financial Income *	-	32	48
Profit for the period from discontinued operations	<b><u>248,763</u></b>	<b><u>6,954</u></b>	<b><u>50,065</u></b>
Earning per share - basic**	0.0022	0.0001	0.0007
Earning per share - diluted**	0.0021	0.0001	0.0006

\* Prior to the registration of Palladex-Geotechservice LLC on 21 February 2007 and during the transition period, Palladex KR LLC provided drilling and other geotechnical services to customers in the region.

\*\* The weighted average number of shares used to calculate the basic earnings per share was 111,742,960 for the six months ended 31 March 2008 (six months ended 31 March 2007: 61,742,960 and year ended 31 September 2007: 74,242,960). The weighted average number of shares used to calculate the diluted earning per share was 116,542,960 for the six months ended 31 March 2008 (six months ended 31 March 2007: 62,942,960 and year ended 31 September 2007: 80,742,960)

## 6. Transition from UK GAAP to IFRS

Minerva Resources Plc's first published results which were prepared on an IFRS basis, were for the year ended 30 September 2007.

Set out below are extracts from the consolidated financial statements for the six months ended 31 March 2007, restated in accordance with IFRS including the income statements and balance sheets showing in each case the equivalent statement under United Kingdom Generally Accepted Accounting Principles (UK GAAP) and reconciliations between UK GAAP and IFRS.

Cash flow statements have not been prepared as the only changes to the cash flow statement are presentational. The key presentational changes include grouping cash flows under three main headings (from operating, investing and financing activities), presenting a statement showing the movements in cash and cash equivalents, and classifying tax cash flows as relating to operating activities.

The UK GAAP column below represents the numbers previously reported, however the presentation has been amended to comply with IAS1.

### Unaudited Consolidated Income Statement for the six months ended 31 March 2007

	UK GAAP	Effect of transition to IFRS	IFRS
Note	£	£	£
<b>Revenue</b>	173,509	-	173,509
Cost of sales	(131,579)	-	(131,579)
<b>Gross Profit</b>	41,930	-	41,930
Other income	-	-	-
Administrative expenses	(389,655)	-	(389,655)
<b>Loss from operations</b>	(347,725)	-	(347,725)
Financial expense	-	-	-
Financial income	35,898	-	35,898
<b>Loss before taxation</b>	(311,827)	-	(311,827)
Taxation	-	-	-
<b>Loss for the period</b>	(311,827)	-	(311,827)

Unaudited Consolidated Balance Sheet as at 31 March 2007

	UK GAAP	Effect of transition to IFRS	IFRS
Note	£	£	£
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	1,000,972	-	1,000,972
Property, plant and equipment	458,724	-	458,724
Available for sale investments	-	720,000	720,000
<b>Total non-current assets</b>	<b>1,459,696</b>	<b>720,000</b>	<b>2,179,696</b>
<b>Current assets</b>			
Inventories	5,788	-	5,788
Trade and other receivables	79,222	-	79,222
Cash and cash equivalents	1,550,011	-	1,550,011
<b>Total current assets</b>	<b>1,635,021</b>	<b>-</b>	<b>1,635,021</b>
<b>Total assets</b>	<b>3,094,717</b>	<b>720,000</b>	<b>3,814,717</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	33,731	-	33,731
<b>Total current liabilities</b>	<b>33,731</b>	<b>-</b>	<b>33,731</b>
<b>Total liabilities</b>	<b>33,731</b>	<b>-</b>	<b>33,731</b>
<b>Net assets</b>	<b>3,060,986</b>	<b>720,000</b>	<b>3,780,986</b>
<b>Equity</b>			
Share capital	1,543,574	-	1,543,574
Share premium account	4,290,765	-	4,290,765
Revaluation Reserve	-	720,000	720,000
Retained losses	(2,773,353)	-	(2,773,353)
<b>Total equity and reserves</b>	<b>3,060,986</b>	<b>720,000</b>	<b>3,780,986</b>

Explanation of reconciling items between UK GAAP and IFRS:

- i According to IAS39, the 2,400,000 Saddleback Corporation Limited shares held by the group at the period end were designated as available for sale financial assets and should be carried at fair value. The shares were revalued to fair market value with revaluation gains being recognised in reserves.

## **7 Other information**

### **Directors**

Andrew Edward Daley, Non-executive Chairman  
Terrance Alexander Ward, Managing Director  
Merlin Marr-Johnson, Executive Director: Development – resigned 1 January 2008  
John Michael Bottomley, Non-executive Director  
Robert Willem John Edwards, Non-executive Director – resigned 21 April 2008  
Roger Clegg, Non-executive Director

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### **Company Number**

4832551

### **Company Secretary**

John Michael Bottomley

### **Nominated Advisor and Broker**

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### **Solicitors**

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## **Notes to Editors**

Minerva Resources plc is a UK based mineral exploration and development company quoted on London's Alternative Investment Market (AIM: MVA). The Company is intent on delivering shareholder value by increasing and developing its mineral resources in a socially and environmentally responsible manner.

The main focus is resource development in Ethiopia where the Company has first-mover advantage on prospective ground on the Arabian-Nubian shield. Key projects include the gold resources at the Tulu Kapi, Gudeya-Guji and Guji Prospects and the Yubdo Platinum Mine, located in western Ethiopia, some 560km west of Addis Ababa.

Tulu Kapi was mined in the 1930s by an Italian company. In the 1970s, the United Nations Development Programme (UNDP) mapped and drilled Tulu Kapi. Tan Range Exploration carried out soil sampling and further mapping and drilling in the 1990s. These two phases of work confirmed mineralisation extending over a strike length of 1.5km. The project is undergoing resource drilling on a 600m section at present, after encouraging Minerva Resources ground mapping, data reinterpretation and excellent scout drilling results.

Drilling programmes are also underway at the Gudeya-Guji and Guji gold prospects, which are located in close proximity to Tulu Kapi. The drilling has shown mineralised intersections at both prospects.

The results from the drilling on the three prospects and their close proximity point towards a new gold province with the potential for the establishment of a 'one treatment plant –multiple feed scenario'.

The Company is examining the potential to expand the small scale platinum production operations at Yubdo, some 25km from the Tulu Kapi Project. A pilot gravity recovery plant has been installed, a metallurgical research programme has been initiated and further exploration activities have commenced on the 10km by 1.5km surface expression of the ore body.

In Sierra Leone, the Company holds gold, platinum and diamond exploration licences, which will for the most part continue to be developed by existing Joint Venture partners.