

## Minerva Resources plc

### Final Results

31 March 2008

AIM:MVA

Minerva Resources plc (AIM:PLX:L) ("Minerva Resources" or "the Company") is pleased to announce its audited financial results for the year ended 30 September 2007. The annual report and accounts have been published, posted to shareholders and are available on the company's website [www.minervaresources.com](http://www.minervaresources.com)

#### Highlights

- Net loss of £260,306 (£0.003), reflecting ongoing exploration and overhead budgeted expenditure, costs relating to acquisitions, the sale of Saddleback Corporation shares and revenues from contract geotechnical services in the Kyrgyz Republic and surrounding countries.
- £1,361,897 held in cash and cash equivalent as at 30 September 2007
- Completion of the acquisitions of Golden Prospect Mining Company Ltd (Bermuda), a private company owned by Ambrian Capital plc and Ethiopian Resources Limited
- Palladex plc renamed Minerva Resources plc
- Major restructure of the Board and Senior Management
- Sale of Saddleback Corporation shares resulting in net proceeds of £955,200
- Significant advancement of the Tulu Kapi Gold Project, Ethiopia.
- Establishment of two Kyrgyzstan registered companies, one to hold the exploration assets, the other to hold the geotechnical and drilling equipment assets

#### Corporate

The acquisitions of Golden Prospect Mining Company Ltd ("GPMC") and Ethiopian Resources Limited ("ERL") and the change of name from Palladex plc ("Palladex") to Minerva Resources plc ("Minerva Resources") were approved at an Extraordinary General Meeting held on the 9<sup>th</sup> July 2007. Trading in Minerva Resources was resumed on the 10<sup>th</sup> July 2007, having been suspended on the 23<sup>rd</sup> November 2006 while the transactions were completed, due to the proposed acquisitions being deemed to constitute a reverse take over.

Palladex issued 44,500,000 shares at 4.5p, representing 39.8% of the enlarged share capital of Minerva Resources, to Ambrian Capital plc and 5,500,000 shares at 4.5p, representing 4.9% of the enlarged share capital of Minerva Resources, to the shareholders of ERL in consideration of the acquisitions of GPMC and ERL.

Upon re-admission, Jeff O'Leary and Rashid Jaboev resigned as Directors, Merlin Marr-Johnson resigned as Chief Executive Officer and John Bottomley resigned as Non-Executive Chairman and Finance Director (Simon Village having resigned as Non-Executive Chairman and from the company in December 2006). John Bottomley was appointed a Non-Executive Director, while retaining his position as Company Secretary, Andrew Daley was appointed Non-Executive Chairman, Terry Ward was appointed Managing Director, Merlin Marr-Johnson was appointed Executive Director-Development and Roger Clegg was appointed a Non-Executive Director. Robert Edwards remained a Non-Executive Director.

Rashid Jaboev was appointed General Manager - Technical Services Division, Kyrgyzstan and Dr. Kebede Hailu Belete was appointed Country Manager- Ethiopia. Dr. Kebede Hailu Belete holds a BSc. (Hons) Applied Geol, Addis Ababa University, Ethiopia, a MPhil Economic Geology from Leicester University, UK, and a PhD from Graz University, Austria. He has over 17 years exploration and management experience with the Geological Service of the Ethiopian Ministry of Mines and Energy and several overseas exploration companies with operations in Ethiopia.

The sale of 2,400,000 shares in Saddleback Corporation, at 40 pence per share, brought a welcome addition of £955,000 to the Treasury on 13 September 2007. The funds enabled the Company to accelerate the development of the Tulu Kapi Gold project in Ethiopia

Subsequent to the end of the financial year, Merlin Marr-Johnson resigned on the 1<sup>st</sup> January 2008 from the Board and the company, due to a change in personal circumstances, and Gary Vermaak was appointed as Chief Financial Officer on the 1<sup>st</sup> January 2008. Gary holds a BCom ACMA and is a chartered management

accountant with over 15 years experience in the minerals industry and has held senior management positions in major operational companies.

The Company completed an agreement, in March 2008, to acquire a further 22% interest in YPGD 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 annum.

### **Chairman's Statement**

As most of you will know, I was appointed Chairman of the Board of your Company on the 9 July 2007 following Palladex Plc's ("Palladex") successful purchase of Golden Prospect Mining Company Ltd (Bermuda), a private company owned by Ambrian Capital Plc ("Ambrian") and Ethiopian Resources Ltd, a company set up to market platinum produced from Ethiopia.

The purchase of those companies and their assets in Africa was accompanied by a major restructure of the Board and Senior Management and a change of name of the Company to Minerva Resources Plc ("Minerva Resources").

Terry Ward, a very experienced and senior mining engineer with extensive experience in Africa, previously a consultant to Ambrian, was appointed to the position of Managing Director and Merlin Marr Johnson, previously Chief Executive Officer of Palladex, moved to take up the role of Executive Director Corporate Development.

Roger Clegg was appointed non-executive director representing Ambrian, which is now a 39.8% shareholder in the Company, whilst John Bottomley and Robert Edwards remained on the Minerva Resources Board as non executive directors.

With the restructure behind us, the new Board reviewed and ratified the previous decision by the Palladex Board not to pursue further the exploration assets held in Kyrgyzstan. Efforts to sell these licences are progressing.

Going forward the Board has agreed that the primary strategy for Minerva Resources will be pursuing early stage opportunities in the emerging countries in Africa, where we believe there will be some exciting opportunities over the next few years. In the current climate of a continuing strong world demand for resources, we are seeing an increasing incentive for some of the African countries, who to date have not seen major mining developments, to encourage accelerated development of their resources.

As you will be well aware, world prices for both platinum and gold have been very strong this last year and are currently at record levels. Whilst some of this strength may be attributed to a weakening US Dollar these price levels are encouraging us to focus on advancing our Ethiopian projects as fast as we can.

This means that the main effort, for the foreseeable future, will be directed to Minerva Resources' main assets in Ethiopia, namely: the Yubdo Platinum Project ("Yubdo") and the very exciting gold exploration properties at Tulu Kapi and Guji.

Good progress has been made in recent months at Yubdo with the construction of an initial pilot gravity recovery plant, which includes a Knelson concentrator. Work is also progressing on developing a greater understanding of both the geology and mineralogy of the deposit. We now believe that full recovery of the value locked up at Yubdo will be dependent on developing an effective combined physical and hydrometallurgical process route that will recover the ultra fine grained platinum compounds present in the deposit.

Discussions with our Ethiopian partner in Yubdo have also continued since the end of the year with regard to Minerva earning an increased level of ownership in the Project. As recently announced, an agreement has been reached whereby the Company will increase its interest in Yubdo to 73% by completing, at its cost, a bankable feasibility study ("BFS") for a Project to produce at least 50,000 ounces of platinum per annum.

Our aim is to now move forward swiftly to develop a JORC resource for the Yubdo deposit and to undertake further metallurgical test work as a precursor to a commencing a full BFS.

At the two gold exploration tenements of Tulu Kapi and Guji (100% Minerva Resources) trenching and diamond drilling has been accelerated since the end of the year. Unfortunately, like all exploration companies, we currently have to wait an inordinately long time for our assays to be returned from the laboratories. This is very frustrating as it delays our ability to update drilling programs based on results to date and equally importantly, delays us being able to disperse news to our shareholders.

Notwithstanding, we are very excited indeed by the results to date at both Tulu Kapi and Guji. Our geologists are currently of the view that we could well have a project sized orebody at least at one location and that ore mined from both locations could potentially be treated at one centrally located plant.

Although we have a long way to go with our projects, we are hopeful that we may have enough information to be able to generate JORC resources by the end of 2008. If this is achieved, Tulu Kapi could be your Company's first full size operating project in Ethiopia.

We will be seeking additional funding to assist with the attainment of the JORC resources.

We have now also established a new main office for our activities in Ethiopia, in Addis Ababa, and appointed Dr Kebede Hailu Belete (a very experienced geologist) as our country manager. Whilst Ethiopia has not, in recent times, been a major mining country, it is very prospective geologically. We are therefore hopeful that we will be able to acquire other interesting and attractive tenements in the country and build our overall interests there.

With that aim in mind I would like to mention that the assistance that we have had from the Government authorities to date, in pursuing our goals has been extremely encouraging. The Ethiopian mining investment law is to be updated in the near future and we expect that this will follow similar moves in other countries where the climate for foreign investment has been made more attractive for incoming investors.

Going forward, we also propose to undertake an updated review of our exploration interests in Sierra Leone as soon as possible. This will be done with a view to either accelerating our activities there or disposing of our interests.

We are also actively looking in other regions of the continent for additional opportunities.

On the corporate front our aim over the next year is to maximise the value for our exploration expenditures whether it be in Ethiopia, Sierra Leone or elsewhere. You will note from our accounts that over the last year we had a large one off expense associated with the acquisition of the Ambrian assets and the corporate restructure. In addition, going forward we are now also intending to allocate appropriate senior management expenses to individual projects rather than to "head office administration". This will provide a better reflection of the actual costs spent on each of our exploration properties going forward.

Last, but certainly not least, I would also like to thank my fellow directors and senior management for their support and efforts in moving Minerva forward since the restructure last July. Whilst Merlin Marr Johnson decided to leave us late in 2007 to pursue other opportunities, we recently have appointed a new Chief Financial Officer and are looking to strengthen our senior management team further in the coming months.

We certainly have a busy year ahead of us and I look forward to being able to bring you positive news on our projects as the coming year progresses.

Andrew E Daley  
Non-executive Chairman

For further information contact:

Terry Ward  
Managing Director  
Minerva Resources plc  
Tel: +44 (0)20 73951939/ (0)7989571576  
[taw@minervaresources.com](mailto:taw@minervaresources.com)  
[twardafl@yahoo.co.uk](mailto:twardafl@yahoo.co.uk)

Jane Stacey / Ed Portman  
Conduit PR  
Tel: +44 (0)20 7429 6606/ (0)7922923306  
[jane@conduitpr.com](mailto:jane@conduitpr.com)

James Joyce  
W. H. Ireland  
Tel: +44 (0)20 7220 1666  
[James.joyce@wh-ireland.co.uk](mailto:James.joyce@wh-ireland.co.uk)

**MINERVA RESOURCES PLC**  
**(Formerly Palladex plc)**

**Consolidated income statement for the year ended 30 September 2007**

	Year ended 30 September 2007	Year ended 30 September 2006
Note	£	£
<b>Revenue</b>	<b>306,519</b>	-
Cost of sales	<u>(181,135)</u>	-
<b>Gross Profit</b>	<b>125,384</b>	-
Other income	4 <b>963,060</b>	-
Administrative expenses	<u>(1,436,795)</u>	(794,595)
<b>Profit / (Loss) from operations</b>	4 <b>(348,351)</b>	(794,595)
Financial expense	6 (9,437)	-
Financial income	6 <b>62,657</b>	96,067
<b>Profit / (Loss) before taxation</b>	<b>(295,131)</b>	(698,528)
<b>Taxation</b>	7 <u>(15,240)</u>	-
<b>Profit / (Loss) for the year from continuing operations</b>	<b>(310,371)</b>	(698,528)
<b>Profit / (Loss) for the year from discontinued operations</b>	3 <u><b>50,065</b></u>	(485,988)
<b>Loss for the year</b>	<u><b>(260,306)</b></u>	<u>(1,184,516)</u>
<b>Attributable to:</b>		
Equity holders of the parent	<b>(240,165)</b>	(1,184,516)
Minority interest	<b>(20,141)</b>	-
Loss per Ordinary Share (£) attributable to equity holders of the parent:		
<b>Basic and diluted</b>	8 <u><b>(0.0032)</b></u>	<u>(0.0192)</u>
<b>Continuing operations</b>		
Basic and diluted	8 <u><b>(0.0039)</b></u>	<u>(0.0113)</u>

**MINERVA RESOURCES PLC**  
(Formerly Palladex plc)

**Consolidated statement of changes in equity for the year ended 30<sup>th</sup> September 2007**

	Share Capital	Share Premium	Merger Reserve	Revaluation Reserve	Foreign Currency Translation Reserve	Retained Losses	Total attributable to Equity Holders of the Parent	Minority Interest	Total attributable to Equity Holders of the Parent
	£	£	£	£	£	£	£	£	£
<b>Balance as at 1 October 2005</b>	<b>1,543,574</b>	<b>4,290,765</b>	-	<b>600,000</b>	-	<b>(1,618,983)</b>	<b>4,815,356</b>	-	<b>4,815,356</b>
Valuation gain on available for sale investment	-	-	-	120,000	-	-	120,000	-	<b>120,000</b>
Exchange differences arising on translation of foreign operations	-	-	-	-	-	142,210	142,210	-	<b>142,210</b>
Net income recognised directly in equity	-	-	-	120,000	-	142,210	262,210	-	262,210
Loss for the year	-	-	-	-	-	(1,184,516)	(1,184,516)	-	(1,184,516)
Total recognised income and expense for the year	-	-	-	120,000	-	(1,042,306)	(922,306)	-	(922,306)
Share based payment	-	-	-	-	-	2,040	2,040	-	2,040
<b>Balance as at 1 October 2006</b>	<b>1,543,574</b>	<b>4,290,765</b>	-	<b>720,000</b>	-	<b>(2,659,249)</b>	<b>3,895,090</b>	-	<b>3,895,090</b>
Transfer to Income on sale of available for sale investment	-	-	-	(720,000)	-	-	(720,000)	-	(720,000)
Exchange differences arising on translation of foreign operations	-	-	-	-	23,471	-	23,471	-	23,471
Net income recognised directly in equity	-	-	-	(720,000)	23,471	-	(696,529)	-	(696,529)
Loss for the year	-	-	-	-	-	(240,165)	(240,165)	-	(240,165)
Total recognised income and expense for the year	-	-	-	(720,000)	23,471	(240,165)	(936,694)	-	(936,694)
Issue of shares	1,250,000	-	-	-	-	-	1,250,000	-	1,250,000
Share based payment	-	-	-	-	-	21,882	21,882	-	21,882
Reserve created on acquisition of subsidiaries	-	-	1,000,000	-	-	-	1,000,000	-	1,000,000
Issue costs	-	-	(50,287)	-	-	-	(50,287)	-	(50,287)
Minority interest due to acquisition of subsidiaries	-	-	-	-	-	(20,141)	(20,141)	397,171	377,030
<b>Balance as at 30 September 2007</b>	<b>2,793,574</b>	<b>4,290,765</b>	<b>949,713</b>	-	<b>23,471</b>	<b>(2,897,673)</b>	<b>5,159,850</b>	<b>397,171</b>	<b>5,557,021</b>

The revaluation gains arise on first time adoption of IFRS.

See note 17 for description of, nature and purpose of each reserve

**MINERVA RESOURCES PLC**  
(Formerly Palladex plc)

**Consolidated balance sheet at 30<sup>th</sup> September 2007**

	Note	2007 £	2006 £
<b>Assets:</b>			
<b>Non-current assets</b>			
Intangible assets	9	3,248,587	750,000
Property, plant and equipment	10	380,049	321,410
Available for sale investments	11	-	720,000
<b>Total non-current assets</b>		<b>3,628,636</b>	<b>1,791,410</b>
<b>Current assets</b>			
Inventories	12	47,418	5,558
Trade and other receivables	13	376,365	267,839
Cash and cash equivalents		1,361,897	1,891,610
Non-current assets classified as held for sale	3	772,255	-
<b>Total current assets</b>		<b>2,557,935</b>	<b>2,165,007</b>
<b>Total assets</b>		<b>6,186,571</b>	<b>3,956,417</b>
<b>Liabilities:</b>			
<b>Non-current liabilities</b>			
Borrowings	15	(5,849)	-
Deferred tax liability	14	(3,075)	-
<b>Total non-current liabilities</b>		<b>(8,924)</b>	<b>-</b>
<b>Current liabilities</b>			
Trade payables	15	(88,070)	(19,252)
Accruals and deferred income	15	(186,375)	(42,075)
Borrowings	15	(334,480)	-
Liabilities directly associated with non-current assets classified as held for sale	3	(11,701)	-
<b>Total current liabilities</b>		<b>(620,626)</b>	<b>(61,327)</b>
<b>Total liabilities</b>		<b>(629,550)</b>	<b>(61,327)</b>
<b>Total net assets</b>		<b>5,557,021</b>	<b>3,895,090</b>
<b>Equity attributable to equity holders of the company</b>			
Called up share capital	16,17	2,793,574	1,543,574
Share premium account	17	4,290,765	4,290,765
Revaluation reserve	17	-	720,000
Merger reserve	17	949,713	-
Foreign currency translation reserve	17	23,471	-
Retained losses	17	(2,897,673)	(2,659,249)
Equity attributable to equity holders of the company		<b>5,159,850</b>	<b>3,895,090</b>
Minority interest		<b>397,171</b>	<b>-</b>
<b>Total equity</b>		<b>5,557,021</b>	<b>3,895,090</b>

**MINERVA RESOURCES PLC**  
**(Formerly Palladex plc)**

**Consolidated cash flow statement for the year ended 30<sup>th</sup> September 2007**

	Year ended 30 September 2007	Year ended 30 September 2006
Note	£	£
<b>Cash flows from operating activities</b>		
<b>Loss before tax for the year</b>	<b>(252,330)</b>	<b>(1,184,516)</b>
Adjustments for:		
Depreciation	10      75,757	91,704
Share based payments	16      21,882	2,040
Profit on sale of investment	4      (955,200)	-
Provision against deferred exploration expenditure	9      79,610	429,050
Finance income	6      (62,657)	(96,067)
Finance expense	6      9,437	-
Exchange (gains)/loss	23,470	26,206
Minority interest	<u>(20,141)</u>	<u>-</u>
<b>Cash flows from operating activities before changes in working capital and provisions</b>	<b>(1,080,172)</b>	<b>(731,583)</b>
Increase in inventory	(41,860)	-
Decrease/(Increase) in trade and other receivables	16,316	99,825
(Increase) / decrease in trade and other payables	<u>(518,344)</u>	<u>(156)</u>
<b>Cash flows from operating activities</b>	<b>(1,624,060)</b>	<b>(631,914)</b>
Income taxes paid	7      (12,165)	-
<b>Net cash flows from operating activities</b>	<b>(1,636,225)</b>	<b>(631,914)</b>
<b>Investing activities</b>		
Finance income	6      62,657	96,067
Proceeds from disposal of tangible assets	159,017	-
Purchase of property, plant and equipment	(292,066)	(200,708)
Sale of Saddleback Shares	4      955,200	180
Acquisition of ERL cash acquired	22      13,499	-
Payments for intangible assets	<u>(90,882)</u>	<u>(283,170)</u>
Cash flows from investing activities	<b>807,425</b>	<b>(387,631)</b>
<b>Financing activities</b>		
Interest expense	6      (9,437)	-
Draw down of loan	430,000	-
Loan repayments	(95,520)	-
Issue of ordinary share capital (net of issue costs)	<u>(50,287)</u>	<u>-</u>
Cash flows from financing activities	<b>274,756</b>	<b>-</b>
(Decrease) / Increase in cash	(554,044)	(1,019,545)
Cash and cash equivalents at beginning of the year	1,891,610	2,768,945
<b>Foreign exchange movements</b>	<b>24,331</b>	<b>142,210</b>
<b>Cash and cash equivalents at end of the year</b>	<b>20      <u>1,361,897</u></b>	<b>1,891,610</b>

## **1 Accounting policies**

### *Basis of preparation*

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs and IFRIC interpretations) issued by the International Accounting Standards Board (IASB) and as adopted by the European Union and with those parts of the Companies Act 1985 applicable to companies preparing their accounts under IFRS's. The financial statements have been prepared using sterling as this is the functional currency of the Group.

This is the first time the Company has prepared its financial statements in accordance with IFRSs, having previously prepared its financial statements in accordance with UK GAAP accounting standards. Details of how the transition from UK accounting standards to EU adopted IFRS has affected the Group's reported financial position, financial performance and cash flows are given in note 27.

### *First-time adoption of IFRS*

In preparing these financial statements, the Group has elected to apply the following transitional arrangements permitted by IFRS 1 'First-time Adoption of International Financial Reporting Standards':

Business combinations effected before 1 October 2005, including those that were accounted for using the merger method of accounting under UK accounting standards, have not been restated.

Only those exchange differences arising on the retranslation of foreign operations since 1 October 2005 have been recognised as a separate component of equity, with the related reserve being reset to zero at that date.

IFRS 2 'Share-based payments' has been applied to employee options granted after 7 November 2002 that had not vested by 1 October 2005.

The Group has made estimates under IFRSs at the date of transition, which are consistent with those estimates made for the same date under UK GAAP unless there is objective evidence that those estimates were in error, i.e. the Group has not reflected any new information in its opening IFRS balance sheet but reflected that new information in its income statement for subsequent periods.

### *New standards and interpretations*

*(a) New standards, amendments to published standards and interpretations to existing standards effective in 2007 and adopted by the Group*

- *IFRIC 10, Interim Financial Reporting and Impairment* (effective for accounting periods beginning on or after 1 November 2006). IFRIC 10 prohibits impairment losses recognised in an interim period on goodwill and investments in equity instruments and on financial assets carried at cost to be reversed at a subsequent balance sheet date. There was no impact on the Group's accounts from its adoption.

*(b) Standards, interpretations and amendments to published standards effective in 2007 but which are not relevant to the Group*

### *New standards and interpretations (cont.)*

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but are currently not relevant to the Group's operations:

- *IFRIC 7, Applying the restatement approach under IAS 29, Financial Reporting in Hyperinflationary Economies* (effective for accounting periods beginning on or after 1 March 2006).

IFRIC 7 provides guidance on the application of IAS 29 requirements in a reporting period in which entity identifies the existence of hyperinflation in the economy of its functional currency, when the.

**1 Accounting policies (Continued)**

company was not hyperinflationary in the prior period. IFRIC 7 is not relevant to the Group as none of the Group companies has a currency of a hyperinflationary economy as its functional currency

*(c) Standards, amendments and interpretations to published standards not yet effective for the year 30 September 2007*

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2007 or later periods and which the Group has decided not to adopt early. These are:

- *IFRS 7, Financial Instruments: disclosures and a complementary amendment to IAS 1, Presentation of Financial Statements – capital disclosures* (effective for accounting periods beginning on or after 1 January 2007). IFRS 7 introduces new requirements aimed at improving the disclosure of information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. Where those risks are deemed to be material to the Group it requires disclosures based on the information used by key management. It replaces the disclosure requirements in IAS 32 'Financial Instruments: disclosure and presentation'. It is applicable to all entities that report under IFRS.

- *IFRS 8, Operating Segments* (effective for accounting periods beginning on or after 1 January 2009). This standard sets out requirements for the disclosure of information about an entity's operating segments and also about the entity's products and services, the geographical areas in which it operates, and its major customers. It replaces IAS 14, 'Segmental Reporting'. The Group expects to apply this standard in the accounting period beginning on 1 January 2009. As this is a disclosure standard it will not have any impact on the results or net assets of the Group.

- *IAS 23, Borrowing Costs (revised)* (effective for accounting periods beginning on or after 1 January 2009). The revised IAS 23 is still to be endorsed by the EU. The main change from the previous version is the removal of the option of immediately recognising as an expense borrowing costs that relate to qualifying assets, broadly being assets that take a substantial period of time to get ready for use or sale. The Group is currently assessing its impact on the financial statements.

- *IFRIC 11, IFRS 2 - Group and Treasury Share Transactions* (effective for accounting periods

beginning on or after 1 March 2007). IFRIC 11 requires share-based payment transactions in which an entity receives services as consideration for its own equity instruments to be accounted for as equity settled. This applies regardless of whether the entity chooses or is required to buy those equity instruments from another party to satisfy its obligations to its employees under the share-based payment arrangement. It also applies regardless of whether: (a) the employee's rights to the entity's equity instruments were granted by the entity itself or by its shareholder(s); or (b) the share-based payment arrangement was settled by the entity itself or by its shareholder(s). Management is currently assessing the impact of IFRIC 11 on the accounts.

*New standards and interpretations (cont.)*

- *IFRIC 12, Service Concession Arrangements* (effective for accounting periods beginning on or after 1 January 2008). IFRIC 12 is still to be endorsed by the EU. IFRIC 12 gives guidance on the accounting by operators for public-to-private service concession arrangements. IFRIC 12 is not relevant to the Group's operations due to absence of such arrangements.

- *IFRIC 13, Customer Loyalty Programmes* (effective for accounting periods beginning on or after 1 July 2008). IFRIC 13 is still to be endorsed by the EU. IFRIC 13 addresses sales transactions in which the entities grant their customers award credits that, subject to meeting any further qualifying conditions, the customers can redeem in future for free or discounted goods or services. Management is currently assessing the impact of IFRIC 13 on the accounts.

**1 Accounting policies (Continued)**

- *IFRIC 14, IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* (effective for accounting periods beginning on or after 1 January 2008). IFRIC 14 is still to be endorsed by the EU. IFRIC 14 clarifies when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of IAS 19, how a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might give rise to a liability. Management is currently assessing the impact of IFRIC 14 on the accounts.

- *Revised IFRS 3, Business Combinations and complementary Amendments to IAS 27, 'Consolidated and separate financial statements'* (both effective for accounting periods beginning on or after 1 July 2009). This revised standard and amendments to is still to be endorsed by the EU. The revised IFRS 3 and amendments to IAS 27 arise from a joint project with the Financial Accounting Standards Board (FASB), the US standards setter, and result in IFRS being largely converged with the related, recently issued, US requirements. There are certain very significant changes to the requirements of IFRS, and options available, if accounting for business combinations. Management is currently assessing the impact of revised IFRS 3 and amendments to IAS 27 on the accounts.

- *Amendment to IFRS 2, Share-based payments: vesting conditions and cancellations* (effective for accounting periods beginning on or after 1 January 2009). This amendment is still to be endorsed by the EU. The Amendment to IFRS 2 is of particular relevance to companies that operate employee share save schemes. This is because it results in an immediate acceleration of the IFRS 2 expense that would otherwise have been recognised in future periods should an employee decide to stop contributing to the savings plan, as well as a potential revision to the fair value of the awards granted to factor in the probability of employees withdrawing from such a plan. Management is currently assessing the impact of the Amendment on the accounts.

- *International Accounting Standard 1 Presentation of Financial Statements (IAS 1)* (effective for accounting periods beginning or after 1 January 2009, yet to be endorsed by the EU) replaces IAS 1 Presentation of Financial Statements (revised in 2003) as amended in 2005.

IAS 1 amends some of the terminology used in regard to the primary statements. Furthermore it introduces a requirement to include a complete set of financial statements a statement of financial position as at the beginning of the earliest comparative period whenever the entity retrospectively applies an accounting policy or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements. In addition the requirements in regard to the presentation of changes in equity and income and expenses are altered. Management is currently assessing the impact of the amendments on the accounts.

- *Amendments to IAS 32, "Financial Instruments: Presentation" and IAS 1, "Presentation of Financial Statements" - Puttable Financial Instruments and Obligations Arising on Liquidation* (effective for accounting periods beginning or after 1 January 2009, yet to be endorsed by the EU)

IAS 32 is amended by requiring some financial instruments that meet the definition of a financial liability to be classified as equity. The amendment addresses the classification of some puttable financial instruments, and instruments, or components of instruments, that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation. Management is currently assessing the impact of the amendments on the accounts.

*Basis of Consolidation*

Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

**1 Accounting policies (Continued)**

*Business combinations*

The consolidated financial statements incorporate the results of the business combinations using the acquisition method of accounting. In the consolidated balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated income statement from the date on which control is obtained.

*Associates*

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the consolidated balance sheet at cost. The Group's share of post-acquisition profits and losses is recognised in the consolidated income statement.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

*Joint ventures*

Jointly controlled entities are included in the financial statements using proportionate consolidation. The share of each of the jointly controlled entity's assets, liabilities, income and expenses are combined on a line-by-line basis with those of the Group.

Profits and losses arising on transactions between the Group and jointly controlled entities are recognised only to the extent of unrelated investors' interests in the entity. The investor's share in the jointly controlled entity's profits and losses resulting from these transactions is eliminated against the asset or liability of the JCE arising on the transaction.

*Foreign currency*

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are similarly recognized immediately in the income statement.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those when the transactions took place. All assets and liabilities of overseas operations, including any goodwill arising on the acquisition of those operations, are translated at the rate ruling at the balance sheet date.

*Foreign currency (cont.)*

Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognized directly in equity (the "foreign exchange reserve"). Exchange differences recognized in the income statement of Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to the foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the income statement as part of the profit or loss on disposal.

The Group uses Sterling as its presentation currency as this is considered to be the functional currency of the parent Company.

**MINERVA RESOURCES PLC**  
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**Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007**

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**1 Accounting policies (Continued)**

*Revenue*

Revenue is derived from drilling services to third party customers and sales of platinum concentrate. Sales of platinum concentrate are recognised at the time of delivery of the product to the purchaser. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and other sales tax or duty.

*Share-based payments*

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement on a straight-line basis 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. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

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 income statement over the remaining vesting period.

The expense recognised for share option awards that lapse or are cancelled before vesting except where they carry market vesting conditions is accelerated into the period in which the lapse or cancellation occurs.

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

*Tax*

Income tax on the profit or loss from ordinary activities includes current and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable and is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs to its tax base, except for differences arising on the initial recognition of goodwill, for which amortisation is not tax deductible, the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred tax liabilities/ (assets) are settled/ (recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either the same taxable Group Company or different Group entities which intend either to settle current tax assets and liabilities on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

**1 Accounting policies** (*Continued*)

*Intangible assets – Deferred exploration expenditure*

The Group applies the full cost method of accounting having regard to the requirements of IFRS 6 'Exploration for and Evaluation of Mineral Resources'. Under the full cost method of accounting, all costs associated with exploration for and evaluation of mining are capitalised in geographical pools pending determination of the feasibility of each project. Such cost pools are based on geographic areas and are not larger than a segment.

Costs which are capitalised include costs of licence acquisition, technical services and studies, exploration drilling and testing and appropriate technical and administrative expenses but do not include general overheads or costs incurred prior to having obtained the legal rights to explore an area, which are expensed directly to the income statement as they occur.

When the technical and commercial feasibility of a mining project has been determined, the related expenditures will be transferred to property, plant and equipment as proved properties. Where a licence is relinquished, a project is abandoned, or is considered to be of no further commercial value to the Company, the related costs will be written off to the income statement.

Deferred exploration costs are assessed at each period end and where there are indications of impairment. Any amount by which carrying costs exceed recoverable amounts will be written off. The recoverability of deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition of recoverable reserves.

The deferred exploration assets are considered to have a finite life based on relevant reserves. The assets will be depreciated on a unit of production basis following the transfer and the respective depreciation will be included with in operating costs within the income statement.

*Goodwill*

Goodwill represents the excess of the cost of a business combination over the interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired. Cost comprises the fair values of assets given, liabilities assumed and equity instruments issued, plus any direct costs of acquisition.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated income statement. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated income statement on the acquisition date. Goodwill is tested for impairment at year end or when any such indication exists.

*Property, plant and equipment*

Depletion, depreciation and amortisation of proved mining properties is provided over the estimated commercial life of each property and computed using the units of production method based on proved reserves as determined annually by management. Depletion, depreciation and amortisation are included within operating expenses within the income statement.

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future costs of dismantling and removing items. The corresponding liability is recognised within provisions.

**MINERVA RESOURCES PLC**  
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**Notes forming part of the financial statements for year ended 30<sup>th</sup> September 2007 (Continued)**

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**1 Accounting policies (Continued)**

Depreciation is provided on all items of property and equipment to write off the carrying value of items over their expected useful economic lives. It is applied at the following rates:

Freehold property	50 years
Motor vehicles	4 years
Furniture, fixtures and fittings	4 years
Plant and equipment	4 years

Freehold land is not depreciated.

*Impairment of property, plant and equipment*

Property, plant and equipment are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (i.e. the lowest Group of assets in which the asset belongs for which there are separately identifiable cash flows).

Any impairment charge is included in the administrative expenses line item in the income statement, except to the extent they reverse gains previously recognised in the statement of recognised income and expense.

*Inventories*

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Weighted average cost is used to determine the cost of ordinarily interchangeable items.

*Investments*

In its separate financial statements, the Company recognises its investments in subsidiaries at cost less any necessary adjustments for impairment.

*Provision for abandonment costs*

Provision for abandonment costs are recognised at the commencement of production. The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding tangible fixed asset of an amount equivalent to the provision is also created. This is subsequently depreciated as part of the capital costs of production. Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision and the fixed assets.

*Financial Assets*

The Group classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

**Loans and receivables:** These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They incorporate various types of contractual monetary assets, such as advances made to affiliated entities and the provision of good and services to customers which give rise to trade receivables. They are carried initially recognised at fair value plus transaction costs

that are directly attributable to the acquisition or issue and subsequently carried at amortised cost using the effective **MINERVA RESOURCES PLC**

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Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (*Continued*)

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**1 Accounting policies** (*Continued*)

interest method. Trade receivables are not discounted where payment is not deferred significantly.

*Cash and cash equivalents*

Cash comprises bank and cash deposits at variable interest rates. Any interest earned is accrued monthly and classified as interest income. Cash equivalents comprise short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Available for sale:** Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise principally the Group's strategic investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. They are carried at fair value with changes in fair value recognised directly in a separate component of equity (revaluation reserve). Where there is a significant or prolonged decline in the fair value of an available for sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously charged to equity, is recognised in the income statement. Purchases and sales of available for sale financial assets are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the available for sale reserve. On sale, the amount held in the available for sale reserve associated with that asset is removed from equity and recognised in the income statement.

*Financial liabilities*

**Other financial liabilities** include the following items:

Borrowings are initially recognised at fair value net of any transaction costs directly attributable to issue. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. Trade payables are not discounted where payment is not deferred significantly.

*Leased Assets*

Where assets are financed by leasing agreements that do not give rights approximating ownership, these are treated as operating leases. The annual rentals are charged to the income statement on a straight line basis over the term of the lease.

*Critical accounting estimates and judgements*

The Group makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may deviate from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

*Fair value of exploration and appraisal assets*

The fair value of exploration and appraisal assets was based on Competent Person's Reports, further discounted to reflect future risks such as higher interest rates, smaller than expected reserves and variation to other critical assumptions.

**MINERVA RESOURCES PLC**  
**(Formerly Palladex plc)**

**Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (Continued)**

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1 Accounting policies (*Continued*)

*Recoverability of exploration and evaluation costs*

Under the full cost method of accounting for exploration and appraisal costs, such costs are capitalised as intangible assets by reference to appropriate cost pools, and are assessed for impairment when circumstances suggest that the carrying amount may exceed its recoverable value. This assessment involves judgement as to (i) the likely future commerciality of the asset and when such commerciality should be determined, and (ii) future revenues and costs pertaining to any wider cost pool with which the asset in question is associated, and the discount rate to be applied to such revenues and costs for the purpose of deriving a recoverable value.

*Impairment review*

While conducting an impairment review of its assets, the Group makes certain judgements in making assumptions about the future prices, reserve levels, and future development and production costs. Changes in the estimates used can result in significant charges to the income statement.

*Legal proceedings and commercial disputes*

In accordance with IFRS, the Group only recognises a provision where there is a present obligation from a past event, a transfer of economic benefit is probable and the amount of cost of the transfer can be estimated reliably. In instances where the criteria are not met, a contingent liability may be disclosed in the notes to the financial statements. Realisation of any contingent liabilities not currently recognised or disclosed in the financial statements could have a material effect on the Group's financial position. Application of this accounting principle requires the management to make determinations about various factual and legal matters beyond their control. Among the factors considered in making decisions on provisions are the nature of the disputes and litigations, the progress of the cases, the opinions of legal advisers, experience of similar cases and any decision of the Group's management as to how it will respond to any such claim or litigation.

**MINERVA RESOURCES PLC**  
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Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (*Continued*)

**2 Segmental analysis**

The Group operates in two business segments, the exploration and development of gold and platinum projects in Africa (Sierra Leone and Ethiopia) and the provision of geotechnical drilling services to other mining companies in the Kyrgyz Republic. The Group holds licences in Sierra Leone, which are being managed by the joint venture partners. The only costs incurred to date are in respect of licence fees which are recognised in deferred exploration expenditure in the balance sheet. Ethiopia is the Group's major focus area. The Group's primary format for reporting segmental information is geographic segments.

<b>2007</b>		<b>Ethiopia</b>	<b>Kyrgyz Rep.</b>	<b>Corporate</b>	<b>Total</b>
		£	£	£	£
Revenue		<b>22,548</b>	<b>600,058</b>	<b>(316,087)</b>	<b>306,519</b>
Profit / Loss after taxation	Continuing activities	<b>(226,696)</b>	<b>114,137</b>	<b>(197,812)</b>	<b>(310,371)</b>
	Discontinued activities	-	<b>50,065</b>	-	<b>50,065</b>
Total assets		<b>3,288,052</b>	<b>1,152,215</b>	<b>1,746,304</b>	<b>6,186,571</b>
Total liabilities		<b>(43,853)</b>	<b>(36,389)</b>	<b>(549,308)</b>	<b>(629,550)</b>

Other segment items included in the group statements are as follows:

Capital Expenditure		<b>1,066,153</b>	-	-	<b>1,066,153</b>
Depreciation		<b>(37,077)</b>	<b>(12,485)</b>	<b>(26,195)</b>	<b>(75,757)</b>
Impairment of assets		<b>(79,610)</b>	-	-	<b>(79,610)</b>
Share based payments		-	-	<b>(21,882)</b>	<b>(21,882)</b>

<b>2006</b>		<b>Ethiopia</b>	<b>Kyrgyz Rep.</b>	<b>Corporate</b>	<b>Total</b>
		£	£	£	£
Revenue		-	-	-	-
Loss after taxation	Continuing activities	-	-	<b>(698,528)</b>	<b>(698,528)</b>
	Discontinued activities	-	<b>(485,988)</b>	-	<b>(485,988)</b>
Total assets		-	<b>3,101,112</b>	<b>855,305</b>	<b>3,956,417</b>
Total liabilities		-	<b>(61,327)</b>	-	<b>(61,327)</b>

Other segment items included in the group statements are as follows:

Capital Expenditure		-	<b>483,878</b>	-	<b>483,878</b>
Depreciation		-	-	<b>(91,513)</b>	<b>(91,513)</b>
Impairment of assets		-	-	<b>(429,050)</b>	<b>(429,050)</b>
Share based payments		-	-	<b>(2,040)</b>	<b>(2,040)</b>

**MINERVA RESOURCES PLC**  
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Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (*Continued*)

The Group's secondary reporting format for reporting segment information is business segments.

<b>2007</b>		<b>Exploration</b>	<b>Drilling</b>	<b>Corporate</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Revenue		22,548	600,058	(316,087)	306,519
Profit / Loss after taxation	Continuing activities	(226,696)	114,137	(197,812)	(310,371)
	Discontinued activities	-	50,065	-	50,065
Total assets		3,288,052	1,152,215	1,746,304	6,186,571
Total liabilities		(43,853)	(36,389)	(549,308)	(629,550)

Other segment items included in the group statements are as follows:

Capital Expenditure		1,066,153	-	-	1,066,153
Depreciation		(37,077)	(12,485)	(26,195)	(75,757)
Impairment of assets		(79,610)	-	-	(79,610)
Share based payments		-	-	(21,882)	(21,882)

<b>2006</b>		<b>Exploration</b>	<b>Drilling</b>	<b>Corporate</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Revenue		-	-	-	-
Loss after taxation	Continuing activities	-	-	(698,528)	(698,528)
	Discontinued activities	(485,988)	-	-	(485,988)
Total assets		3,101,112	-	855,305	3,956,417
Total liabilities		(61,327)	-	-	(61,327)

Other segment items included in the group statements are as follows:

Capital Expenditure		483,878	-	-	483,878
Depreciation		-	-	(91,513)	(91,513)
Impairment of assets		(429,050)	-	-	(429,050)
Share based payments		-	-	(2,040)	(2,040)

**MINERVA RESOURCES PLC**  
**(Formerly Palladex plc)**

Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (*Continued*)

**3 Discontinued activities**

During the year the Group has discontinued its exploration activities in the Kyrgyz Republic as explained in the review of operations. Accordingly the income, expenses, assets and liabilities relating to these assets have been reclassified and shown as discontinued. The following table details the impact on the income statement and balance sheet of the reclassification.

	2007	2006
	£	£
Revenue	<b>316,086</b>	-
Administrative expenses	<b>(266,021)</b>	(56,938)
Impairment of assets	-	(429,050)
Profit/(loss) before taxation	<b>50,065</b>	(485,988)
Basic earnings/(loss) per share (pence)	<b>0.0007</b>	(0.0079)
Diluted earnings/(loss) per share (pence)	<b>0.0006</b>	-
Total assets	<b>772,255</b>	
Total liabilities	<b>(11,701)</b>	

Earnings per Ordinary Share have 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 74,242,960 (2006: 61,742,960).

Earnings for the Group attributable to discontinued activities for the year are £50,065 (2006: Loss of £485,988). The denominator used in the calculation of diluted earnings per share was 80,742,960. In 2006, the effect of the share options in issue under the option schemes are anti-dilutive and therefore diluted earnings per share has not been calculated. See note 16 for further details of share options in issue.

**4 Loss from operations**

	Year ended 30 September 2007 £	Year ended 30 September 2006 £
Loss from operations has been arrived at after charging:		
Fees payable to the Company's Auditor for the audit of the Company's annual accounts	<b>51,750</b>	37,950
Fees payable to the Company's Auditor for services relating to corporate finance transactions entered into or proposed to be entered into by or on behalf of the Company or any of its Associates	<b>67,600</b>	-
Fees payable to the Company's Auditor for tax compliance services	<b>5,300</b>	3,500
Directors' remuneration	<b>267,339</b>	269,400
Employee salaries and other benefits	<b>99,042</b>	49,714
Share based payment	<b>21,882</b>	2,040
Costs relating to corporate finance transactions entered into by the Company including AIM readmission costs	<b>266,596</b>	-
Provision against deferred exploration expenditure	<b>79,611</b>	429,050
Depreciation and amortisation	<b>75,757</b>	91,704
Operating lease rentals – land and building	<b>15,055</b>	27,511
Other income:		
Sale of Saddleback Corporation Limited shares	<b>955,200</b>	-
Miscellaneous Income	<b>7,860</b>	-
	<b>963,060</b>	-

Refer to Note 11 for further details on the Saddleback Corporation Limited shares.

**MINERVA RESOURCES PLC****(Formerly Palladex plc)****Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (Continued)****5 Salaries**

	<b>Year ended 30 September 2007</b>	Year ended 30 September 2006
	<b>Total</b>	Total
	£	£
Gross salaries and fees (including directors)	<b>349,589</b>	301,186
Employee Benefits and social security costs	<b>16,792</b>	17,928
Share based payments	<b>21,882</b>	2,040
	<b><u>388,263</u></b>	<u>321,154</u>
Average number of employees (including directors) during the year	<b><u>50</u></b>	<u>6</u>

**Directors' emoluments**

	<b>Salary</b>	<b>Fees</b>	<b>Share based payment</b>	<b>Year ended 30 September 2007</b>	Year ended 30 September 2006
	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	Total
	£	£	£	£	£
A E Daley	-	<b>5,753</b>	<b>3,366</b>	<b>9,119</b>	-
S P L Village	-	<b>3,167</b>	-	<b>3,167</b>	19,800
T A Ward	<b>19,562</b>	-	<b>5,050</b>	<b>24,612</b>	-
M A Marr-Johnson	<b>107,141</b>	-	<b>5,050</b>	<b>112,191</b>	100,000
R Jaboev	<b>98,742</b>	-	<b>1,347</b>	<b>100,089</b>	100,680
J M Bottomley	-	<b>12,302</b>	<b>1,683</b>	<b>13,985</b>	10,680
J O'Leary	-	<b>14,294</b>	-	<b>14,294</b>	19,800
R W J Edwards	-	<b>16,767</b>	<b>1,683</b>	<b>18,450</b>	20,480
R Clegg	-	<b>3,958</b>	<b>1,683</b>	<b>5,641</b>	-
	<b><u>225,445</u></b>	<b><u>56,241</u></b>	<b><u>19,862</u></b>	<b><u>301,548</u></b>	<u>271,440</u>

All Directors remuneration is paid in cash in accordance with their contracts. In addition all directors have received options to purchase Ordinary Shares of the Company at an exercise price of 6.5p per share (see Note 16). The highest paid director was paid £112,191 (2006 – £100,680) in the year.

The Company provides limited Directors & Officers Liability Insurance, at a cost of approximately £13,591 (2006 – £15,750).

Out of the share based payment charge for 2007 (see note 16), £19,862 (2006 – £2,040) relates to share based payments to directors and £2,020 (2006 – £nil) relates to share based payments to employees.

**MINERVA RESOURCES PLC**  
**(Formerly Palladex plc)**

Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (*Continued*)

**6 Financial income and expenses**

	Year ended 30 September 2007 £	Year ended 30 September 2006 £
<b>Financial expenses</b>		
Interest payable on borrowings	(9,437)	-
<b>Financial income</b>		
Interest receivable from bank deposit	62,657	96,067
<b>Net financial income recognised in income statement</b>	<u>53,220</u>	<u>96,067</u>

**7 Taxation on loss from ordinary activities**

The tax assessed for the year is different to the standard rate of corporation tax in the UK. The differences are explained below:

	2007 £	2006 £
<b>Current tax expense</b>		
UK corporation tax	-	-
Income tax of overseas operations on profits for the year	(12,165)	-
Withholding taxes payable	-	-
Double tax relief	-	-
Utilisation of previously unrecognised tax losses	-	-
Adjustment for under/(over) provision in prior periods	-	-
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(3,075)	-
Previously unrecognised deferred tax assets assessed as recoverable at the end of the year	-	-
Previously recognised deferred tax assets written off in the year	-	-
<b>Total income tax expense</b>	<u>(15,240)</u>	<u>-</u>

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

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Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (*Continued*)

<b>Tax Expense</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Group loss for the year	<b>(260,306)</b>	<b>(1,184,516)</b>
Expected tax charge based on the standard rate of corporation tax in the UK of 30% (2006 - 30%)	<b>(78,092)</b>	<b>(355,355)</b>
Expenses not deductible for tax purposes	<b>(3,370)</b>	-
Income not subject to tax	<b>(286,560)</b>	-
Utilisation of previously unrecognised tax losses	-	-
Temporary difference on fixed assets	<b>19,647</b>	-
Losses in year not relieved against current tax	<b>318,986</b>	<b>355,355</b>
Different tax rates applied in overseas jurisdictions	<b>11,074</b>	-
Deferred tax expense	<b>3,075</b>	-
Total tax expense	<b>(15,240)</b>	-

*The total of unprovided deferred tax assets which have not been provided in the financial statements amount to £648,929, of which £608,304 (2006 - £355,355) relates to unprovided losses and £40,625 (2006 - £nil) relates to share based payments*

**8 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 74,242,960 (2006: 61,742,960).

Losses for the Group attributable to the equity holders of the Company for the year are £240,165 (2006: £1,184,516). Losses for the Group from continuing operations excluding minority interest are £290,230 (2006: £698,528). In 2007 and 2006, the effect of the share options in issue under the option schemes are anti-dilutive and therefore diluted earnings per share has not been calculated. See note 16 for further details of share options in issue.

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Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (*Continued*)

**9 Intangible assets**

	Deferred exploration expenditure £	Goodwill £	Total £
<b>Cost</b>			
At 1 October 2005	895,880	-	895,880
Additions	283,170	-	283,170
At 30 September 2006	<u>1,179,050</u>	-	<u>1,179,050</u>
At 1 October 2006	1,179,050	-	1,179,050
Additions	90,882	-	90,882
Acquisitions	3,007,876	229,439	3,237,315
At 30 September 2007	<u><b>4,277,808</b></u>	<u><b>229,439</b></u>	<u><b>4,507,247</b></u>
<b>Amortisation</b>			
At 1 October 2005	-	-	-
Provision for impairment	429,050	-	429,050
At 30 September 2006	<u>429,050</u>	-	<u>429,050</u>
At 1 October 2006	429,050	-	429,050
Provision for impairment	79,610	-	79,610
At 30 September 2007	<u><b>508,660</b></u>	-	<u><b>508,660</b></u>
<b>Net book value</b>			
At 30 September 2006	<u>750,000</u>	-	<u>750,000</u>
<b>At 30 September 2007</b>	<u><b>3,769,148</b></u>	<u><b>229,439</b></u>	<u><b>3,998,587</b></u>
Transfer to non-current assets classified as held for sale			(750,000)
Total intangible assets per balance sheet			<u><b>3,248,587</b></u>

The additions are in respect of exploration activities after the acquisition of GPMC on 9 July 2007 and the acquisition refers to the assets acquired from GPMC on that date. A fair value adjustment has been made on the acquisitions.

The provision for impairment of the Kyrgyz Republic exploration assets relates to the Aksur and Karakala licence areas which are now considered by the directors not to be supported by significant JORC compliant reserves and the Group has discontinued exploration activities in the Kyrgyz Republic

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Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (*Continued*)

The provision for Ethiopia relates to the Tulu Dimtu exploration area for which the licence has been relinquished post year end and the reduction in the size of the Tulu Dimtu Extension and Yubdo exploration licence areas.

<b>2007 Deferred exploration by region</b>	<b>Sierra Leone</b>	<b>Ethiopia</b>	<b>Kyrgyzstan</b>	<b>Total</b>
Cost	-	-	1,179,050	1,179,050
Acquisitions	-	3,007,876	-	3,007,876
Additions	33,288	57,594	-	90,882
Provision for impairment	-	(79,610)	(429,050)	(508,660)
Net book value	<u>33,288</u>	<u>2,985,860</u>	<u>750,000</u>	<u>3,769,148</u>

<b>2006 Deferred exploration by region</b>	<b>Sierra Leone</b>	<b>Ethiopia</b>	<b>Kyrgyzstan</b>	<b>Total</b>
Cost	-	-	1,179,050	1,179,050
Provision for impairment	-	-	(429,050)	(429,050)
Net book value	<u>-</u>	<u>-</u>	<u>750,000</u>	<u>750,000</u>

Goodwill is allocated to the cash generating unit in respect of Ethiopian Resources Limited (“ERL”), which was formed to organise the importation of the platinum concentrate and gold dore from Ethiopia to the UK, the refining of the platinum concentrate and gold dore, as well as the sale of the refined platinum and other precious metals, from both Yubdo and future Group operations. The directors have determined that it is impracticable to estimate a defined useful life for the goodwill, hence it is subject to an annual impairment review. The director’s believe that the value in use of ERL less fair costs to sell will be recovered through the current production levels of 250 ounces of platinum per year and the estimated potential future increase in platinum production at Yubdo as well as the potential gold output of the Tulu Kapi and surrounding exploration areas.

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Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (*Continued*)

**10 Property, plant and equipment**

	<b>Plant &amp; Equipment</b>	<b>Motor Vehicles</b>	<b>Freehold Property</b>	<b>Fixtures &amp; Fittings</b>	<b>Total</b>
	£	£	£	£	£
<i>Cost</i>					
At 1 October 2005	225,237	18,040	6,097	26,269	<b>275,643</b>
Additions	169,868	26,414	2,558	1,868	<b>200,708</b>
Disposals	-	-	-	(275)	<b>(275)</b>
At 30 September 2006	<u>395,105</u>	<u>44,454</u>	<u>8,655</u>	<u>27,862</u>	<b>476,076</b>
At 1 October 2006	395,105	44,454	8,655	27,862	<b>476,076</b>
Additions	213,590	52,899	-	25,577	<b>292,066</b>
Acquisitions	1,347	-	-	-	<b>1,347</b>
Disposals	(133,733)	-	(1,509)	(26,394)	<b>(161,636)</b>
At 30 September 2007	<u><b>476,309</b></u>	<u><b>97,353</b></u>	<u><b>7,146</b></u>	<u><b>27,045</b></u>	<b>607,853</b>
<i>Depreciation</i>					
At 1 October 2005	47,012	6,013	225	9,807	<b>63,057</b>
Charge for the year	70,588	19,312	604	1,009	<b>91,513</b>
Disposals	-	-	-	96	<b>96</b>
At 30 September 2006	<u>117,600</u>	<u>25,325</u>	<u>829</u>	<u>10,912</u>	<b>154,666</b>
At 1 October 2006	117,600	25,325	829	10,912	<b>154,666</b>
Charge for the year	68,868	6,889	-	-	<b>75,757</b>
Disposals	-	-	(355)	(2,264)	<b>(2,619)</b>
At 30 September 2007	<u><b>186,468</b></u>	<u><b>32,214</b></u>	<u><b>474</b></u>	<u><b>8,648</b></u>	<b>227,804</b>
Net book value at 30 September 2006	<u>277,505</u>	<u>19,129</u>	<u>7,826</u>	<u>16,950</u>	<b>321,410</b>
Net book value at 30 September 2007	<u><b>289,841</b></u>	<u><b>65,139</b></u>	<u><b>6,672</b></u>	<u><b>18,397</b></u>	<b>380,049</b>

**11 Available for sale investments**

	2007	2006
	£	£
<i>Cost</i>		
At 1 October	<b>720,000</b>	600,000
Revaluation	-	120,000
Disposals	<u>(720,000)</u>	-
At 30 September	<u>-</u>	<u>720,000</u>

The Group disposed of the 2,400,000 shares in Saddleback Corporation Limited during the year for £955,200, which is equal to the profit included in other income.

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Notes forming part of the financial statements for to the year ended 30<sup>th</sup> September 2007 (Continued)

**12 Inventories**

	2007	2006
	£	£
Stock of Concentrate	27,775	-
Materials and supplies	19,643	5,558
<b>Total</b>	<b>47,418</b>	<b>5,558</b>

Inventory recognised as an expense during the year 155,360 -

There are no material differences between the carrying values of inventories and their net realisable value.

**13 Receivables**

	2007	2006
	£	£
<b>Trade and Other Receivables</b>		
Trade Receivables	117,058	-
Other receivables	203,641	267,839
Amounts due from employees	19,382	-
Prepayments	36,284	-
	<b>376,365</b>	<b>267,839</b>

Included within other receivables are amounts relating to recoverable VAT and amounts in respect of expenditure on future projects. All amounts shown under receivables fall due for payment within one year.

**14 Deferred Taxation**

	2007	2006
	£	£
Balance brought forward 1 October	-	-
(Charge) / credit for the year (see note 7)	(3,075)	-
Balance carried forward 30 September	<b>(3,075)</b>	<b>-</b>

Deferred taxation relates to temporary differences on plant and equipment.

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Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (*Continued*)

**15 Liabilities**

<i>Current liabilities: Amounts falling due within one year</i>	<b>2007</b>	2006
	£	£
Trade creditors	<b>(88,070)</b>	(19,252)
Accruals and deferred income	<b>(186,375)</b>	(42,075)
Loans	<b>(334,480)</b>	-
Total	<b><u>(608,925)</u></b>	<b><u>(61,327)</u></b>
<i>Non-current liabilities: Amounts falling due after one year</i>	<b>2007</b>	2006
	£	£
Loans	<b>(5,849)</b>	-
Total	<b><u>(5,849)</u></b>	<b><u>-</u></b>

**Maturity Analysis**

<b>2007</b>	<b>Total</b>	<b>&lt; 1 month</b>	<b>1-6 months</b>	<b>6-12 months</b>
	£	£	£	£
Trade creditors	<b>(88,070)</b>	<b>(88,070)</b>	-	-
Accruals and deferred income	<b>(186,375)</b>	<b>(186,375)</b>	-	-
Loans	<b>(334,480)</b>	-	-	<b>(334,480)</b>
<b>2006</b>	<b>Total</b>	<b>&lt; 1 month</b>	<b>1-6 months</b>	<b>6-12 months</b>
	£	£	£	£
Trade creditors	(19,252)	(19,252)	-	-
Accruals and deferred income	(42,075)	(42,075)	-	-

The loan is payable to Ambrian Capital plc and is due for repayment by 1 July 2008. The loan bears an interest rate of 10% p. a.

**16 Share capital**

Allotted, called up and fully paid Ordinary shares of 2.5p each

	<b>Number</b>	<b>£</b>
At 1 October 2005 and 2006	61,742,960	1,543,574
Additions	50,000,000	1,250,000
<b>At 30 September 2007</b>	<b><u>111,742,960</u></b>	<b><u>2,793,574</u></b>
	=====	=====

**MINERVA RESOURCES PLC**  
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Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (*Continued*)

	<b>Authorised Ordinary Shares of 2.5p each</b>	<b>Allotted, called up and fully paid Ordinary Shares of 2.5p each</b>	<b>Share capital</b>	<b>Share premium</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
At 1 October 2005 and 2006	200,000,000	61,742,964	1,543,574	4,290,765
<b>At 30 September 2007</b>	<b>200,000,000</b>	<b>111,742,960</b>	<b>2,793,574</b>	<b>4,290,765</b>

**Share based payments**

*Share option scheme*

At various times during the year the Group granted options to senior management. Under the terms of the options the Group can issue up to 16% of the outstanding issued stock of the Company.

At 30 September 2007, the following share options were outstanding in respect of the ordinary shares:

**Number of options**

<b>Outstanding at Exercise price the year</b>	<b>Granted during 1 October 2006</b>	<b>Cancelled / expired the year</b>	<b>Outstanding at during 30 September 2007</b>	<b>Final exercise date</b>
20p	6,856,865	-	(6,856,865)	-
6.5p	-	6,500,000	-	6,500,000
6,856,865	6,500,000	(6,856,865)	6,500,000	January 2009 June 2010

The weighted average exercise price of share options was 6.5p at 30 September 2007 and 20p at 30 September 2006. The weighted average remaining contractual life of options outstanding at the end of the year was 2 years 9 months (2006: 2 years 4 months).

Of the total number of options outstanding at the end of the year, nil (2006: 6,856,865) had vested and were exercisable at the end of the year.

The weighted average fair value of each option granted during the year was 0.7p (2006: 0.2p).

## MINERVA RESOURCES PLC

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Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (Continued)

### Fair Value of options

#### Inputs to the Valuation model

The fair values of awards granted under the option schemes have been calculated using the Black Scholes pricing model that takes into account factors specific to share incentive plans such as the vesting periods of the Plan, the expected dividend yield on the Company's shares and expected early exercise of share options. The following table list the inputs to the model used to calculate the fair values of the options

Grant date	25 January 2006	11 June 2007
Share price at date of grant (p)	9.25	4.12
Exercise price (p)	20.00	6.50
Volatility (%)	25.00	25.00
Option Life (Years)	3.00	3.00
Dividend yield (%)	-	-
Risk-free investment rate (%)	4.50	5.75
<b>Fair value (p)</b>	<b>0.17</b>	<b>1.11</b>

Volatility has been based on the annualised volatility of the Company's shares since its flotation on the AIM market.

The charge to the income statement for share based payments during the year was £21,882 (2006: £2,040).

## 17 Reserves

The following describes the nature and purpose of each reserve within owners' equity

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Revaluation	Gains/losses arising on financial assets classified as available for sale.
Foreign currency translation	Gains/losses arising on retranslating the net assets of overseas operations into sterling.
Retained losses	Cumulative net gains and losses recognised in the consolidated <u>income statement</u> .
Merger	Reserve created on issue of shares for the acquisition of subsidiaries (see note 22 for further details).

Deleted: income statement

## MINERVA RESOURCES PLC

(Formerly Palladex plc)

Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (*Continued*)

### 18 Commitments

At 30 September 2007, the Group had committed £2,355,000 in operational and exploration expenditure for Ethiopian exploration as per the licence agreements with the Ethiopian Ministry of Mines and Energy. It is expected that these commitments will be expensed by 31 March 2010. Of this £994,000 is committed for the financial year ending 30 September 2008.

### 19 Financial Commitments

Minimum lease payments under non-cancellable operating leases are as follows:

	<b>Land and Building 2007 £</b>	Land and Building 2006 £
One year	<b>15,000</b> =====	15,000 =====
More than five years	- =====	11,250 =====

### 20 Cash flow notes

<i>Cash and cash equivalents comprise:</i>	<b>2007 £</b>	2006 £
Cash available on demand	<b>364,459</b>	1,891,610
Short term deposits	<b>997,438</b>	-
	<b>1,361,897</b>	1,891,610

#### *Significant accounting policies*

Details of the significant accounting policies in respect of financial instruments are disclosed in note 1 to the financial statements.

#### *Financial risk management*

The board seeks to minimise its exposure to financial risk by reviewing and agreeing policies for managing each financial risk and monitoring them on a regular basis. No formal policies have been put in place in order to hedge the Group's and Company's activities to the exposure to currency risk or interest risk, however as the Group enters commercial production this may be considered. No derivatives or hedges were entered into during the period.

**MINERVA RESOURCES PLC**  
(Formerly Palladex plc)

Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (*Continued*)

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**21 Financial instruments**

The Group is exposed through its operations to the following financial risks:

- Cash flow interest rate risk
- Foreign currency risk
- Liquidity risk
- Credit risk

The policy for each of the above risks is described in more detail below.

*Cash flow interest rate risk*

The Group manages its interest rate risk associated with the Group cash assets by ensuring that interest rates are as favourable as possible, through the use of bank treasury deposits, whilst managing the access the Group requires to the funds for working capital purposes.

There is no material difference between the book value and fair value of the Group's cash.

*Foreign currency risk*

The Group has six overseas subsidiaries, two of which operate in Ethiopia and The Kyrgyz Republic and whose expenses are mainly denominated in Birr and Som respectively. The other overseas subsidiaries transactions are also mainly denominated in US\$. Foreign exchange risk is inherent in the Group's activities and is accepted as such. The majority of parent Company expenses are denominated in sterling.

At the year end the Group had a cash balance of £1,361,897 (2006 £1,891,610) which was made up as follows.

	2007	2006
	£	£
British Pounds	737,462	1,891,255
US Dollars	559,468	-
Kyrgyz Rep. Soms	58,523	355
Ethiopian Birr	6,444	-
	<u>1,361,897</u>	<u>1,891,610</u>

**21 Financial instruments** (*Continued*)

*Liquidity risk*

The liquidity risk of each of each Group entity is managed centrally by the Group treasury function. The investment budgets and work plans are set locally and agreed by the board annually in advance, enabling the Group's cash requirements to be anticipated. Refer to note 15 for a maturity analysis of payables.

# MINERVA RESOURCES PLC

(Formerly Palladex plc)

Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (Continued)

## Credit risk

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Group made advances of £780,190 to Group companies during the year; repayment is dependant on future income generation of those companies.

Deleted: year,

	£
GPMC	326,980
YPGD	183,299
ERL	220,000
Palladex	49,911
<b>Total</b>	<b>780,190</b>

## 22 Acquisitions

On 9 July 2007 the Company acquired 100% of the voting equity instruments in Ethiopian Resources Limited (ERL) and GPMC Limited (GPMC). Costs of £334,196 were incurred in the transaction.

### ERL

In consideration for this the Company issued a total of 5,500,000 Ordinary Shares valued at 4.5p each in the Company totalling £247,500 (the fair value of the shares issued was determined by reference to their quoted market price of 4.5p at the date of acquisition).

	Book value £	Fair value adjustments £	Provisional fair values £
<b>ERL</b>			
Property, plant and equipment	1,347	-	1,347
Trade and other receivables	72,097	-	72,097
Cash and cash equivalents	13,499	-	13,499
Borrowings	-	-	-
Trade payables	(68,882)	-	(68,882)
Accruals and deferred income	-	-	-
	<u>18,061</u>	<u>-</u>	<u>18,061</u>
Consideration paid			247,500
Goodwill (see note 9)			<u>229,439</u>

The goodwill amount recognised is attributed to economic benefits to be obtained from the refining and marketing by ERL of the Group's current and future gold and platinum production. No impairment has been made for the year based upon the Director's review of the underlying Group exploration projects after giving consideration to the estimated resources and project economics

**MINERVA RESOURCES PLC**  
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Notes forming part of the financial statements for the 30<sup>th</sup> September 2007 (Continued)

**GPMC**

In consideration for this the Company issued a total of 44,500,000 Ordinary Shares of 4.5p each in the Company totalling £ 2,002,500 (the fair value of the shares issued was determined by reference to their quoted market price of 4.5p at the date of acquisition).

	Book value	Fair value adjustments	Provisional fair values
	£	£	£
<b>GPMC</b>			
Exploration	3,080,675	(1,153,175)	1,927,500
Property, plant and equipment	-	-	-
Inventories	-	-	-
Trade and other receivables	75,000	-	75,000
Cash and cash equivalents	-	-	-
Borrowings	-	-	-
Trade payables	-	-	-
Accruals and deferred income	-	-	-
	<u>3,155,675</u>	<u>(1,153,175)</u>	<u>2,002,500</u>

As noted in the prospectus dated 13 June 2007, the vendor of GPMC forgave part of the loans owed by GPMC, and as a consequence an amount of £1,080,376 has been capitalised within deferred exploration expenditure. This is considered to be the most appropriate disclosure by the Directors and reflects the provisional fair value of the loan forgiveness.

The downward fair value adjustment is based upon the Director's review of the underlying exploration projects after giving consideration to the estimated resources and project economics.

GPMC holds a 51% investment in Yubdo Platinum and Gold Development PLC ("YPGD"). Therefore a 49% minority interest in YPGD arises in the Group on acquisition of GPMC.

The Group has taken advantage of section 131 of the Companies Act 1985 and taken the premium on shares issued in the acquisitions to the merger reserve.

The losses attributable to ERL and GPMC since their acquisition date and included within the Group loss for the period are £6,747 and £177,298 respectively.

If the results for ERL and GPMC had been included in the results of the Group for the entire period the Group loss for the year to 30 September 2007 would be £ 725,347.

**23 Related party transactions**

During the year the Group paid £36,953 (2006 : £17,750) to Sprecher Grier Halberstam LLP in connection with accounts for professional services to the Group by J Bottomley who is an employee of that firm.

During the year the Group also paid £15,055 (2006: £15,000) to Marr-Johnson Stevens LLP in respect of office rent. Mr Merlin Marr-Johnson's brother is a partner in the firm Marr-Johnson Stevens LLP.

During the year the Group paid £33,288 in respect of licence fees for the Sierra Leone joint venture projects (refer to note 25).

For details of Director's remuneration, see note 5.

## MINERVA RESOURCES PLC

(Formerly Palladex plc)

Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (*Continued*)

### 24 Post balance sheet events

GPMC has, based on exploration results, taken the decision to relinquish the exploration licence on Tulu Dimtu and part of the Tulu Dimtu extension on 20 December 2007 and 1 January 2008 respectively. The Company has spent a total of £79,611 on these licence areas and a provision has been raised for this amount against Deferred Exploration Costs in the 2007 accounts.

In addition the Group has decided not to spend any further monies on exploration in the Kyrgyz Republic and efforts to sell these exploration licences were initiated and are progressing. Given this no further provisions have been raised for this amount against deferred exploration costs in the 2007 accounts.

GPMC has entered into an agreement, concluded in March 2008, to acquire a further 22% interest in YPGD 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 annum. GPMC could potentially pay a maximum of \$5 million (US) based on the successful attainment of positive milestones.

### 25 Subsidiaries

The principal subsidiaries of the Minerva Resources plc, all of which have been included in these consolidated financial statements are:

Name	Country of incorporation	Proportion of ownership / interest at 30 September	
		2007	2006
Palladex Limited	Western Samoa	100%	100%
Palladex Geotech Service LLC	Kyrgyz Republic	100%	100%
Minerva Resources Limited (formally Palladex Corporation Limited)	Jersey	100%	100%
Ethiopian Resources Limited	England and Wales	100%	-
Golden Prospect Mining Company Limited	Bermuda	100%	-
Golden Prospect Mining Company Limited	England and Wales	100%	-
Yubdo Platinum and Gold Development PLC	Ethiopia	51%	-
Resource Securities Limited	British Virgin Islands	100%	-
Mercier Corporation Limited	Bermuda	100%	-

## MINERVA RESOURCES PLC

(Formerly Palladex plc)

Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (*Continued*)

In addition the Group through its subsidiaries has entered into agreements relating to the following joint ventures in Sierra Leone

Join Venture Project	Subsidiary	Joint Venture Partner(s)	% Interest
Lake Sonfon Gold	GPMC (Bermuda)	Golden Leo (Mano River), Golden Star Resources	24.5%
Lake Sonfon Diamond	GPMC (Bermuda)	Golden Leo (Mano River),	50%
York Platinum	Resource Securities Ltd	Jubilee Platinum plc	80%

During the year the Group spent £33,288 on the Joint Venture Projects in Sierra Leone. These amounts have been recognised in deferred exploration expenditure in the Group's balance sheet, and are the only assets from joint ventures recognised in the consolidated financial statements. There were no other liabilities, income or expenses associated with the joint ventures in the current year.

### 26 Transition from UK GAAP to IFRS

Minerva Resources Plc's first published results which have been prepared on an IFRS basis are for the year ended 30 September 2007, which include comparative IFRS financial information for the year ended 30 September 2006.

Set out below are extracts from the consolidated financial statements for the year ended 30 September 2006 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. This note also includes a balance sheet under IFRS at the transition date 1 October 2005, together with reconciliation to the originally published UK GAAP balance sheet at that date.

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. The Group used the same estimates made under UK GAAP for the opening IFRS balance sheet at 1 October 2005

**MINERVA RESOURCES PLC**  
**(Formerly Palladex plc)**

Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (*Continued*)

Consolidated balance sheet as at 30 September 2006		UK GAAP	Effect of transition to IFRS	IFRS
	Notes	£	£	£
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets		750,000	-	750,000
Property, plant and equipment		321,410	-	321,410
Available for sale investments	i	-	720,000	720,000
<b>Total non-current assets</b>		1,071,410	720,000	1,791,410
<b>Current assets</b>				
Inventories		5,558	-	5,558
Trade and other receivables		267,839	-	267,839
Cash and cash equivalents		1,891,610	-	1,891,610
<b>Total current assets</b>		2,165,007	-	2,165,007
<b>Total assets</b>		3,236,417	720,000	3,956,417
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		19,252	-	19,252
Accruals and deferred income		42,075	-	42,075
<b>Total current liabilities</b>		61,327	-	61,327
<b>Non-current liabilities</b>				
		-	-	-
<b>Total liabilities</b>		61,327	-	61,327
<b>Net assets</b>		3,175,090	720,000	3,895,090
<b>Equity</b>				
Share capital		1,543,574	-	1,543,574
Share premium account		4,290,765	-	4,290,765
Revaluation Reserve	i	-	720,000	720,000
Retained losses	ii	(2,659,249)	-	(2,659,249)
<b>Total equity and reserves</b>		3,175,090	720,000	3,895,090

MINERVA RESOURCES PLC  
(Formerly Palladex plc)

Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 (Continued)

Consolidated balance sheet as at 1 October 2005

		UK GAAP	Effect of transition to IFRS	IFRS
	Note	£	£	£
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets		895,880	-	895,880
Property, plant and equipment		212,586	-	212,586
Available for sale investments	i	-	600,000	600,000
<b>Total non-current assets</b>		1,108,466	600,000	1,708,466
<b>Current assets</b>				
Inventories		31,764	-	31,764
Trade and other receivables		367,664	-	367,664
Cash and cash equivalents		2,768,945	-	2,768,945
<b>Total current assets</b>		3,168,373	-	3,168,373
<b>Total assets</b>		4,276,839	600,000	4,876,839
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		17,959	-	17,959
Accruals and deferred income		43,524	-	43,524
<b>Total current liabilities</b>		61,483	-	61,483
<b>Non-current liabilities</b>				
		-	-	-
<b>Total liabilities</b>		61,483	-	61,483
<b>Net assets</b>		4,215,356	600,000	4,815,356
<b>Equity</b>				
Share capital		1,543,574	-	1,543,574
Share premium account		4,290,765	-	4,290,765
Revaluation Reserve	i	-	600,000	600,000
Retained losses	ii	(1,618,983)	-	(1,618,983)
<b>Total equity and reserves</b>		4,215,356	600,000	4,815,356

**MINERVA RESOURCES PLC**  
**(Formerly Palladex plc)**

Notes forming part of the financial statements for the year ended 30<sup>th</sup> September 2007 *(Continued)*

**Consolidated income statement for the year ended 30 September 2006**

		UK GAAP	Effect of transition to IFRS	IFRS
	Note	£	£	£
<b>Revenue</b>		-	-	-
Cost of sales		-	-	-
<b>Gross profit</b>		-	-	-
Administrative expenses	ii	(1,278,543)	(2,040)	(1,280,583)
<b>Loss from Operations</b>		(1,278,543)	(2,040)	(1,280,583)
Financial expense		-	-	-
Financial income		96,067	-	96,067
<b>Loss before taxation</b>		(1,182,476)	(2,040)	(1,184,516)
Taxation		-	-	-
<b>Loss for the year</b>		(1,182,476)	(2,040)	(1,184,516)

Explanation of reconciling items between UK GAAP and IFRS:

- i. According to IAS39, the 2,400,000 Saddleback Corporation Limited shares are designated as available for sale financial assets and should be carried at fair value. The shares have thus been revalued to fair market value with revaluation gains being recognised in reserves.
- ii. Under IFRS2, a charge is required for all share based payments including share options. The charge in the income statement is based on the fair value of the options at grant date. For the year ended 30 September 2006, the charge under IFRS2 was £2,040.