

**28 June 2007**

**Palladex plc ("Palladex" or the "Company")**

**Interim results for the six month period ended 31 March 2007**

**Highlights**

- Net loss of £311,826 (0.5p per share), reflecting transaction costs related to proposed acquisitions and overhead budgeted expenditure
- £1.55m held in cash and cash equivalent as at 31 March 2007
- Proposed name change to Minerva Resources Plc
- Proposed focus on gold and platinum in Ethiopia
- Extraordinary General Meeting called for 9 July 2007

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**Chairman's statement**

Palladex is currently going through a period of transformation and is in the process of acquiring assets in Ethiopia and Sierra Leone from Ambrian Capital and Ethiopian Resources Ltd. The Company has recently published an Admission document as part of the transaction and in conjunction with the acquisitions, Palladex proposes to change its name to Minerva Resources Plc.

The acquisitions constitute a reverse takeover under the AIM rules and completion of the acquisitions is conditional upon, inter alia, the approval of the acquisitions by shareholders in an Extraordinary General Meeting (EGM), due to be held on 9 July 2007.

The acquisitions mark a change in the strategic focus of the Company, from Central Asia to Africa. This new focus will be the further development of the Yubdo Platinum Mine and development of a number of exciting gold exploration projects in Ethiopia, supported by revenues from drilling services currently being conducted in Kyrgyzstan. Golden Prospect Mining Company's ("GPMC") assets in Sierra Leone will for the most part continue to be developed by existing Joint Venture partners.

The goal of the Company is to create shareholder value by growing its resource base and developing the new platinum and gold assets in a socially and environmentally responsible manner. The proposed acquisitions provide us with new projects which already have great momentum and therefore the opportunity of achieving our goals.

## **Expected timetable of principal events**

Latest time and date for receipt of Forms of Proxy	10 a.m. on 6 July 2007
Extraordinary General Meeting	10.30 a.m. on 9 July 2007
Admission effective and dealings expected to commence in Enlarged Share Capital	10 July 2007
Completion date of the Acquisitions	10 July 2007
Expected date for CREST accounts to be credited (in respect of uncertificated New Ordinary Shares)	10 July 2007
Expected date for posting of share certificates in respect of certificated New Ordinary Shares (where applicable)	24 July 2007

**J M Bottomley**  
Non-executive chairman  
**28 June 2007**

**Palladex Plc**

**Consolidated unaudited profit and loss account for the period ended 31 March 2007**

	Note	Period from 1 October 2006 to 31 March 2007 £	Period from 1 October 2005 to 31 March 2006 £	Year ended 30 September 2006 £
Turnover		173,509	-	-
Cost of Sales		131,579	-	-
<b>Gross profit</b>		<b>41,930</b>	-	-
Administration expenses				
- provision against deferred exploration expenditure		-	-	(429,050)
- other		(389,655)	(146,314)	(849,493)
<b>Total administration expenses</b>		<b>(389,655)</b>	(146,314)	(1,278,543)
Loss on ordinary activities before interest		(347,725)	(146,314)	(1,278,543)
Net interest received		35,898	54,666	96,067
<b>Loss for the period before and after taxation</b>		<b>(311,827)</b>	(91,648)	(1,182,476)
<b>Loss/ per share</b>	2			
Basic and diluted		<b>£(0.005)</b>	£(0.001)	£(0.019)

**Palladex Plc**

**Consolidated unaudited balance sheet at 31 March 2007**

	Note	31 March 2007 £	31 March 2006 £	30 September 2006 £
<b>Fixed assets</b>				
Intangible assets				
- deferred exploration expenditure	3	<b>1,000,972</b>	993,956	750,000
Tangible assets		<b>458,724</b>	322,439	321,410
		<b>1,459,696</b>	1,316,395	1,071,410
<b>Current assets</b>				
Stock		<b>5,788</b>	4,189	5,558
Debtors		<b>79,222</b>	400,294	267,839
Cash at bank and in hand		<b>1,550,011</b>	2,591,173	1,891,610
		<b>1,635,021</b>	2,995,656	2,165,007
<b>Creditors falling due within one year</b>		<b>(33,731)</b>	(104,383)	(61,327)
<b>Net current assets</b>		<b>1,601,290</b>	2,891,273	2,103,680
<b>Total assets less current liabilities</b>		<b>3,060,986</b>	4,207,668	3,175,090
<b>Capital and reserves</b>				
Called up share capital		<b>1,543,574</b>	1,543,574	1,543,574
Share premium		<b>4,290,765</b>	4,290,765	4,290,765
Profit and loss account		<b>(2,773,353)</b>	(1,626,671)	(2,659,249)
<b>Shareholder's funds</b>		<b>3,060,986</b>	4,207,668	3,175,090

**Palladex Plc**

**Consolidated unaudited cash flow statement for the period ended 31 March 2007**

	Note	Period from 1 October 2006 to 31 March 2007 £	Period from 1 October 2005 to 31 March 2006 £	Year ended 30 September 2006 £
<b>Net cash (outflow) from operating activities</b>	4	<b>(150,320)</b>	(60,637)	(1,083,249)
<b>Returns on investments and servicing of finance</b>				
Interest received		<b>35,898</b>	54,666	124,588
<b>Capital expenditure</b>				
Payments to acquired intangible fixed assets		<b>(215,257)</b>	(80,231)	(263,913)
Payments to acquired tangible fixed assets		<b>(158,622)</b>	(108,618)	(227,704)
Proceeds from sale of fixed asset Investments		-	-	128,487
		<b>(373,879)</b>	(188,849)	(363,130)
<b>Management of liquid resources</b>				
Decrease in short term deposits		<b>180,526</b>	471,063	1,185,542
		<b>180,526</b>	471,063	1,185,542
<b>(Decrease) / increase in cash</b>	5	<b>(307,775)</b>	276,243	(136,375)

**1 Accounting policies**

*Basis of preparation*

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The unaudited financial statements for the six months ended 31 March 2007 have been prepared in accordance with accounting principles applied by the group in the prior accounting period. The financial information shown in this publication is unaudited and does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. A copy of the company's accounts for the year ended 30 September 2006 has been filed with the Registrar of Companies. The audit report for the year ended 30 September 2006 was unqualified.

The financial information for the period from 1 October 2006 to 31 March 2007 is unaudited. In the opinion of the directors the financial information for this period presents fairly the financial position, results of operations and cashflows for the period in conformity with United Kingdom Generally Accepted Accounting Principles which have been consistently applied. The interim report for the six months ended 31 March 2007 was approved by the directors on 28 June 2007.

The financial statements have been presented in £ sterling as this is considered to be the group's functional currency. In order to provide comparatives for the period ended 31 March 2006 the previously published financial statements for the period ended 31 March 2006 have been translated at an exchange rate of \$1.73455 / £. Other currencies have been translated into £ sterling on the following basis:

- monetary assets and liabilities are translated at the closing rate existing at the balance sheet date; and
- income and expenses are translated at the exchange rates existing at the dates of the transactions or at a rate that approximates the actual exchange rates.

All exchange differences arising from the above are taken to the profit and loss account.

*Deferred exploration expenditure*

All costs associated with mining development and investment are capitalised on a project-by-project basis pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads. If a mining development project is successful, the related expenditures will be amortised over the estimated life of the commercial ore reserves on a unit of production basis. Where a licence is relinquished, a project is abandoned, or is considered to be of no further commercial value to the company, the related costs will be written off.

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

**2 Earnings per share**

The calculation of the basic earnings per share is based on the earnings attributable to the ordinary shareholders divided by the weighted average number of shares in issue during the period. The effect of all potential ordinary shares is antidilutive.

The weighted average number of equity shares in issue is 61,742,964 (31 March 2006 – 61,742,964, 30 September 2006 – 61,742,964) and the loss, being loss after tax, is £311,827 (31 March 2006 - loss \$91,648, 30 September 2006 - loss \$1,182,476).

**3 Intangible assets – deferred exploration expenditure**

£

<i>Cost</i>	
At 1 October 2006	1,179,050
Additions	266,278
Foreign exchange movements	(15,306)
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At 31 March 2007	<b>1,430,022</b>
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Amortisation	
At 1 October 2006 and at 31 March 2007	<b>429,050</b>
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<i>Net book value:</i>	
At 31 March 2007	<b>1,000,972</b>
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At 30 September 2006	<b>750,000</b>
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This amount represents all of pre-production cost incurred.

Palladex Plc

Notes forming part of the financial statements for the period ended 31 March 2007 (*Continued*)

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4 Reconciliation of operating loss to net cash outflow from operating activities:

	Period from 1 October 2006 to 31 March 2007 £	Period from 1 October 2005 to 31 March 2006 £	Year ended 30 September 2006 £
Operating (loss)	(347,725)	(146,314)	(1,278,543)
Depreciation of tangible fixed assets	36,614	2,997	91,513
Decrease / (increase) in debtors	188,617	(25,359)	99,825
(Increase) / decrease in stock	(230)	28,207	26,206
(Decrease) / increase in creditors	(27,596)	41,729	(156)
Currency exchange movements	-	38,103	191
Provision against deferred exploration expenditure	-	-	429,050
	<u>(150,320)</u>	<u>(60,637)</u>	<u>(631,914)</u>

**5 Reconciliation of net cash outflow to movement in net funds:**

	<b>Period from 1 October 2006 to 31 March 2007 £</b>	<b>Period from 1 October 2005 to 31 March 2006 £</b>	<b>Year ended 30 September 2006 £</b>
(Decrease) / increase in cash	(307,775)	276,243	157,777
Cash outflow from increase in liquid resources	(180,526)	(471,064)	(1,177,322)
Exchange translation	<b>146,702</b>	(38,104)	142,210
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Movement in cash	<b>(341,599)</b>	(232,925)	(877,335)
Opening net funds	<b>1,891,610</b>	2,824,098	2,768,945
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Closing net funds	<b>1,550,011</b>	2,591,173	1,891,610
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**6 Reconciliation of net cash inflow to movement in net funds:**

	<b>At 1 October 2006 £</b>	<b>Cashflow £</b>	<b>Exchange movement s £</b>	<b>At 31 March 2007 £</b>
Cash at bank and in hand	336,716	(307,775)	146,702	<b>175,643</b>
Other liquid resources	1,554,894	(180,526)	-	<b>1,374,368</b>
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	<b>1,891,610</b>	<b>(488,301)</b>	146,702	<b>1,550,011</b>
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## **Palladex Plc**

### **Directors and Company Advisors**

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#### **Registered office**

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#### **Nominated advisor and stockbroker**

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#### **Company registration number**

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#### **Auditors**

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#### **Directors**

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R Jaboev  
J M Bottomley \*  
J O' Leary \*  
R Edwards \*

\* non-executive

#### **Solicitors**

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#### **Secretary**

J M Bottomley