



AIM Release

30 January 2009

## **Minerva Resources Plc (AIM:MVA)**

**('Minerva Resources' or 'the Company')**

### **Operational Update and Suspension of Trading in Shares**

The Directors of Minerva Resources plc ("Minerva Resources" or "the Company") are pleased to announce that a Sale and Purchase Agreement has been signed for the disposal of its wholly owned subsidiary Palladex Limited (Samoa) and its subsidiaries Palladex Geotechservice LLC, Kyrgyzstan, and the Representative office of Palladex Limited in Azerbaijan to their management for the consideration of US\$79,208 and the repayment of loans to the value of US\$420,792. The Company will write off the outstanding loan amount of US\$852,494 in conjunction with the above transactions. Palladex Limited and Palladex Geotechservices LLC provide geotechnical and drilling services to exploration and mining companies in the Krygyz Republic, the Republic of Kazakhstan and the Republic of Azerbaijan. In the year ended 30 September 2007 the business had attributable profits of £114,137.

The funds achieved through the agreement will provide Minerva Resources with additional short term working capital. As mentioned at the time of the placing on 17 September 2008, the Company anticipated that it would need to raise further funds in the first quarter 2009. Whilst the proceeds will allow the Company to meet its liabilities and commitments until late quarter one 2009, the Company will require further funds to continue to operate.

The resource drilling programme at Tulu Kapi will be completed in early February. The data from the drilling programme needs to be compiled, assessed and a resource calculation undertaken, which is expected to be carried out over the next two months. During this time, all other exploration activities will be minimised.

Given the current very difficult climate for small exploration companies to raise money on the equity market, the Directors have resolved to enter into a Company Voluntary Arrangement ('CVA') to enable a longer timeframe to seek the necessary additional funding required to continue operating the Company as a going concern. Should the creditors and members vote in favour of a CVA, the Company will be protected for a longer period from creditor pressures. The Directors and management are looking at all avenues for future funding arrangements or other strategic options.

The disposal of Palladex Limited is conditional on the approval of shareholders in accordance with Rule 15 of the AIM Rules for Companies. A general meeting of shareholders has been convened for Wednesday 25<sup>th</sup> February to approve the disposal. A

circular and notice of General Meeting is being sent to shareholders shortly and includes proposals to sub-divide the Company's share capital and to adopt new articles of association. It will be available on the Company's website at [www.minervaresources.com](http://www.minervaresources.com)

The disposal is a related party transaction under the AIM Rules, as one of the purchasers is a Director of the Company's subsidiaries Palladex Limited and Palladex Geotchserservice LLC. The Directors consider, having consulted with its nominated adviser, that the terms are fair and reasonable insofar as its shareholders are concerned.

In light of the Company's intention to enter into a CVA, the company has requested a suspension, with immediate effect, of its shares from trading pending clarification of its ongoing financial position.

The company will provide an update on the proposed CVA in due course.

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#### Notes to Editors

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

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

Tulu Kapi was mined in the 1930s by an Italian company. In the 1970s, the United Nations Development Programme mapped and drilled Tulu Kapi. Tan Range Exploration carried out soil sampling, further mapping and drilling in the 1990s. These two phases of work confirmed mineralisation extending over a strike length of 1.5km.

Minerva Resources has completed 30 diamond drill holes to date, at Tulu Kapi, on its resource drilling programme on a 600m section, after encouraging Minerva Resources ground mapping, data reinterpretation and excellent scout drilling results.

Scout drilling programmes have been completed at the Gudeya-Guji, Guji and Dina gold prospects, which are located in close proximity to Tulu Kapi. The drilling has shown mineralised intersections on all three prospects.

The results from the drilling on Tulu Kapi, which are shown in the latest drilling report announcement on the Company's website, [www.minervaresources.com](http://www.minervaresources.com), and the satellite prospects and their close proximity point towards a new gold province with the potential for the establishment of a 'one treatment plant – multiple feed scenario'.

The Company is examining the potential to expand the small scale platinum production operations at Yubdo, some 25km from the Tulu Kapi Project. A pilot gravity recovery plant has been installed, a metallurgical research programme has been initiated and further exploration activities have commenced on the 9km by 1.5km surface expression of the orebody.

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