

**Norseman Gold plc (“Norseman” or the “Company”)
Interim Report for the half year ended 31 December 2007**

Norseman Gold plc, the AIM listed Australian gold production company, is pleased to announce the unaudited results for the half year ended 31 December 2007 relating to the six months of trading of the Norseman Gold Project in Western Australia.

Highlights during the period and following the completion of the period

- Progress at the mine, although slower than anticipated, has continued on a positive trend but personnel shortages and costs increases has placed pressure on operations.
- Total production of 37,025 ounces from 219,085 tonnes treated for the period.
- New operating equipment finance has been approved with equipment scheduled to arrive commencing March 2008. Expected to result in annual savings in excess of \$AUD3.1m per annum.
- Regional drilling programme has continued and results have been encouraging with further work being undertaken. Two drilling rigs now on site at Mararoa North and Lady Miller.
- Major upgrade works on the Treatment Plant completed ahead of schedule.
- Senior management team placements finalised in January 2008.
- Continual monitoring of regional area for corporate opportunities that can add to shareholder value.
- Work has continued on the proposal to dual list on the Australian Securities Exchange to facilitate an increased shareholder base and create a wider interest in the Company.
- 1 for 5 consolidation of all securities has been completed.

For further information visit www.norsemangoldplc.com or contact:

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Forward-Looking Statements. This regulatory news release contains certain forward looking statements, which include assumptions with respect to future plans, results and capital expenditures. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. All such forward looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control. Please refer to the Company's Admission Document available from the Company's web site for a list of risk factors. The Company's actual results could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release.

Chairman's Statement

The interim financial results of the Company represent six months of operations of the Central Norseman Gold Mine for the period 1 July 2007 to 31 December 2007. The loss of £3,686,209 contains a substantial amount of non operating expenses which are short term charges likely to affect the Profit and Loss Statement for the next two years.

During the period we have continued to implement the mine development plan which is the long term future of any mining operation and, as we are now fully manned, this task has begun to show positive results. However, as previously advised, the Board believes the advancement in development will take up to a year to reach prudent targeted levels. As with the mining industry as a whole, costs have risen substantially and have only been partially offset by the rising gold price. Whilst management constantly reviews costs the average cash cost per ounce for the year to date have increased and it is anticipated that with the operational improvements already in place that the estimated cash costs per ounce for the year ended 30 June 2008 will be in the order of A\$730 and A\$760 on forecast production of between 75,000 and 80,000 ounces. This forecast production is on the basis of:

1. 6 months production reported above
2. 2 months of production data reported in our internal management accounts; and
3. the Company forecast of production for the remaining 4 months of the financial year; which forecast assumes an improvement in recovery rates from:
 - a. production of higher grade reef at Norseman once reached; which higher grade reef is apparent from forward test drilling results; and
 - b. operational improvements in place at both mines.

The nature of costs in underground mines is such that a large proportion are fixed so that any reduction in the production profile will raise the cash cost per ounce of production. In terms of actual costs and in line with most operators in Australia, the price of labour has continued to increase as a result of the mining industry's skill shortage. The price of diesel has also put upward pressure on power generation costs but the Company is evaluating ways to alleviate this.

With operational improvements now in place and at higher levels of production relative to fixed costs, the Board expect that cash operating costs should fall going forward. The Company estimates that if a consistent production level of 8,500 ounces per month can be reached, the equivalent cash cost to that forecast above would fall to between A\$550 and A\$600 per ounce.

The Board reaffirms its commitment to the task over the next twelve months of re-fitting the mine and stabilisation of the workforce that we hope will lead to a substantially improved production profile that will limit some of our risks, although the risk of mined grade continues to be one of the most exacting tasks management faces.

Interim Financial Information of Norseman Gold plc

The following interim financial information of Norseman Gold plc is for the period from 1 July 2007 to 31 December 2007. The financial information was approved by the directors on 31 March 2008.

NORSEMAN GOLD PLC GROUP INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2007

	Unaudited <i>Period ended</i> <i>31 December 2007</i> £	Unaudited <i>Period ended</i> <i>31 December 2006</i> £	Audited <i>Year ended</i> <i>30 June 2007</i> £
Continuing operations			
Group revenue	13,744,015	-	4,869,941
Cost of sales	(13,953,015)	(88,679)	(4,324,273)
Gross profit (loss)	(209,000)	(88,679)	545,668
Administrative expenses before depreciation and amortisation and charge for share-based payments	(439,976)	(27,808)	(553,288)
Exploration and rehabilitation expenditure	(213,321)	-	(169,973)
Impairment of Goodwill on acquisition	-	-	(15,927,910)
Depreciation and Amortisation	(1,727,515)	-	(641,431)
Share-based payments	(934,535)	-	(531,370)
Total administrative expenses	(3,315,347)	(27,808)	(17,823,972)
Group operating loss	(3,524,347)	(116,487)	(17,278,304)
Interest receivable	145,552	2,720	49,517
Interest payable	(307,414)	-	(149,430)
Loss before taxation	(3,686,209)	(113,767)	(17,378,217)
Taxation	-	-	-
Loss for the period	(3,686,209)	(113,767)	(17,378,217)
Attributable to:			
Equity holders of the Company	(3,686,209)	(113,767)	(17,378,217)
Loss per share (pence)			
Basic and diluted	(0.93)p	(0.33)p	(13.4)p

NORSEMAN GOLD PLC
GROUP BALANCE SHEET
AS AT 31 DECEMBER 2007

		Unaudited	Unaudited	Audited
	<i>Notes</i>	<i>As at</i>	<i>As at</i>	<i>As at</i>
		<i>31 December</i>	<i>31 December</i>	<i>30 June</i>
		<i>2007</i>	<i>2006</i>	<i>2007</i>
		<i>£</i>	<i>£</i>	<i>£</i>
ASSETS				
Non-Current Assets				
Property, plant & equipment	4	3,412,228	-	3,514,913
Mine properties in production phase	5	5,234,934	-	4,965,563
Exploration & evaluation expenditure	6	1,116,911	30,000	421,487
Goodwill	7	6,247,500	-	6,247,500
		<u>16,011,573</u>	<u>30,000</u>	<u>15,149,463</u>
Current Assets				
Trade and other receivables		1,131,634	2,151	827,200
Investments		31,622	48,591	-
Inventories	8	2,773,553	-	2,886,069
Cash at bank and in hand		5,422,943	421,581	7,347,233
		<u>9,359,752</u>	<u>472,323</u>	<u>11,060,502</u>
Total Assets		<u>25,371,325</u>	<u>502,323</u>	<u>26,209,965</u>
LIABILITIES				
Current Liabilities				
Trade and other payables	9	4,026,266	89,700	2,382,238
Provisions	10	1,092,272	-	1,080,688
Convertible Notes	11	2,082,401	-	1,955,258
		<u>7,200,939</u>	<u>89,700</u>	<u>5,418,184</u>
Non-Current Liabilities				
Provisions	10	2,000,069	-	1,927,280
Convertible Notes	11	6,518,013	-	6,280,800
		<u>8,518,082</u>	<u>-</u>	<u>8,208,080</u>
Total Liabilities		<u>15,719,021</u>	<u>89,700</u>	<u>13,626,264</u>
Net Assets		<u>9,652,304</u>	<u>412,623</u>	<u>12,583,701</u>
EQUITY				
Capital and Reserves				
Share capital	12	997,375	137,500	994,500
Share premium account		27,919,155	388,890	27,807,030
Currency translation reserve	13	265,710	-	400,756
Equity reserve	13	1,534,490	-	759,632
Retained losses		(21,064,426)	(113,767)	(17,378,217)
Shareholders' Equity		<u>9,652,304</u>	<u>412,623</u>	<u>12,583,701</u>

NORSEMAN GOLD PLC
GROUP CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2007

	<i>Notes</i>	Unaudited <i>Period ended</i> <i>31 December</i> <i>2007</i> £	Unaudited <i>Period ended</i> <i>31 December</i> <i>2006</i> £	Audited <i>Year ended</i> <i>30 June</i> <i>2007</i> £
Net cash inflow (outflow) from operating activities	16	1,039,312	(78,344)	(699,210)
Investing activities				
Funds used in mine properties, exploration & production		(2,056,111)	(57,572)	(367,451)
Payments to purchase plant and equipment		(610,583)	-	(20,992)
Costs of acquiring subsidiaries		-	-	(17,409,487)
Interest received		145,552	2,720	49,517
Interest payable		(307,414)	-	(149,430)
Net cash used in investing activities		(2,828,556)	(54,852)	(17,897,843)
Financing activities				
Loan from Ascent Capital Holdings Pty Ltd		-	28,387	-
Cash proceeds from issue of shares		-	715,000	27,225,999
Share issue costs		-	(188,610)	(1,682,470)
Net cash from financing activities		-	554,777	25,543,529
Increase (decrease) in cash and cash equivalents		(1,789,244)	421,581	6,946,476
Effect of foreign currency translation reserve		(135,046)	-	400,756
Cash and cash equivalents at beginning of period		7,347,233	-	1
Cash and cash equivalents at end of period		5,422,943	421,581	7,347,233

NORSEMAN GOLD PLC
NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2007

1. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated below.

1.1 Basis of preparation

This interim report, which incorporates the financial information of the Company and its subsidiary undertakings (“the Group”), has been prepared using the historical cost convention and in accordance with the International Financial Reporting Standards (“IFRS”) including IAS 34 ‘Interim Financial Reporting’ and IFRS 6 ‘Exploration for and Evaluation of Mineral Resources’, as adopted by the European Union (“EU”).

These interim results for the six months ended 31 December 2007 are unaudited and do not constitute statutory accounts as defined in section 240 of the Companies Act 1985. They have been prepared using accounting bases and policies consistent with those used in the preparation of the financial statements of the Company and the Group for the year ended 30 June 2007 and those to be used for the year ending 30 June 2008. The financial statements for the year ended 30 June 2007 have been delivered to the Registrar of Companies and the auditors’ report on those financial statements was unqualified and did not contain a statement made under Section 237(2) or Section 237(3) of the Companies Act 1985.

1.2 Goodwill

Goodwill is the difference between the amount paid on the acquisition of the subsidiary undertakings and the aggregate fair value of their separable net assets. Goodwill is capitalised as an intangible asset and in accordance with IFRS3 ‘Business Combinations’ is not amortised but tested for impairment when there are any indications that its carrying value is not recoverable. As such, goodwill is stated at cost less any provision for impairment in value. If a subsidiary undertaking is subsequently sold, goodwill arising on acquisition is taken into account in determining the profit and loss on sale.

**1.3 Mine properties in production phase
Exploration and evaluation expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. Economically recoverable reserves are determined by the following: For open pit operations – proven and probable reserves; and for underground operations – proven and probable reserves and reasonably assured potential additional reserves. Accumulated costs associated with underground operations include an estimate of the future costs associated with the conversion of ‘indicated’ and ‘inferred’ resources into the ‘measured category’. This estimate is based on the historical cost per ounce discovered. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided when an obligating event occurs from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis. Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community

expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2007**

1.4 Inventories

(i) Raw Materials and Stores

Inventories of raw materials and stores expected to be used in production are valued at average cost. Obsolete or damaged inventories of such items are valued at net realisable value. There is a regular and ongoing review of inventories for surplus items and provision is made for any anticipated loss on their disposal.

(ii) Work in Progress and Gold in Circuit

Inventories of broken ore, work in progress and gold in circuit are valued at the lower of cost and net realisable value. Cost comprises direct material, labour and transportation expenditure incurred in getting inventories to their existing location and condition, together with an appropriate portion of fixed and variable overhead expenditure based on weighted average costs incurred during the period in which such inventories were produced. Net realisable value is the amount anticipated to be realised from the sale of inventory in the normal course of business less any anticipated costs to be incurred prior to its sale.

1.5 Revenue

Revenue from the sale of goods (precious metals) is recognised upon production. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

1.6 Share based payments

The Company made share-based payments to certain directors and advisers by way of issue of share options. The fair value of these payments is calculated by the Company using the Black-Scholes option pricing model. The expense is recognised on a straight line basis over the period from the date of award to the date of vesting, based on the Company's best estimate of shares that will eventually vest.

The Company has issued shares to management which will vest in one and two years following readmission, provided certain requirements are met. The Company records an expense, based upon the market price at date of issue of shares expected to vest, on a straight line basis over the vesting period.

1.7 Foreign Currency Transactions and Balances

(i) Functional and presentational currency

Items included in the Group's financial statements are measured using Australian Dollars ("A\$"), which is the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in Pounds Sterling ("£"), which is the functional currency of the Company and is the Group's presentation currency.

The individual financial statements of each Group company are presented in the functional currency of the primary economic environment in which it operates.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2007**

1.7 Foreign Currency Transactions and Balance (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Transactions in the accounts of individual Group companies are recorded at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the balance sheet date. All differences are taken to the income statement.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

1.8 Convertible notes

Convertible notes are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible notes and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the Company, is included in equity.

Issue costs are apportioned between the liability components of the convertible notes based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity.

The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the liability component of the instrument. The difference between this amount and the interest paid is added to the carrying amount of the convertible note.

2. Loss per share

The basic loss per ordinary share has been calculated using the loss for the period of £3,686,209 (31 December 2006: £113,767, 30 June 2007: £17,378,217) and the weighted average number of ordinary shares in issue of 398,482,418 (31 December 2006: 33,794,449, 30 June 2007: 129,517,317).

The diluted loss per share has been calculated using a weighted average number of shares in issue and to be issued of 398,950,000 (31 December 2006: 55,000,000, 30 June 2007: 129,517,317). The diluted loss per share has been kept the same as the basic loss per share as the conversion of share options decreases the basic loss per share, thus being anti-dilutive.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2007**

3. Segmental reporting

For the purposes of segmental information, the operations of the Group are focused on Australia and comprise one class of business: the production, exploration, evaluation and development of mineral resources.

The Company acts as a holding Company.

The Group's operating loss arose from its operations in Australia. In addition, all the Group's assets are based in Australia.

4. Property, plant & equipment

**Unaudited
Group – 31 December 2007**

	<i>Land and Buildings</i> £	<i>Plant and Equipment</i> £	<i>Mine Infrastructure</i> £	<i>Capital Works in Progress</i> £	<i>Total</i> £
Cost					
At 1 July 2007	153,121	1,014,370	1,975,148	614,549	3,757,188
Additions	9,883	306,810	51,222	242,668	610,583
Disposals	-	-	-	-	-
At 31 December 2007	<u>163,004</u>	<u>1,321,180</u>	<u>2,026,370</u>	<u>857,217</u>	<u>4,367,771</u>
Depreciation					
At 1 July 2007	(9,436)	(54,153)	(178,686)	-	(242,275)
Charge for period	(29,938)	(187,703)	(495,627)	-	(713,268)
Depreciation on disposals	-	-	-	-	-
At 31 December 2007	<u>(39,374)</u>	<u>(241,856)</u>	<u>(674,313)</u>	<u>-</u>	<u>(955,543)</u>
Net book value					
31 December 2007	<u>123,630</u>	<u>1,079,324</u>	<u>1,352,057</u>	<u>857,217</u>	<u>3,412,228</u>

**Audited
Group – 30 June 2007**

	<i>Land and Buildings</i> £	<i>Plant and Equipment</i> £	<i>Mine Infrastructure</i> £	<i>Capital Works in Progress</i> £	<i>Total</i> £
Cost					
At 1 July 2006	-	-	-	-	-
Additions	153,121	1,014,370	1,975,148	614,549	3,757,188
Disposals	-	-	-	-	-
At 30 June 2007	<u>153,121</u>	<u>1,014,370</u>	<u>1,975,148</u>	<u>614,549</u>	<u>3,757,188</u>
Depreciation					
At 1 July 2006	-	-	-	-	-
Charge for year	(9,436)	(54,153)	(178,686)	-	(242,275)
Depreciation on disposals	-	-	-	-	-
At 30 June 2007	<u>(9,436)</u>	<u>(54,153)</u>	<u>(178,686)</u>	<u>-</u>	<u>(242,275)</u>
Net book value					
30 June 2007	<u>143,685</u>	<u>960,217</u>	<u>1,796,462</u>	<u>614,549</u>	<u>3,514,913</u>

**NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2007**

5. Mine properties in production phase

Group	Unaudited <i>31 December</i> 2007 £	Unaudited <i>31 December</i> 2006 £	Audited <i>30 June</i> 2007 £
Opening balance	4,965,563	-	-
Mining expenditure incurred during the period	1,285,944	-	367,451
Acquisition of mining properties	-	-	4,998,000
Amortisation during the period	(1,016,573)	-	(399,888)
Closing balance	<u>5,234,934</u>	<u>-</u>	<u>4,965,563</u>

6. Exploration & evaluation expenditure

Group	Unaudited <i>31 December</i> 2007 £	Unaudited <i>31 December</i> 2006 £	Audited <i>30 June</i> 2007 £
Costs carried forward in respect of areas of interest in:			
Exploration and evaluation phases:			
Opening balance	421,487	-	-
Acquired – Norseman Project	-	-	504,787
Exploration expenditure capitalised	738,545	30,000	-
Exploration expenditure written off	(43,121)	-	(83,300)
Closing balance	<u>1,116,911</u>	<u>30,000</u>	<u>421,487</u>

The amounts for intangible exploration and evaluation (“E & E”) assets represent costs incurred in relation to the Group’s operations at Norseman. These amounts will be written off to the income statement as exploration expenses unless commercial reserves are established or the determination process is not completed and there are no indicators of impairment. The outcome of ongoing exploration and evaluation, and therefore whether the carrying value of E & E assets will ultimately be recovered, is inherently uncertain. The Directors have assessed the value of the exploration and evaluation expenditure carried as intangible assets and in their opinion no provision for impairment is currently necessary.

7. Goodwill

Group	<i>Goodwill</i> £
Cost	
At 30 June 2007 and 31 December 2007	22,175,410
Amortisation and impairment	
At 30 June 2007 and 31 December 2007	(15,927,910)
Net book value	
At 30 June and 31 December 2007	<u>6,247,500</u>

Goodwill arose on the acquisition of the Company’s subsidiary undertakings. The Group tests goodwill for impairment if there are indicators that goodwill might be impaired. The Board impaired the value of goodwill at 30 April 2007.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2007**

8. Inventories

	Unaudited <i>31 December</i> 2007 £	Unaudited <i>31 December</i> 2007 £	Audited <i>30 June</i> 2006 £
Gold Bullion	893,623	-	1,089,475
Work in Progress – at cost			
- Ore Stockpiles	679,929	-	694,282
- Gold in circuit	241,971	-	531,300
Raw materials and stores – at net realisable value	958,030	-	571,012

	2,773,553	-	2,886,069
	2,773,553	-	2,886,069

9. Trade and other payables

Trade accruals	2,913,809	89,700	1,771,072
Other payables	1,112,457	-	611,166

	4,026,266	89,700	2,382,238
	4,026,266	89,700	2,382,238

10. Provisions

**Unaudited
Group – 31 December 2007
Current:**

	<i>Employee benefits</i> £	<i>Restoration and decommissioning</i> £	<i>Total</i> £
At 1 July 2007	690,582	390,106	1,080,688
Charge to income statement	(29,130)	40,714	11,584
At 31 December 2007	661,452	430,820	1,092,272
	661,452	430,820	1,092,272

Non-current:

		<i>Restoration and decommissioning</i> £	<i>Total</i> £
At 1 July 2007		1,927,280	1,927,280
Charge to income statement		72,789	72,789
At 31 December 2007		2,000,069	2,000,069
		2,000,069	2,000,069

**Audited
Group – 30 June 2007
Current:**

	<i>Employee benefits</i> £	<i>Restoration and decommissioning</i> £	<i>Total</i> £
At 1 July 2006	-	-	-
Charge to income statement	690,582	390,106	1,080,688
At 30 June 2007	690,582	390,106	1,080,688
	690,582	390,106	1,080,688

**NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2007**

10. Provisions (continued)

Non-current:

	<i>Restoration and decommissioning</i>	<i>Total</i>
	£	£
At 1 July 2006	-	-
Charge to income statement	1,927,280	1,927,280
	<u> </u>	<u> </u>
At 30 June 2007	1,927,280	1,927,280
	<u> </u>	<u> </u>

The Directors have considered environmental issues and the need for any necessary provision for the cost of rectifying any environmental damage, as might be required under local legislation and the Group's license obligations and have provided the above provisions for any future costs of decommissioning or any environmental damage.

11. Convertible Notes

	Unaudited	Unaudited	Audited
	<i>31 December</i>	<i>31 December</i>	<i>30 June</i>
	2007	2007	2006
	£	£	£
Current:			
Convertible note, unsecured	2,082,401	-	1,955,258
	<u> </u>	<u> </u>	<u> </u>
Non-current:			
Convertible notes, unsecured	6,518,013	-	6,280,800
	<u> </u>	<u> </u>	<u> </u>
Within not more than one year	2,082,402	-	1,955,258
Payable between 1 and 2 years	2,082,402	-	1,955,258
Payable between 2 to 5 years	4,435,610	-	4,325,542
	<u> </u>	<u> </u>	<u> </u>
	8,600,414	-	8,236,058
	<u> </u>	<u> </u>	<u> </u>

**NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2007**

12. Share capital and options

	Unaudited <i>31 December</i> 2007 £	Unaudited <i>31 December</i> 2006 £	Audited <i>30 June</i> 2007 £
Authorised			
4,000,000,000 Ordinary shares of 0.25p each	10,000,000	10,000,000	10,000,000
	=====	=====	=====
Allotted, called up and fully paid			
Ordinary shares of 0.25p each	997,375	137,500	994,500
	=====	=====	=====

On 12 September 2007, the Company announced that, following the termination of a consultancy agreement with one of its consultants (the “Consultant”) provided through Infinity Resources Pty Ltd (“Infinity”):

- (a) the Consultant was issued with 1,150,000 ordinary shares in the Company (the “Shares”); and
- (b) the Consultant’s 3,000,000 options to subscribe for Shares and the Consultant’s right to be issued with 1,850,000 Shares were assigned for no consideration to Infinity (the “Assignments”) and reconfirmed by the Company.

The Ordinary Shares rank *pari passu* in all respects including the right to receive all dividends and other distributions declared, made or paid.

Share options

The details of share options outstanding at 31 December 2007 are as follows:

Number of share options	Unaudited <i>31 December</i> 2007	Unaudited <i>31 December</i> 2006	Audited <i>30 June</i> 2007
Opening balance	19,300,000	-	-
Granted during the period	-	-	19,300,000
Exercised during the period	-	-	-
Lapsed during the period	-	-	-
	-----	-----	-----
	19,300,000	-	19,300,000
	=====	=====	=====

13. Reserves

Group

	Unaudited <i>31 December</i> 2007 £	Unaudited <i>31 December</i> 2006 £	Audited <i>30 June</i> 2007 £
Foreign Currency, movements			
Opening balance	400,756	-	-
Foreign currency transactions	-	-	400,756
Movement in reserve	(135,046)	-	-
	-----	-----	-----
Closing balance	265,710	-	400,756
	=====	=====	=====

**NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2007**

13. **Reserves (continued)**

Group – Unaudited 31 December 2007

Equity reserves, movements:	Unaudited <i>31 December</i> 2007 £	Unaudited <i>31 December</i> 2006 £	Audited <i>30 June</i> 2007 £
Opening balance	759,632	-	-
Share based payments – charge	934,535	-	531,370
Share based payments transferred to issued capital and share premium reserve	(115,000)	-	-
Equity component of convertible note	(44,677)	-	228,262
	<hr/>	<hr/>	<hr/>
Closing balance	1,534,490	-	759,632

14. **Share-based payments**

	Unaudited <i>31 December</i> 2007 £	Unaudited <i>31 December</i> 2006 £	Audited <i>30 June</i> 2007 £
The Group and Company recognised the following charge in the income statement in respect of its share based payment plans:			
Share option charge	59,535	-	245,953
Management share charge	875,000	-	285,417
	<hr/>	<hr/>	<hr/>
	934,535	-	531,370
	=====	=====	=====

Management share charge

The Management Shares will be issued provided that the relevant director, employee or consultant remains a director, employee or consultant at that time. If he does not, the relevant Management Shares will not be issued unless the reason for cessation was ill health, disability, death or termination by the Company or by the relevant employee or consultant or his associated consultancy entity for breach by or insolvency of the Company, in which case the relevant Management Shares may be required to be issued at any time after the first anniversary of Re-Admission (or earlier in case of death). The Management Shares may also be required to be issued after such first anniversary in case of a change of board control (in the case only of Management Shares held by associates of the Directors) or at any time in case of a change of voting control of the Company. Of the total of 30,750,000 Management Shares issued 1,150,000 have been converted to ordinary shares and 2,350,000 will vest on the first anniversary of Re-Admission and the balance on the second anniversary of Re-Admission.

The Company's market price at readmission was 10p, the discount of £3,075,000 will be amortised over the vesting period of one and two years for the two allocations respectively.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2007**

15. Exploration expenditure commitments

In order to maintain an interest in the mineral assets in which the Group is involved, the Group is committed to meet the conditions under which the licences were granted. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the work programme required as per the licence commitments and may vary significantly from the forecast based upon the results of the work performed. Exploration results in any of the projects may also result in variation of the forecast programmes and resultant expenditure. Such activity may lead to accelerated or decreased expenditure.

	<i>31 December 2007</i>
	<i>Group</i>
	<i>£</i>
As at the balance sheet date the aggregate amount payable is:	
Within not more than one year	2,685,071
	=====

16. Reconciliation of operating cash flows to net cash outflows from operating activities

Group	<i>Unaudited</i> <i>31 December</i> <i>2007</i> <i>£</i>	<i>Unaudited</i> <i>31 December</i> <i>2006</i> <i>£</i>	<i>Audited</i> <i>30 June</i> <i>2007</i> <i>£</i>
Group operating loss	(3,524,347)	(116,487)	(17,278,304)
Adjustments for items not requiring an outlay of funds:			
Foreign currency - unrealised	319,680	1,333	197,018
Depreciation and amortisation	1,729,841	-	641,431
Exploration expenditure written off	43,121	-	83,300
Share-based payments charge	934,535	-	531,370
Impairment of goodwill on acquisition	-	-	15,927,910
	-----	-----	-----
Operating profit (loss) before changes in working capital	(497,170)	(115,154)	102,725
Decrease (increase) in inventories	112,516	-	(2,441,521)
Increase in receivables and prepayments (Note a)	(304,434)	(2,151)	(827,201)
Increase in provisions	84,373	-	84,549
Increase in trade and other payables	1,644,027	38,961	2,382,238
	-----	-----	-----
Net cash inflow (outflow) from operating activities	1,039,312	(78,344)	(699,210)
	=====	=====	=====

Note a: Inventories includes £893,623 of Gold Bullion on hand at 31 December 2007 (30 June 2007: £1,089,475).

17. Events after the balance sheet date

On 18 January 2008, the Company's ordinary share capital was consolidated resulting in every 5 Existing Ordinary Shares being consolidated into 1 New Ordinary Share.