



Sirius Exploration PLC

## **Interim Unaudited Results**

for the six months ended  
30th September 2007



## Consolidated Income Statements

	Notes	Unaudited Six months ended 30 September 2007 £	Unaudited Six months ended 30 September 2006 £	Audited Year ended 31 March 2007 £
<b>Continuing operations:</b>				
<b>Revenue</b>		-	-	-
Administrative expenses		(162,655)	(147,268)	(280,829)
Exceptional administrative expenses - aborted reverse acquisition		(391,056)	-	-
Total administrative expenses		(553,711)	(147,268)	(280,829)
<b>Operating loss</b>		(553,711)	(147,268)	(280,829)
Finance income		738	1,235	2,126
<b>Loss before taxation</b>		(552,973)	(146,033)	(278,703)
Taxation	3	-	-	-
<b>Loss after taxation</b>		(552,973)	(146,033)	(278,703)
<b>Attributable to:</b>				
Equity holders of the Company		(552,973)	(146,033)	(278,703)
<b>Earnings per share:</b>				
Basic and diluted loss per share - pence	4	(0.8)	(0.3)	(0.5)



## Consolidated Statements of Recognised Income and Expense

	Unaudited Six months ended 30 September 2007 £	Unaudited Six months ended 30 September 2006 £	Audited Year ended 31 March 2007 £
Income and expense recognised directly in equity	-	-	-
Loss for the period	(552,973)	(146,033)	(278,703)
Total income and expense recognised in the period	(552,973)	(146,033)	(278,703)
Attributable to: Equity holders of the Company	(552,973)	(146,033)	(278,703)



## Consolidated Balance Sheets

	Notes	Unaudited 30 September 2007 £	Unaudited 30 September 2006 £	Audited 31 March 2007 £
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		967	647	480
Intangible assets	5	493,755	385,755	464,022
		<u>494,722</u>	<u>386,402</u>	<u>464,502</u>
<b>Current assets</b>				
Trade and other receivables		32,816	30,018	17,711
Cash and cash equivalents		18,347	117,027	61,821
		<u>51,163</u>	<u>147,045</u>	<u>79,532</u>
<b>TOTAL ASSETS</b>		<u><u>545,885</u></u>	<u><u>533,447</u></u>	<u><u>544,034</u></u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	6	172,199	149,199	149,199
Share premium account	7	1,241,334	1,019,364	1,019,364
Share based payment reserve	8	1,205	1,205	1,205
Retained earnings	9	(1,403,404)	(717,761)	(850,431)
<b>Total equity</b>		<u>11,334</u>	<u>452,007</u>	<u>319,337</u>
<b>Current liabilities</b>				
Trade and other payables		534,551	81,440	224,697
<b>Total liabilities</b>		<u>534,551</u>	<u>81,440</u>	<u>224,697</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>545,885</u></u>	<u><u>533,447</u></u>	<u><u>544,034</u></u>



## Consolidated Cash Flow Statements

	Notes	Unaudited Six months ended 30 September 2007 £	Unaudited Six months ended 30 September 2006 £	Audited Year ended 31 March 2007 £
<b>Cash flow from operating activities</b>	10	(258,706)	(138,654)	(115,504)
<b>Cash flow used in investing activities</b>				
Purchase of intangible assets		(29,733)	(30,580)	(108,847)
Purchase of property, plant and equipment		(743)	-	(980)
<b>Net cash flow from investing activities</b>		(30,476)	(30,580)	(109,827)
<b>Cash flow from financing activities</b>				
Net proceeds from issue of shares		244,970	263,082	263,082
Finance income		738	1,235	2,126
<b>Net cash flows from financing activities</b>		245,708	264,317	265,208
<b>Net increase/(decrease) in cash and cash equivalents</b>		(43,474)	95,083	39,877
Cash and cash equivalents at beginning of period		61,821	21,944	21,944
<b>Cash and cash equivalents at end of the period</b>		18,347	117,027	58,427



## Notes to the Unaudited Interim Financial Information

### 1. Accounting policies

The next annual financial statements of Sirius Exploration plc (“the Group”) will be prepared in accordance with International Financial Reporting Standards as adopted for use in the European Union (“EU”) (“IFRS”) applied in accordance with the provisions of the Companies Act 1985.

Accordingly, the interim financial information in this report has been prepared using accounting policies consistent with IFRS. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be applicable as at 31 March 2008. A summary of the more important accounting policies adopted is described below.

#### **Basis of preparation**

The financial information has been prepared under the historical cost convention.

#### **Going concern**

The Company has incurred trading losses during the year ended 31 March 2008. At the date of approval of this interim financial information, the Directors have made certain arrangements to allow the Group to continue to trade as a going concern. These arrangements are as follows:

##### *(i) Equity credit facilities:*

On 31 March 2008 the Company signed an equity credit facility agreement with an investor which provides a funding line of £300,000, subject to certain terms and conditions, for working capital purposes.

An amount of £50,000 will be subscribed, based upon shares issued at a discount of 40% of the average bid price of the Company's shares over the ten days following re-listing from suspension. The balance of £250,000 will be made available in share subscriptions of no less than £25,000 each. Such instalments of shares will be made by reference to a threshold being 150% of the average number of shares traded on AIM during each trading day during 15 consecutive trading day draw down period.

The investor has given written confirmation that it will provide £300,000 during the course of the next year in order to ensure that the Company can trade under the agreement.

##### *(ii) Third party creditors:*

All significant creditors have agreed to settle the amount due to them mainly in shares with a proportion in deferred cash settlements after 1 May 2009. The only exception is the auditors, Nexia Smith & Williamson, who are precluded from taking shares so as to

## Notes to the Unaudited Interim Financial Information (continued)

maintain their independence.

### *(iii) Directors' and consulting fees:*

All fees due to Directors and related consulting fees are to be settled in shares in lieu of fees in respect of the year ended 31 March 2008. In the event that the Company fails to raise funds in excess of £300,000 during the year ending 31 March 2009, all such fees will continue to be settled in shares.

Accordingly, the Directors believe that, having made these arrangements, the Group will be able to meet its third party liabilities as and when they fall due for a period of at least twelve months from the date on which this interim financial information is approved.

Therefore, the Directors consider it appropriate to prepare this interim financial information on a going concern basis and hence this interim financial information does not include any adjustments that would result from the Company failing to secure necessary funding.

### **IFRS transition**

IFRS 1 permits companies adopting IFRS for the first time to take certain exemptions from the full requirements of IFRS in the transition period. No exemptions were taken in preparing this interim financial information. No transitional adjustments were required to be taken from UK Generally Accepted Accounting Practice ("UK GAAP") to IFRS.

### **Non-statutory accounts**

The financial information for the year ended 31 March 2007 set out in this interim report does not comprise the Group's statutory accounts as defined in section 240 of the Companies Act 1985.

The statutory accounts for the year ended 31 March 2007, which were prepared under UK GAAP, have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified and did not contain a statement under either Section 237 (2) or Section 237 (3) of the Companies Act 1985.

The financial information for the 6 months ended 30 September 2007 and 30 September 2006 is unaudited.

## **2. Segmental analysis**

### *Primary reporting format – business segment*

No primary segmental analysis has been presented since the Group operates within a single business segment: resource evaluation and exploitation.

### *Secondary reporting format – geographic segments*

No geographic segmental analysis has been presented since the Group operates within a single geographic segment: Macedonia.

## Notes to the Unaudited Interim Financial Information (continued)

### 3. Taxation

	Unaudited Six months ended 30 September 2007 £	Unaudited Six months ended 30 September 2006 £	Audited Year ended 31 March 2007 £
Current tax	-	-	-

There was no tax charge in either period due to the loss incurred.

The Group's unrecognised deferred tax asset can be analysed at follows:

	£	£	£
Tax losses	192,752	137,185	161,988

A deferred tax asset has not been recognised in respect of tax losses available to carry forward against suitable future trading profits as the directors consider there is insufficient evidence that the assets will be recovered. These assets can be recovered against suitable future trading profits.

### 4. Earnings per share

	Unaudited Six months ended 30 September 2007	Unaudited Six months ended 30 September 2006	Audited Year ended 31 March 2007
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The calculation of the basic and diluted earnings per share is based on the following data:

#### *Earnings*

Earnings for the purpose of basic earnings per share being net loss attributable to equity shareholders of the parent

	(552,973)	(146,033)	(278,703)
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Earnings for the purpose of diluted earnings per share

	(552,973)	(146,033)	(278,703)
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#### *Number of shares*

Weighted average numbers of ordinary shares

	67,580,057	56,286,608	57,968,384
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#### *Earnings per share*

Basic and diluted loss per share - pence	(0.08)	(0.3)	(0.5)
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## Notes to the Unaudited Interim Financial Information (continued)

### 5. Intangible assets - exploration costs

	Unaudited Six months ended 30 September 2007 £	Unaudited Six months ended 30 September 2006 £	Audited Year ended 31 March 2007 £
Cost			
At the start of the financial period	464,022	355,175	355,175
Additions	29,733	30,580	108,847
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At the end of the financial period	493,755	385,755	464,022
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### 6. Share capital

	Unaudited Six months ended 30 September 2007 £	Unaudited Six months ended 30 September 2006 £	Audited Year ended 31 March 2007 £
<b>Authorised</b>			
240,000,000 (31 March 2007: 240,000; 30 September 2006 80,000,000) ordinary shares at 0.25p each	600,000	600,000	600,000
	<hr/>	<hr/>	<hr/>
<b>Allotted called up and fully paid</b>			
68,879,511 (31 March 2007: 59,679,511; 30 September 2006 59,679,511) ordinary shares at 0.25p each	149,199	172,199	149,199
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On 5 April 2007, the Company issued 2,500,000 ordinary shares of 0.25p nominal value per ordinary share at 2p per share, giving total consideration of £50,000.

On 4 May 2007, the Company issued 6,700,000 of 0.25p per ordinary shares of 0.25p nominal value per ordinary share at 3p per share, giving total consideration of £201,000.

## Notes to the Unaudited Interim Financial Information (continued)

<b>7. Share premium</b>	<b>Unaudited Six months ended 30 September 2007 £</b>	<b>Unaudited Six months ended 30 September 2006 £</b>	<b>Audited Year ended 31 March 2007 £</b>
At the start of the financial period	1,019,364	772,936	772,936
Premium arising on share issue, net of issue costs	221,970	246,428	246,428
At the end of the financial period	<u>1,241,334</u>	<u>1,019,364</u>	<u>1,019,364</u>

<b>8. Share based payment reserve</b>	<b>Unaudited Six months ended 30 September 2007 £</b>	<b>Unaudited Six months ended 30 September 2006 £</b>	<b>Audited Year ended 31 March 2007 £</b>
At the start of the financial period	1,205	21,073	21,073
Share-based payment credit on exercise or expiry of warrants	-	(19,868)	(19,868)
At the end of the financial period	<u>1,205</u>	<u>1,205</u>	<u>1,205</u>

<b>9. Retained earnings</b>	<b>Unaudited Six months ended 30 September 2007 £</b>	<b>Unaudited Six months ended 30 September 2006 £</b>	<b>Audited Year ended 31 March 2007 £</b>
At the start of the financial period	(850,431)	(501,596)	(591,596)
Loss for the financial period	(552,973)	(146,033)	(278,703)
Credit to equity for equity-settled share-based payments	-	19,868	19,868
At the end of the financial period	<u>(1,403,404)</u>	<u>(717,761)</u>	<u>(850,431)</u>

## Notes to the Unaudited Interim Financial Information (continued)

10. Cash flow from operating activities	Unaudited Six months ended 30 September 2007 £	Unaudited Six months ended 30 September 2006 £	Audited Year ended 31 March 2007 £
Loss before tax	(552,973)	(146,033)	(278,703)
Depreciation	256	166	333
Finance income	(738)	(1,235)	(2,126)
	<hr/>	<hr/>	<hr/>
Operating cash flow before changes in working capital	(553,455)	(147,102)	(280,496)
(Increase)/decrease in trade and other receivables	(15,105)	(6,700)	5,607
Increase/(decrease) in trade and other payables	309,854	15,148	159,385
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<b>Cash flow from operations</b>	<b>(258,706)</b>	<b>(138,654)</b>	<b>(115,504)</b>
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### 11. Related party transactions

During the six months ended 30 September 2007, the Company was charged £30,000 (30 September 2006: £30,000) by Pacific Corporate Management Limited for management services. Richard Poulden, a director of the Company, is an employee of Pacific Corporate Management Limited.

During the six months ended 30 September 2007, the Company was charged £30,000 (30 September 2006: £30,000) by Nick Badham, a director of the Company, for consulting services.

During the six months ended 30 September 2007, the Company was charged £15,000 (30 September 2006: £15,000) by Easy Business Consulting Limited, in which Jonathan Harrison, a director of the Company, has an interest, for consultancy services.

During the six months ended 30 September 2007, the Company was charged £5,000 (30 September 2006: £5,000) by Derek Stonley, a director of the Company, for consulting services.

During the six months ended 30 September 2007, the Company was charged £5,000 (30 September 2006: £5,000) by Z/Yen Limited, in which Michael Mainelli, a director of the Company, has an interest, for consulting services.

### 12. Post balance sheet events

On 31 March 2008 the Company signed an equity credit facility agreement with an investor which provides a funding line of £300,000, subject to certain terms and conditions, for working capital purposes as set out in note 1 of this interim financial information.



## Directors and Advisors

### DIRECTORS

R O'D Poulden  
Dr J P N Badham  
J C Harrison  
D C W Stonley  
Professor M R Mainelli

### SECRETARY

I W Saunders

### REGISTERED OFFICE

Barnards Inn  
86 Fetter Lane  
London EC4A 1DA

### AUDITORS

Nexia Smith & Williamson  
Chartered Accountants  
25 Moorgate  
London EC2R 6AY

### BANKERS

The Royal Bank of Scotland  
9-13 Paternoster Row  
London EC4M 7EH

### NOMINATED ADVISER

Beaumont Cornish Limited  
10-12 Cophall Avenue  
London EC2R 7DE

### BROKER

S P Angel & Co Limited  
East India House  
109-117 Middlesex Street  
London E1 7JF

### LAWYERS

Vizards Tweedie  
Barnards Inn  
86 Fetter Lane  
London EC4A 1DA

### REGISTRARS

Neville Registrars Limited  
Neville House  
18 Laurel Lane  
Halesowen  
West Midlands B63 3DA

### COMPANY'S REGISTERED NUMBER

4948435



Sirius Exploration plc  
[www.siriusexploration.com](http://www.siriusexploration.com)