

29 September 2008

SUNKAR RESOURCES PLC
("Sunkar" or the "Company")

Financial Results for the eight month period ended 31 December 2007

Sunkar Resources PLC (AIM:SKR) which aims to develop an integrated phosphate fertiliser manufacturing facility from its asset base in the Republic of Kazakhstan today announces results for the eight month period to 31 December 2007. These results are published following the Company changing its accounting reference date from 30 April to 31 December in line with its operating subsidiary, Temir Service LLP.

Unaudited interim results for six month period to 30 June 2008 will be published on 30 September 2008.

Sunkar listed on AIM in June 2008 following a placing which raised gross proceeds of £33.6 million.

A copy of the Company's Annual Report and Accounts for 2008 will be sent to shareholders on 30 September 2008 and will also be available for collection from its registered office, or downloaded from the Company website at www.sunkarresources.com.

Serikjan Utegen, CEO of Sunkar Resources said today:

"Since we listed on AIM in June 2008 we have made significant progress with the project.

I am very pleased to report today that we have received final approval for our amended Sub Soil Use Contract ("SSUC") with the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan which means that Temir is now in full compliance with the production and investment obligations of the SSUC. The amended terms of the contract are to extract 200,000 tonnes of ore in 2008 rising to 10 million tonnes in 2012. Development costs will reach \$115 million by 2012 of which a minimum of \$20 million is to be committed by the end of 2008.

Operations are already well advanced to reach our planned targets. In the last four weeks our base camp has been established and utilities are currently being installed. Equipment has been delivered and overburden stripping has commenced. The mining equipment is now in operation and early throughput rates are encouraging."

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Notes to Editors

Sunkar Resources PLC is a UK registered company that aims to be an integrated phosphate fertiliser manufacturer. The Company has a 90% interest in Temir-Service LLP (Temir), a limited liability partnership established under the laws of the Republic of Kazakhstan. Temir holds the Sub Soil Use Contract for the Chilisai phosphorite deposit in NW Kazakhstan.

The Chilisai deposit is one of the largest known deposits in the Former Soviet Union with a resource of some 800 million tonnes of phosphate containing ore in the Company's licence area. The ore lies in a shallow sedimentary layer which is expected to be extracted at low cost and the Competent Persons Report (CPR) set out in the admission document indicates that the resources within the Licence Area are sufficient for a 56 year mine life, with a mining rate of 10 million tonnes of ore mined per year.

Other key advantages of the project include proximity to low cost sulphur from the North Caspian oil and gas operations as well as extensive existing infrastructure with rail links to its key future markets of China, Russia and Central Asia FSU countries. The Company therefore believes that the highest value added opportunity lies in developing an integrated phosphate fertiliser manufacturing facility at the deposit site.

Sunkar Resources PLC

Consolidated income statement

For the period from 1 May to 31 December 2007

In thousands of US dollars

	<i>Note</i>	31/12/07	30/04/07
Continuing operations			
Revenue		-	-
Cost of sales		-	-
Gross profit		<u>-</u>	<u>-</u>
Other operating income	3	70	100
Administrative expenses		<u>(1,372)</u>	<u>(339)</u>
Operating loss before financing costs	4	<u>(1,302)</u>	<u>(239)</u>
Financing income		<u>1</u>	<u>-</u>
Loss before tax		(1,301)	(239)
Income tax credit		1	-
Loss for the period		<u>(1,300)</u>	<u>(239)</u>
Attributable to:			
Equity holders of the parent		(1,157)	(191)
Minority interest		<u>(143)</u>	<u>(48)</u>
		<u>(1,300)</u>	<u>(239)</u>
	<i>Note</i>	31/12/07	30/04/07
Basic and diluted earnings per share (cents)	14	<u>(1.31c)</u>	<u>(3.0c)</u>

Sunkar Resources PLC

Consolidated statement of recognised income and expense

For the period from 1 May to 31 December 2007

In thousands of US dollars

	31/12/07	30/04/07
Foreign exchange translation differences	<u>(24)</u>	(12)
Net expenditure charged directly against equity	(24)	(12)
Loss for the period	(1,300)	(239)
Total recognised income and expense for the period	<u>(1,324)</u>	<u>(251)</u>
Attributable to:		
Equity holders of the parent	(1,179)	(201)
Minority interest	(145)	(50)
Total recognised income and expense for the period	<u>(1,324)</u>	<u>(251)</u>

Company statement of recognised income and expense

For the period from 1 May to 31 December 2007

In thousands of US dollars

	Note	31/12/07	30/04/07
Foreign exchange translation differences		<u>-</u>	-
Net expenditure charged directly against equity		-	-
Result for the period		(560)	-
Total recognised income and expense for the period		<u>(560)</u>	<u>-</u>

Sunkar Resources PLC

Balance sheets

As at 31 December 2007

In thousands of US dollars

	<i>Note</i>	Group 31/12/07	Company 31/12/07	Group 30/04/07	Company 30/04/07
Assets					
Property, plant and equipment	<i>7</i>	107	-	110	-
Intangible assets	<i>8</i>	46,399	806	17,932	806
Investments	<i>9</i>	-	44,998	-	14,195
Deposit	<i>10</i>	2,500	2,500	-	-
Total non-current assets		49,006	48,304	18,042	15,001
Trade and other receivables	<i>11</i>	485	474	59	60
Cash and cash equivalents	<i>12</i>	6,107	5,994	378	377
Total current assets		6,592	6,468	437	437
Total assets		55,598	54,772	18,479	15,438
Equity					
Issued capital	<i>13</i>	217	217	166	166
Share premium	<i>13</i>	24,970	24,970	6,531	6,531
Shares not issued reserve	<i>13</i>	24,756	24,756	-	-
Translation reserve	<i>13</i>	(32)	-	(10)	-
Retained earnings	<i>13</i>	(1,119)	(331)	38	229
Total equity attributable to equity holders of the parent		48,792	49,612	6,725	6,926
Minority interest	<i>13</i>	1,398	-	2,950	-
Total equity		50,190	49,612	9,675	6,926
Liabilities					
Bank overdraft	<i>12</i>	-	-	27	27
Trade and other payables	<i>15</i>	5,408	5,160	8,777	8,485
Total current liabilities		5,408	5,160	8,804	8,512
Total liabilities		5,408	5,160	8,804	8,512
Total equity and liabilities		55,598	54,772	18,479	15,438

Sunkar Resources PLC

Statements of cash flows

For the period from 1 May to 31 December 2007

In thousands of US dollars

	<i>Note</i>	Group 31/12/07	Company 31/12/07	Group 30/04/07	Company 30/04/07
Cash flows from operating activities					
Operating loss		(1,302)	(486)	(239)	(6)
Depreciation		10	-	5	-
Increase in receivables		(396)	(384)	(57)	(54)
Decrease in payables		(210)	(240)	4,793	4,807
Cash utilised in operations		(1,898)	(1,110)	4,502	4,747
Income taxes paid		-	-	-	-
Net cash utilised in operating activities		(1,898)	(1,110)	4,502	4,747
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired	2	(5,000)	(6,028)	(10,223)	(11,154)
Acquisition of sub surface use contract		(98)	-	(570)	-
Acquisition of property, plant and equipment		(7)	-	(103)	-
Interest received		1	-	-	-
Net cash from investing activities		(5,104)	(6,028)	(10,896)	(11,154)
Cash flows from financing activities					
Repayment of loan		(5,708)	(5,708)	-	-
Proceeds from the issue of share capital		20,353	20,353	6,766	6,766
Payment of transaction costs		(1,863)	(1,863)	(9)	(9)
Net cash from financing activities		12,782	12,782	6,757	6,757
Net increase in cash and cash equivalents		5,780	5,644	363	350
Cash and cash equivalents at 1 May 2007		351	350	-	-
Effect of exchange rate fluctuations on cash held		(24)	-	(12)	-
Cash and cash equivalents at 31 December 2007	12	6,107	5,994	351	350

Interests of Directors

The interests of the Directors in the issued share capital of the Company are as follows:

Name	Number of shares held 31 December 2007	Number of shares held 30 April 2007
TS Kong ¹	811,750	811,750
S Utegen ²	20,000,000	20,000,000
DA Sinclair	0	0
N Damitov ³	20,000,000	20,000,000
C de Chezelles ⁴	0	0
LO Kraus	0	0
NR Clarke	0	0

¹ 811,750 shares are registered in the name of Bonus Evermore Limited, a Company wholly owned by Kongs Everlasting Settlement, a family trust of which Mr Kong is a beneficiary.

² 16,000,000 shares are registered in the name of Novita Advisors Corporation of which Mr Utegen is a shareholder.

³ These shares are registered in the name of Entente Corp Advisors Limited and Upminster Advisors Corp, both of which Mr Damitov is a shareholder.

⁴ In the Admission Document published by the Company on 24 June 2008, 968,545 shares registered in the name of Spread Trustee Company Limited and Napier Holding Services Limited were shown as shares in which Charles de Chezelles had an interest on the basis of shareholding in those entities. In fact it was his adult children who were interested in the 968,545 shares and under section 252 of the Companies Act 2006, his adult children were connected persons and in the Admission Document included those shares in accordance with this definition.

Sunkar Resources PLC

Notes to the consolidated financial statements

Nature of operation and going concern

The group is at an early stage of development and does not generate any significant revenues. Its success will depend upon raising funding to progress its development of the Chilisai phosphate deposit in Kazakhstan.

The Company successfully listed on AIM in June 2008 raising approximately \$65m before expenses to provide adequate funds for the initial development of the Chilisai project and working capital for a period of at least 12 months from the date of these financial statements and therefore the Directors consider it appropriate to prepare these financial statements on a going concern basis. However, the proceeds of this fund raising will not be sufficient to meet all the expenditure requirements of the Subsoil Use Contract and fully develop the mining operations for the Chilisai phosphate deposit and further specific project finance will be required.

Significant accounting policies

Sunkar Resources PLC (the "Company") is a Company registered in England and Wales. The consolidated financial statements of the Company for the period from 1 May to 31 December 2007 comprise the Company and its subsidiary (together referred to as the "Group").

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and with the parts of the Companies Act 1985 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared for the eight months ended 31 December 2007 which is to align the Company's year end with its operating subsidiary. The comparative amounts are for the period from 28 March 2006 to 30 April 2007 and as such are not directly comparable.

Adoption of standards effective in 2007

The following standards have been applied by the group from 1 May 2007:

IFRS 7 Financial instruments: disclosure.
IAS 1 (Amendment) Capital disclosures.

The application of IFRS 7 and IAS 1 (Amendment) in the period ended 31 December 2007 have not affected the balance sheets or consolidated income statement as the standards are concerned with disclosure only.

IFRS effective in 2007 but not relevant

The following amendment was mandatory for accounting periods beginning on or after 1 January 2007 but is not relevant to the operations of the group or company.

IFRIC 11 IFRS 2 -Group and treasury share transactions

EU adopted IFRS not yet applied

The following IFRS was available for early application but has not yet been applied by the group or company in these financial statements:

IFRS 8 Operating segments for years commencing on or after 1 January 2009.

The application of IFRS 8 in the period ended 31 December 2007 would not have affected the balance sheets or consolidated income statement as the standard is concerned only with disclosure.

(b) Basis of preparation

The directors consider that the US dollar is the economic currency of the Group and accordingly the financial statements are presented in US dollars, rounded to the nearest thousand. They are prepared on the historical cost basis. At 31 December 2007 the rate of exchange was 1.99730 US dollars to 1 GB pound.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that could have a significant effect on the financial statements and estimates and may attract a significant risk of material adjustment in the next year are discussed in note 21.

The accounting policies set out below have been applied consistently by Group entities to the period presented in these consolidated financial statements.

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to US dollars at foreign exchange rates ruling at the dates the fair value was determined.

(ii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to US dollars at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to US dollars at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising are classified as equity and are included a foreign translation reserve.

(e) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see accounting policy i). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

(iii) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

motor vehicles	3 years
fixtures and fittings	3 years

The residual value, if not insignificant, is reassessed annually.

(f) Intangible assets

(i) Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see accounting policy i). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the subsidiary.

Negative goodwill arising on an acquisition is recognised directly in profit or loss.

(ii) Sub Surface Use Contract

Expenditure on the acquisition of the sub surface use contract and exploration is carried as intangible assets until such a time as it is determined that there are commercially exploitable reserves and the necessary finance in place, at which time such costs are transferred to mineral interests to be amortised over the expected productive life of the asset. The Group's intangible assets are subject to a periodic review by the Directors for impairment. The recoverability is dependent upon a number of factors common to the natural resource sector. These include the extent to which the Group can establish economically recoverable reserves on its properties, the ability of the Group to obtain necessary financing to complete the development of such reserves and future profitable production or proceeds from the disposition thereof. Costs incurred in respect of projects determined as uncommercial are written off.

(iii) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(g) Investments

Investments are stated at cost less any provision for permanent diminution in value.

(h) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses (see accounting policy j (i)).

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(j) Impairment (except for the subsurface use contract)

The carrying amounts of the Group's assets (except for the Group's sub surface use contract) and deferred tax assets (see accounting policy n), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy j(i)).

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

(i) Calculation of recoverable amount

Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through profit or loss. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(l) Trade and other payables

Trade and other payables are stated at cost.

(m) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

(n) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

(o) Equity settled share based payments

All share based payments are recognised in the financial statements.

All goods and services received in exchange for the issue of any share-based payments are measured at their fair values. Fair values of goods or services are determined indirectly by reference to the fair value of the shares awarded. This measure is used in the absence of information on the fair value of the services provided. Their value is appraised at the allotment dates.

Share-based payments are either capitalised as intangible assets or expensed through the income statement with a corresponding credit to the profit and loss account in the balance sheet.

1. Segment reporting

A segment is a component of the Group distinguishable by economic activity (business segment) or by its geographical location (geographical segment) which is subject to risks and returns that are different from those of other segments. The Group's only business segment, which is its primary reporting format, is the exploration for, and development of, phosphorite deposits. All the Group's activities are related to the exploration for, and development of, phosphorite in Kazakhstan with support provided from the UK. In presenting information on the basis of geographical segments, segment assets and the cost of acquiring them are based on the geographical location of the assets. Segment capital expenditure is the total cost incurred during the period to acquire segment assets and where the assets are located. There was no Group turnover during the period.

	31/12/07	30/04/07
<i>In thousands of dollars</i>		
Total assets		
Kazakhstan	49,177	18,050
UK	6,421	429
Total	<u>55,598</u>	<u>18,479</u>
	2007	2007
Capital expenditure on deferred exploration and evaluation costs and goodwill		
Kazakhstan	28,466	17,932
UK	-	-
Total	<u>28,466</u>	<u>17,932</u>
Capital expenditure on property, plant and equipment		
Kazakhstan	7	110
UK	-	-
Total	<u>7</u>	<u>110</u>
Result for the period		
Kazakhstan	(701)	(239)
UK	(599)	-
Total	<u>(1,300)</u>	<u>(239)</u>

Result of the parent Company

As permitted by Section 230 of the Companies Act 1985, the income statement of the parent Company has not been presented as part of these financial statements. The parent Company made a loss of \$560,000 (period ended 30 April 2007: neither a profit nor a loss) during the period.

2. Acquisitions of minority interests

On 13 December 2007, the Group acquired an additional 10% interest in Temir-Service LLP for \$29,756,000. Temir-Service LLP has acquired the Sub Surface Use Contract for the extraction of phosphorite from the Chilsai deposit in Kazakhstan.

Effect of acquisition

Goodwill of \$28,350,000 arose on the acquisition of the additional 10% interest in Temir-Service LLP calculated as follows:

In thousands of dollars

Consideration:

To be settled by the issue of shares	24,756
Cash	5,000
	29,756
Minority interest acquired	1,406
Goodwill	28,350

The consideration was to be settled in equity shares which were subsequently issued on 24 June 2008 at a valuation of 120p per share. The valuation of 120p was the share price at the date of the initial public offering on 30 June 2008 and the directors deemed this to be the value at the date of allotment of the shares issued in consideration for the acquisition of the additional 10% interest in Temir-Service LLP.

3. Other operating income

In thousands of dollars

	31/12/07	30/04/07
Foreign exchange gains	-	48
Indemnified costs	70	52
	70	100

4. Operating loss

The operating loss is stated after charging:

	31/12/07	30/04/07
<i>In thousands of dollars</i>		
Depreciation	10	5
Directors' emoluments	13	-
Auditors' remuneration:		
Audit of these financial statements	167	43
Fees payable to the auditor for other services:		
Audit of accounts of associates of the Company pursuant to legislation	30	21
Foreign exchange losses	320	-
Operating lease rentals	61	6

Additional fees of \$119,000 for corporate finance work paid to the auditors have been charged against the share premium account (28/03/06 - 30/04/07: \$Nil).

5. Staff costs

<i>In thousands of dollars</i>	31/12/07	30/04/07
Wages and salaries	614	192
Share-based payments	-	115
Compulsory social security contributions	41	8
	<u>655</u>	<u>315</u>

The average number of employees during the period was 10 excluding directors (30 April 2007: 6).

Details of directors' remuneration are included in note 18.

6. Income tax

Recognised in the income statement

<i>In thousands of dollars</i>	31/12/07	30/04/07
Current tax expense		
Current year	(1)	-
Total income tax expense in income statement	<u>(1)</u>	<u>-</u>

Reconciliation of effective tax rate

<i>In thousands of dollars</i>	31/12/07	30/04/07
Loss before tax	<u>(1,301)</u>	<u>(239)</u>
Income tax using the domestic corporation tax rate of 30%	(390)	(72)
Effect of tax rates in foreign jurisdictions (rates decreased)		
Non-deductible expenses		
Effect of tax losses carried forward	389	72
	<u>(1)</u>	<u>-</u>

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

<i>In thousands of dollars</i>	31/12/07	30/04/07
UK tax losses	560	-
Overseas tax losses	741	199
	<u>1,301</u>	<u>199</u>

The overseas tax losses expire in 2010. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

7. Property, plant and equipment - group

In thousands of dollars

	Motor vehicles	Fixtures and fittings	Total
Cost			
Balance at 28 March 2006	-	-	-
Acquisitions through business combinations	-	12	12
Other acquisitions	85	18	103
Balance at 30 April 2007	<u>85</u>	<u>30</u>	<u>115</u>
Balance at 1 May 2007	85	30	115
Other acquisitions	-	7	7
Balance at 31 December 2007	<u>85</u>	<u>37</u>	<u>122</u>
Depreciation and impairment losses			
Balance at 28 March 2006	-	-	-
Depreciation charge for the period	3	2	5
Balance at 30 April 2007	<u>3</u>	<u>2</u>	<u>5</u>
Balance at 1 May 2007	3	2	5
Depreciation charge for the period	6	4	10
Balance at 31 December 2007	<u>9</u>	<u>6</u>	<u>15</u>
Carrying amounts			
At 28 March 2006	-	-	-
At 30 April 2007	<u>82</u>	<u>28</u>	<u>110</u>
At 1 May 2007	82	28	110
At 31 December 2007	<u>76</u>	<u>31</u>	<u>107</u>

8. Intangible assets - group

In thousands of dollars

	Goodwill	Sub surface use contract	Total
Cost			
Balance at 28 March 2006	-	-	-
Acquisitions through business combinations	1,795	16,137	17,932
Balance at 30 April 2007	<u>1,795</u>	<u>16,137</u>	<u>17,932</u>
Balance at 1 May 2007	1,795	16,137	17,932
Acquisitions	-	116	116
Acquisitions of 10% Minority Interest	28,350	-	28,350
Exchange differences	-	1	1
Balance at 31 December 2007	<u>30,145</u>	<u>16,254</u>	<u>46,399</u>
Amortisation and impairment losses			
Balance at 28 March 2006	-	-	-
Amortisation for the year	-	-	-
Impairment charge	-	-	-
Balance at 30 April 2007	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 1 May 2007	-	-	-
Amortisation for the year	-	-	-
Impairment charge	-	-	-
Balance at 31 December 2007	<u>-</u>	<u>-</u>	<u>-</u>
Carrying amounts			
At 28 March 2006	-	-	-
At 30 April 2007	<u>1,795</u>	<u>16,137</u>	<u>17,932</u>
At 1 May 2007	1,795	16,137	17,932
At 31 December 2007	<u>30,145</u>	<u>16,254</u>	<u>46,399</u>

Impairment tests for intangible assets

The Directors have considered whether there is an indication of impairment of the intangible assets at the balance sheet date by comparing the carrying amount with the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is the estimated future cash flows discounted to their present value based on an independent competent persons report and scoping study. Based upon estimated value in use the carrying amount of \$30,145,000 for goodwill and \$16,254,000 for the sub surface use contract are considered to be unimpaired.

However, the project to develop the Chilisai phosphate deposit is at a very early stage and the recoverability of this intangible asset is dependent upon the Group resolving certain technical, economic and market issues, completion of a feasibility study, obtaining the necessary financing to complete the development and achieving profitable production.

Intangible assets - Company

<i>In thousands of dollars</i>	Sub surface use contract	Total
Cost		
Balance at 28 March 2006	-	-
Acquisitions	806	806
Balance at 30 April 2007	<u>806</u>	<u>806</u>
Balance at 1 May 2007	806	806
Acquisitions	-	-
Balance at 31 December 2007	<u>806</u>	<u>806</u>
Amortisation and impairment losses		
Balance at 28 March 2006	-	-
Amortisation for the year	-	-
Impairment charge	-	-
Balance at 30 April 2007	<u>-</u>	<u>-</u>
Balance at 1 May 2007	-	-
Amortisation for the year	-	-
Impairment charge	-	-
Balance at 31 December 2007	<u>-</u>	<u>-</u>
Carrying amounts		
At 28 March 2006	-	-
At 30 April 2007	<u>806</u>	<u>806</u>
At 1 May 2007	806	806
At 31 December 2007	<u>806</u>	<u>806</u>

9. Investments - Company

<i>In thousands of dollars</i>	Investment in subsidiary	Loans	Cost
Cost			
Balance at 28 March 2006	-	-	-
Acquisitions	13,795	-	13,795
Advances	-	400	400
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2007	13,795	400	14,195
	<hr/>	<hr/>	<hr/>
Balance at 1 May 2007	13,795	400	14,195
Acquisition of 10% Minority Interest	29,897	-	29,897
Advances	-	906	906
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2007	43,692	1,306	44,998

During the prior period the company acquired an 80% interest in the capital of Temir Service LLP, a limited liability partnership registered in the Republic of Kazakhstan. During the current period the company acquired a further 10% minority interest in the partnership.

The company has provided a loan facility to Temir Service LLP of up to \$1.5m. The loan carries interest at a rate of LIBOR plus 2%. The loan is effectively repayable within one year from receipt of the final tranche unless mutually agreed otherwise.

At 31 December 2007, Temir Service LLP had net liabilities of \$1,072,000 and made a loss after taxation of \$741,000 for the period to 31 December 2007 (period ended 30 April 2007: \$239,000).

10. Deposit

In June 2007, the Group agreed (through Sokol Holdings Inc acting as agent), subject to concluding satisfactory due diligence, to acquire a 50% interest in a Kazakhstan LLP which owns a chemical production plant for \$5 million. The initial refundable payment of \$2.5 million was paid during the period. Sokol Holdings Inc, which is a Company controlled by shareholders of this Company, is entitled to commission of up to 10% of the total consideration plus reimbursement of expenses should the acquisition be concluded.

11. Trade and other receivables

<i>In thousands of dollars</i>	Group 31/12/07	Company 31/12/07	Group 30/04/07	Company 30/04/07
Other receivables and prepayments	485	474	59	60
	<hr/>	<hr/>	<hr/>	<hr/>
	485	474	59	60

12. Cash and cash equivalents

In thousands of dollars

	Group 31/12/07	Company 31/12/07	Group 30/04/07	Company 30/04/07
Bank balances	6,107	5,994	378	377
Bank overdrafts	-	-	(27)	(27)
Cash and cash equivalents in the statements of cash flows	<u>6,107</u>	<u>5,994</u>	<u>351</u>	<u>350</u>

13. Capital and reserves

Reconciliation of movement in capital and reserves

Group

<i>In thousands of dollars</i>	Share capital	Share premium	Shares not issued	Translation reserve	Retained losses	Total	Minority interest	Total equity
Balance at 28 March 2006	-	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	(191)	(191)	(48)	(239)
Foreign exchange translation differences	-	-	-	(10)	-	(10)	(2)	(12)
Acquisition of subsidiary	-	-	-	-	-	-	3,000	3,000
Shares issued	166	6,600	-	-	-	6,766	-	6,766
Cost of share issues	-	(69)	-	-	-	(69)	-	(69)
Share-based payments	-	-	-	-	229	229	-	229
Balance at 30 April 2007	<u>166</u>	<u>6,531</u>	<u>-</u>	<u>(10)</u>	<u>38</u>	<u>6,725</u>	<u>2,950</u>	<u>9,675</u>
Balance at 1 May 2007	166	6,531	-	(10)	38	6,725	2,950	9,675
Loss for the period	-	-	-	-	(1,157)	(1,157)	(143)	(1,300)
Foreign exchange translation differences	-	-	-	(22)	-	(22)	(2)	(24)
Acquisition of Minority Interest	-	-	24,756	-	-	24,756	(1,407)	23,349
Shares issued	51	20,302	-	-	-	20,353	-	20,353
Cost of share issues	-	(1,863)	-	-	-	(1,863)	-	(1,863)
Balance at 31 December 2007	<u>217</u>	<u>24,970</u>	<u>24,756</u>	<u>(32)</u>	<u>(1,119)</u>	<u>48,792</u>	<u>1,398</u>	<u>50,190</u>

Company

<i>In thousands of dollars</i>	Share capital	Share premium	Shares not issued	Retained earnings	Total
Balance at 28 March 2006	-	-	-	-	-
Total recognised income and expense	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-
Shares issued	166	6,600	-	-	6,766
Cost of share issues	-	(69)	-	-	(69)
Share-based payments	-	-	-	229	229
Balance at 30 April 2007	166	6,531	-	229	6,926
Balance at 1 May 2007	166	6,531	-	229	6,926
Total recognised income and expense	-	-	-	(560)	(560)
Acquisition of minority interest	-	-	24,756	-	24,756
Shares issued	51	20,302	-	-	20,353
Cost of share issues	-	(1,863)	-	-	(1,863)
Balance at 31 December 2007	217	24,970	24,756	(331)	49,612

Share-based payments

During the prior period the company allotted 1,640,000 shares at par in connection with services received. The fair value of the issue of these shares was \$229,453. The fair value of services received in return for the shares allotted was measured by reference to the fair value of the shares allotted. This measure was used in the absence of information on the fair value of the services provided. The estimate of the fair value of the services received was measured by reference to the value of shares allotted at a premium within this period. This did not affect the consolidated income statement as the cost was included within a cost of the acquisition of the intangible assets within this period.

Share capital and share premium - group and Company

<i>In thousands of ordinary shares</i>	31/12/07	30/04/07
Issued at beginning of period	94,600	-
Issued for cash	25,038	94,600
Issued at 31 December 2007 (30 April 2007: authorised for allotment)	119,638	94,600

At 31 December 2007 the authorised share capital comprised 500,000,000 ordinary shares of 0.1p each. (30 April 2007: 500,000,000 ordinary shares of 0.1p each).

In May 2007 the Company received \$683,525 to subscribe for 994,901 ordinary shares of 0.1p each at a premium of 34.9p.

In June 2007 the Company received \$617,503 to subscribe for 896,453 ordinary shares of 0.1p each at a premium of 34.9p.

In July 2007 the Company received \$282,156 to subscribe for 400,000 ordinary shares of 0.1p each at a premium of 34.9p and \$500,000 to subscribe for 609,756 ordinary shares of 0.1p each at a premium of 39.9p.

In August 2007 the Company received \$20,000 to subscribe for 24,638 ordinary shares of 0.1p each at a premium of 39.9p.

In December 2007 the Company received \$18,250,000 to subscribe for 22,112,500 ordinary shares of 0.1p each at a premium of 39.9p (in accordance with the terms of the December 2007 issue a further 2,211,250 ordinary shares of 0.1p were issued for no premium in April 2008).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The Group's objectives when managing capital are to safeguard the entity's ability to continue as a going concern so that it can continue to increase the value of the entity for the benefit of shareholders. Given the nature of the group's current activities the entity will remain dependent on equity funding in the short to medium term until such time as the Group becomes self-financing from the commercial production of mineral resources.

14. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31 December 2007 was based on the loss attributable to ordinary shareholders of \$1,300,000 (30 April 2007: \$239,000) and a weighted average number of ordinary shares outstanding during the period ended 31 December 2007 of 99,168,000 (30 April 2007: 7,934,000), calculated as follows:

Loss attributable to ordinary shareholders

<i>In thousands of dollars</i>	31/12/07	30/04/07
Loss for the period	(1,300)	(239)
Loss attributable to ordinary shareholders	<u>(1,300)</u>	<u>(239)</u>

Weighted average number of ordinary shares

<i>In thousands of shares</i>	2007
Issued ordinary shares at 28 March 2006	-
Effect of shares issued in April 2007	<u>7,934</u>
Weighted average number of ordinary shares at 30 April 2007	<u>7,934</u>
Issued ordinary shares at 1 May 2007	94,600
Effect of shares during period	<u>4,568</u>
Weighted average number of ordinary shares at 31 December 2007	<u>99,168</u>

15. Trade and other payables

In thousands of dollars

	Group	Company	Group	Company
	31/12/07	31/12/07	30/04/07	30/04/07
Trade payables	20	20	310	278
Non trade payables	2,600	2,500	100	-
Amounts payable to related parties (note 18)	2,500	2,500	8,128	8,128
Accrued expenses	288	140	239	79
	<u>5,408</u>	<u>5,160</u>	<u>8,777</u>	<u>8,485</u>

16. Financial instruments

The board of directors determines, as required, the degree to which it is appropriate to use financial instruments and hedging techniques to mitigate risks. The main risks for which such instruments may be appropriate are foreign exchange risk, interest rate risk and liquidity risk each of which is discussed below. There is no perceived credit risk as the company and group have no trade receivables and minimal other receivables (see note 11). There were no derivative instruments outstanding at 31 December 2007.

Liquidity risk

To date the Group has relied on shareholder funding and founder loans to finance its operations. As the Group has finite cash resources and no material income, the liquidity risk is significant and is managed by controls over expenditure.

The liabilities of the Company are due within one year. The Company has adequate financial resources to meet the obligations existing at 31 December 2007.

Interest rate risk

At the balance sheet date there was no significant exposure to interest rate risk.

Foreign currency risk

The Group is exposed to foreign currency risk on purchases that are denominated in a currency other than the dollar. The currencies giving rise to this risk are primarily Pounds Sterling and Kazakh Tenge.

The Group had the following cash and cash equivalents in currencies other than its functional currency. The amounts are stated in US dollar equivalents.

	31/12/07	30/04/07
	\$,000	\$,000
GB Pounds	5,868	377
US Dollars	126	(27)
Kazakh Tenge	113	1
	<u>6,107</u>	<u>351</u>

The Group's cash resources are held in GB Pounds, US Dollars and Kazakh Tenges. Exchange rate fluctuations may adversely affect the Group's financial position and results. The Group's financial results are reported in US Dollars and its financial assets are mainly in GB Pounds. A 1% fluctuation of the GB Pound to the US Dollar would cause approximately \$58,000 gain or loss in the Group's financial statements.

The above risk exposures are also considered to apply to the Company.

Fair values

In the directors' opinion there is no material difference between the book value and fair value of any of the group's financial instruments.

The classes of financial instruments are the same as the line items included on the face of the balance and have been analysed in more detail in the notes to the accounts. All the Group's financial assets are categorised as loans and receivables and all financial liabilities are measured at amortised cost.

17. Capital commitments

The MEMR has agreed to an amended work programme and production and investment obligations in an Addendum to the Sub Soil Use Contract. These require project investment of \$20 million by the end of 2008 and \$115 million by the end of 2012 with ore production of 200,000 tonnes by the end of 2008 and 10 million tonnes per annum by 2012.

18. Related parties

Identity of related parties

The Group has a related party relationship with its subsidiary (see note 9), its directors and executive officers and shareholders exerting significant influence over the financial and operating policies of the Group.

The Group has no ultimate controlling party.

Transactions with key management personnel

The key management personnel compensations are as follows:

Key management personnel

In thousands of dollars

	31/12/07			30/04/07		
	Directors	Other	Total	Directors	Other	Total
Salaries	13	212	225	-	119	119
Compulsory social security contributions	2	1	3	-	4	4
Share-based payments	-	-	-	-	115	115
	15	213	228	-	238	238

The director's salary was payable to D A Sinclair. None of the other directors received any remuneration during the period.

Transactions with subsidiary undertakings

Details of loans advanced to the subsidiary undertaking are included in note 9.

Other related party transactions

The Company in the prior period exercised an option to purchase the initial 80% interest in Temir Service LLP for \$10.5m from Cowaramup Investments Ltd, a Company controlled by a

shareholder of this company. The Company made no payment in the period and owed \$2.5 million at 31 December 2007 (30 April 2007: \$2.5 million).

During the period the Company repaid Sokol Holdings Inc, a Company controlled by shareholders of this company \$3,772,771 in a interest free loan, \$1,103,237 direct project costs and £752,219 in expenses and other project related items. There was nothing outstanding at 31 December (30 April 2007: \$5,628,227)

Sokol Holdings Inc also agreed to indemnify certain revenue expenses incurred by the Company. During the period ended 31 December 2007 costs of \$69,545 (30 April 2007 \$51,554) had been indemnified and the balance due under the indemnity was \$121,099 (30 April 2007: \$51,554).

In May 2007, the Group entered into an agency agreement with Sokol Holdings Inc to enter into negotiations to acquire share participation in Herbicides LLP, an enterprise located in Kazakhstan that holds production and technical facilities for laboratory research and processing of mineral resources and production of mineral fertilisers (see note 10 for further details).

In December 2007, the Company made a payment of \$2.5 million to Sokol Holdings Inc in respect of a secured interest bearing loan agreement for \$2.5 million dated 27 July 2007 between Sokol Holdings Inc and Herbicides LLP. The \$2.5 million deposit set out on note 10 is payable out of this loan amount.

19. Group entities

Significant subsidiaries

	Country of incorporation	Ownership interest
Temir-Service LLP	Kazakhstan	90%

20. Subsequent events

On 9 May 2008 and 18 June 2008, the Company issued 1,818,750 and 392,500 ordinary shares of 0.1p each for no premium to investors who were granted the right to subscribe for certain amounts of shares pursuant to the private placement in November 2007.

On 9 May 2008, the Company issued 70,666 ordinary shares of 0.1p each to correct some allotments made at 45p to an effective 40p.

On 24 June 2008, the Company issued 10,000,000 ordinary shares as part consideration in the acquisition of 10% of Temir Service LLP.

On 24 June 2008, the Company issued 12,550,006 warrants to certain investors. Each warrant entitles the holder to subscribe for one ordinary share at 115% of the placing price of shares at IPO (equating to 138p per ordinary share)

The Company has entered into finance lease agreements for the leasing of mining equipment (\$8.5 million equivalent) to Temir Service LLP. All agreements commence from completion of handover. Repayments will be over 48 months at an interest rate of 8%.

On 17 April 2008 the Company entered into a financing agreement with Temir Service LLP for \$4.5million, which replaces the previous loan facility for \$1.5 million. In September 2008 this limit has been increased to \$8.0 million.

In July 2008 the Company received \$65million as subscription for 28,000,000 ordinary shares of 0.1p each at a premium of 119.9p.

In June 2008 the Company issued 6,135,000 options at an exercise price of 120p and 2,000,000 options at an exercise price of 80p to Directors and Senior Management.

In June 2008 the Company issued 346,279 broker warrants to Canaccord Adams Limited and 186,458 broker warrants to GMP Securities Europe LLP pursuant to Broker Agreements.

21. Accounting estimates and judgements

Management have considered the selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates.

Key sources of estimation uncertainty

Notes 8 and 9 contain information about the key assumptions and the risk factors relating to the possible impairment of the goodwill and the sub-soil use contract.

Note 2 contains information about the assumptions relating to the valuation of shares issued in connection with the acquisition of an additional 10% interest in Temir-Service LLP. If a different estimate for the value of the shares was used the effect would be a restatement of goodwill and reserves.

NOTE:

The financial information set out in this preliminary announcement does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985 for the period ended 31 December 2007 or for the period ended 30 April 2007, but is derived from those accounts. The

financial statements for December 2007 are still to be delivered to the Registrar of Companies. The auditors have reported on these accounts, their report was unqualified and did not contain statements under the Companies Act 1985, s237 (2) or (3).