ALL STAR MINERALS PLC

ANNUAL REPORT 2006

ALL STAR MINERALS PLC

DIRECTORS' REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2006

Company Registration No. 4228788 (England and Wales)

Company Information

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EC3A 6DE

Solicitors
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Directors
Robert Young PhD MSc BSc DIC
Conrad Windham BA
Shahrukh Khan BA

Company Secretary
Edward Taylor

Company Number
4228788

Web Site
www.allstarminerals.com

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Chairman's Statement

Full Year Highlights

- Listed on PLUS in April 2006 in an oversubscribed placing raising GBP450,000 at 2p per share
- Investment of GBP200,000 at 2p per share with funds managed by RAB Capital in May 2006
- Registered as a foreign Company in Australia in order to allow the transfer to the Company of BullBadger and Errabiddy exploration licences
- Exploration work commenced on BullBadger, with first results imminent
- Positive progress for thorium at both a corporate and international level

Chairman's Statement

It gives me pleasure to introduce the final audited results for All Star Minerals for the 12 months ended 30th November 2006.

The past twelve months have been a period of real significance for the Company, with a public listing on PLUS Markets in April 2006 together with an oversubscribed placing which raised GBP450,000 at 2p per share. Achieving a public listing was of great importance, primarily for the access to capital markets, but also for the increased public profile that accompanies such a move.

Shortly after having listed on PLUS, the Company's balance sheet was strengthened by an investment of GBP200,000 at 2p per share from funds managed by RAB Capital. Following this investment RAB is one of the Company's largest shareholders, holding 10 million shares, representing 16 per cent of the issued share capital.

Over the past twelve months the directors have undertaken due diligence on a number of opportunities in Russia, Australia and Greenland, which has led to the acquisition of two properties in close proximity to each other in Western Australia, called BullBadger and Errabiddy.

BullBadger comprises 30 blocks covering 93 square kilometres, and was granted a five year exploration licence on 5th January 2006. Exploration work undertaken to date has returned thorium in regolith grades of up to 662 ppm ("parts per million"), which compares favourably against the average grade of thorium in the earth's crust in phosphates, silicates, carbonates and oxide minerals of 10 ppm. We anticipate being in a position to announce results from recent rock-chip sampling exploration in the next couple of months. Errabiddy, meanwhile, comprises 100 blocks covering 310 square kilometres, and was granted a five year exploration licence on 11th January 2007.

On 30th January 2007 All Star received confirmation of its registration as a foreign Company in Australia under the Corporations Act 2001. This registration should now enable the smooth transfer of the legal title in the BullBadger and Errabiddy exploration licences from Geotech International Pty Ltd to All Star Minerals.

Chairman's Statement (continued)

Negotiations with regard to the potential acquisition of a sizeable property hosting thorium and other commercial elements referred to in the Company's announcement on 30th November have ended, the board having concluded that the terms of the acquisition were not in the best interests of the Company or its shareholders. The board continues to look for properties and opportunities which it believes have the potential to act as a catalyst for growth.

The Directors continue to be very optimistic about thorium and its future role in the nuclear industry. All Star Minerals is not the only thorium-focussed Company to obtain a public listing during the past twelve months. NovaStar Resources Ltd was formed in May 2005, and subsequently listed on the OTC Bulletin Board exchange. In May 2006 NovaStar raised over $15 million in an oversubscribed private placing and, in October, completed the acquisition of Thorium Power Inc through a reverse takeover, with the enlarged entity being renamed Thorium Power Ltd. Since this reverse takeover was completed, Thorium Power Ltd has made positive inroads into promoting the benefits that the thorium fuel cycle offers the nuclear industry. From its press releases we understand that Thorium Power Ltd is discussing the opportunity for its revolutionary technology to be used within India and Poland.

In addition to press releases regarding the development of thorium in India and Poland, in February 2007, the Norwegian Ministry of Petroleum and Energy commissioned the Research Council of Norway to investigate the opportunity for exploiting its estimated 180,000 tons of indigenous thorium reserves for power generation. Odd Roger Enoksen, the Norwegian Oil and Energy Minister said: "The commission to be formed will carry out the study to establish the best-possible factual basis in respect both to the opportunities and risks of using thorium in energy production in the long term."

The Company has closely followed the sentiment toward thorium emerging from Norway. Until recently, the most notable advocate for Norway pursuing the thorium fuel cycle and utilising its substantial indigenous thorium reserves has been Professor Egil Lillestøl of the Institute of Physics and Technology at the University of Bergen. We are greatly encouraged that the Norwegian Ministry has decided to proceed with investigating the opportunity that thorium offers the country's long term energy supply.

I am pleased to provide our shareholders with a research paper written by my fellow director, Conrad Windham, for the Touch Briefings publication, entitled "Thorium – Fuelling A Sustainable Future For Nuclear Power". I hope that investors enjoy reading the paper and that it provides a further insight into the opportunity that thorium offers the nuclear industry. The paper accompanies our annual report, and can also be downloaded from: http://www.touchbriefings.com/pdf/2402/windham.pdf

Chairman's Statement (continued)

One of the most important areas for any junior natural resource company is that of capital management and preservation, and the board of All Star is no exception. Over the past few months we have looked into ways of reducing the Company's outflow, and it was concluded that terminating our relationship with St Swithins Public Relations would save valuable funds. The board would like to take this opportunity to publicly extend its thanks to St Swithins for the support and guidance provided following the Company's listing on PLUS.

Financials

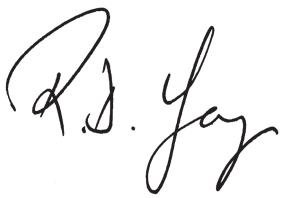
The financial results for the twelve months to 30th November 2006 show a loss after taxation of GBP199,630. At the year end the Company had cash at bank and in hand of GBP430,166 and total assets less current liabilities of GBP434,102.

Outlook

The positive developments surrounding thorium that have happened since the Company's admission to PLUS last April (as summarised above) have reinforced the board's confidence that thorium will play a significant future role in the nuclear industry.

As a Company we are pleased and optimistic about our first two thorium properties in Western Australia, BullBadger and Errabiddy, and look forward to progressing the development of these over the coming months. Whilst we are disappointed not to have acquired further properties, ensuring the quality of the Company's projects is of paramount concern, and identifying suitable opportunities remains our priority over the coming months.

Finally, I would like to take this opportunity to thank all our investors in All Star Minerals and for their continued support and patience. We hope that we will get the chance to meet a number of our investors at our forthcoming AGM.



Dr Robert Young
Chairman

Nuclear Energy Review 2006

History and Origins

Thorium, which is located in the actinide series of the periodic table, having the chemical symbol Th, was discovered by the Swedish chemist Jöns Jakob Berzelius in 1828, who named the element in honour of Thor, the Norse god of thunder. The actinide series, which is named after actinium, the first element in the series, encompasses 15 elements, having the atomic numbers of 89 through to 103, of which thorium is number 90. Of the 15 elements in the actinide family only thorium and uranium occur in considerable quantity in the earth's crust.

Uranium, which has the atomic number of 92 and which was discovered 39 years before thorium by the German chemist Martin Heinrich Klaproth in 1789, has been the accepted fuel of choice for nuclear power since Enrico Fermi invented the first nuclear chain reaction, Chicago Pile Number One, in America in 1942. After the end of World War II, nuclear research turned to producing electricity, which resulted in Experimental Breeder Reactor I being constructed in Idaho in 1951. With nuclear research focusing primarily on generating power from uranium, there was little interest at that time in the potential of thorium as a fuel for nuclear reactors.

The Benefits that Thorium Offers

Today, however, there is a growing consensus that thorium represents a crucial part the future of civil nuclear power generation, for several key reasons. The first and most advocated reason for using thorium in the nuclear fuel cycle is the nonproliferation benefits that it offers. All uraniumfuelled reactors produce a certain quantity of plutonium, but when the fertile thorium is the dominant fuel and is bombarded with neutrons it decays to become uranium-233, no utilisable plutonium is bred and, furthermore, there is very low and significantly less radio\toxicity from spent thorium fuel than that of spent uranium-235, uranium-238 and plutonium-239, the only isotopes currently used as nuclear fuel for reactors. Spent uranium-235 has a half-life of around 700 million years, spent uranium-238 has a half-life of 4.5 billion years, while the spent uranium-233, from the thorium fuel cycle has a half-life of 160,000 years and would remain radioactive for 500 years. It is also possible for the spent fuel to be reprocessed so that the thorium and fissile uranium can be recycled.

A further benefit from uranium-233 is its higher neutron yield per neutron absorbed, thus providing for a greater fuel efficiency than uranium-235, uranium-238 and plutonium-239.

As an element, thorium is understood to be at least three times as abundant in the earth's surface as that of uranium. All mined thorium can be used in a reactor, compared with 0.7% of natural uranium. This means that up to 40 times the amount of energy per unit mass could be available from thorium. In comparison to coal, the energy contained in one kilogram of thorium is equivalent to 4,000 tons of coal. In summation, thorium has the potential to provide the world's energy requirements for several thousand years, with minimal radioactive waste that is unsuitable for producing weapons grade material.

Nuclear Energy Review 2006 (continued)

Geology

To date, exploration for thorium has been minimal, largely due to there being no major demand for the element. The average concentration of thorium in the earth's crust is 10 parts per million, with the element typically being located in concentration with uranium and other rare earth elements. The largest reserves of thorium are found in monazite, a phosphate that is rich in rare earth elements, especially thorium, lanthanum and cerium. The most substantial reserves of thorium are located in Australia, India, Brazil, Turkey and Norway, with total known world reasonably assured reserves of 2.23 million tonnes. The world's total reserve of monazite is estimated to be in the region of 12 million tonnes, of which eight million tonnes is found in the beach sands of India, in particular in the states of Kerala, Tamil Nadu, Andhra Pradesh and Orissa.

India – Leading the Advancement of Thorium Nuclear Technology

The rapid economic growth of India has resulted in its consumption of electricity doubling over the past decade, leaving the country with a supply deficit. Nuclear power generation has, to date, only been able to supply 3% of India's demand, largely due to the country having minimal uranium reserves, estimated at 78,000 tonnes, with production coming from the Jaduguda, Narwapahar, Bhatin, and Turamdih mines, controlled and operated by the Uranium Corporation of India. India's thorium reserves, meanwhile, have been estimated at 360,000 tonnes, a figure which will increase substantially as further exploration confirms new reserves. As a result of its need to harness nuclear energy as a primary source of electricity, India has been developing nuclear technology centered on the thorium fuel cycle.

At the Indira Gandhi Centre for Atomic Research in Kalpakkam, South-East India, the world's first thorium-fuelled reactor, Kamini, achieved criticality in October 1996. Kamini, which was constructed jointly between the Indira Gandhi Centre and the Bhabha Atomic Research Centre of Trombay, is a 30kWth experimental reactor that is powered by uranium-233.

Moving forward with its 'three-staged' nuclear power programme, in 2003 work commenced on a 500MWe fast breeder reactor at Kalpakkam, which will have a blanket of thorium and uranium to breed uranium-233 and which is anticipated to be in operation by 2010. It is understood that the Bhabha Atomic Research Centre is to commence construction of a 300MWe advanced heavy water reactor in 2007, which will be the next demonstration reactor for generating energy from thorium. The long-term plan for India is to generate its energy from an advanced heavy-water reactor that utilises the country's vast thorium reserves. India's expertise in developing nuclear technology to harness energy from thorium is likely to see its technology rolled out internationally, and the country is already promoting the benefits of the thorium fuel-cycle and its non-proliferation benefits.

Nuclear Energy Review 2006 (continued)

Thorium Power – Developing a Novel Thorium Nuclear Fuel

The public-listed American company Thorium Power Inc. is developing a patented new thorium fuel, initially targeted for use in Russia's seven Voda-Vodyanoi Energetichesky Reaktors (VVERs) (Russian: pressurised water reactor)-1000 reactors in order to eliminate weapons-grade plutonium, of which Russia is home to around 140 metric tons. The fuel design ensures that the used fuel is proliferation resistant, ensuring that no plutonium in the used fuel is suitable for weapons purposes. The technology is being developed in the Kurchatov Institute, Moscow, with funding from the US government and in-kind contributions from the Russian government. The key criterion for the technology's development is:

- full compatibility with existing VVER-1000 reactors;
- full utilisation of existing nuclear fuel fabrication infrastructure in Russia;
- minimising the hazards associated with handling plutonium in a fuel cycle;
- minimising costs associated with the plutonium disposition program in Russia;
- minimising production of reactor-grade plutonium in spent fuel;
- accelerating the rate of plutonium disposition in VVER-1000 reactors; and
- providing enhanced proliferation resistance so that no weapons-suitable plutonium could be extracted from spent fuel.

The technology is in the form of a seed and blanket fuel assembly design, whereby the outer layer of the technology is composed of 228 blanket rods, which are fueled with a combination of thorium oxide (ThO2) and uranium oxide (UO2). The uranium is 20% enriched in uranium-235. The inner layer of the technology is the seed fuel rods, which consists of 108 star-shaped twisted rods per assembly, which has plutoniumzirconium metal as the driver fuel. The seed assembly is a self-contained structure which is inserted into the centre region of the blanket assembly. Subsequently, the blanket captures neutrons from the ThO2-UO2 seed fuel, which breeds and burns uranium-233. The blanket assembly of the Thorium Power technology has the same outer design as that of a regular VVER-1000 fuel assembly.

Thorium Power's fuel design has been endorsed by nuclear technology specialists Westinghouse, which believes that the technology has good prospects for success. Westinghouse also believes the thorium fuel design to be superior to mixed oxide fuel (MOX), which is an alternative means of burning weapons-grade plutonium to produce electricity. It is understood that the thorium fuel assembly can eradicate plutonium three times faster and at up to 50% of the cost of MOX. Furthermore, MOX has yet to be tested in Russian reactors, meaning that potential commercialisation is at least a decade away. It is Thorium Power's stated intention to move the fuel from testing in a research reactor to commercial reactors.

Nuclear Energy Review 2006 (continued)

Emerging Promise for Thorium Reactors in Poland and Norway

Whilst the principle countries driving the research behind thorium-fuelled reactors are India, America and Russia, there has been a growing interest in recent months from Norway and Poland. One of the most vocal supporters promoting the argument for using thorium in Norway is Professor Egil Lillestøl of the Institute of Physics and Technology at the University of Bergen. Norway has an estimated 180,000 tons of thorium – the world's fourth largest reserves – and Lillestøl is advocating investment in building a prototype accelerator driven reactor based on thorium. Recently, there have been an increasing number of people in the media and in government who have taken note of Lillestøl's proposals, but no indications have been given as to the future of thorium-fuelled reactors in Norway.

Poland, meanwhile, has been investigating options for power generation, which has included the possibility for using thorium, potentially through a venture with Thorium Power. The American Company has been in discussions with senior Polish government officials, where it has discussed how cutting edge nuclear technologies can address Poland's energy requirements.

The Future for Thorium

As of now, the two principle drivers of thoriumfuelled technology are India, through the development of its advanced heavy water reactor, and Thorium Power, through the development and ensuing commercialisation of its thorium seed and blanket fuel technology. Both India and Thorium Power Inc. are advocating the benefits of the thorium fuel cycle and there are reputable individuals backing the technology, including the former UK Conservative Party leader, Michael Howard, and Ambassador Thomas Graham, a renowned expert in nuclear non-proliferation. India has been intent on utilising its thorium reserves for a number of years and will push ahead with the development of the technology to produce energy from thorium. However, Thorium Power has much work to do before its technology is adopted in a Russian VVER-1000 reactor, or other designs. It is too early to foresee the extent of the role that thorium will play in the civil nuclear power generation industry, but with the support for, and understanding of, the thorium fuel cycle increasing, along with the tightening uranium supply market and accompanied price rise, there is a strong likelihood that we will see the first commercial thorium-fuelled reactors being constructed within the next decade. Thorium is certainly an important strategic answer to longterm, safe and sustainable nuclear power.

A version of this article containing a figure can be found in the Reference Section on the website supporting this briefing (www.touchnuclear.com).

BullBadger and Errabiddy – Property Overview

The following report on the BullBadger and Errabiddy properties in Western Australia was released via Newstrack on 30th November, 2006.

Located in Western Australia, BullBadger and Errabiddy cover a combined land mass of 403 square kilometres. BullBadger covers 30 blocks, being 93 square kilometres, and was granted a five-year exploration licence on 5th January 2006. Errabiddy, meanwhile, covers 100 blocks, being 310 square kilometres, and was granted a five-year exploration licence on 11th January 2007.

Geological History

The BullBadger and Errabiddy tenements cover part of the Narryer Terrane, a geological complex in Western Australia composed of a tectonically interleaved and polydeformed mixture of granite, mafic intrusions and metasedimentary rocks over 3.3 giga-annums. The Narryer Terrane contains the oldest known rocks in Australia, of which some are known to be the oldest rocks on Earth.

Pre-1995 Exploration

Past work on the tenements up until 1995 has seen exploration for gold, nickel, vanadium, base metals and diamonds. Gold exploration was undertaken through stream sediment sampling and analysed through cyanide leaching which found weak anomalies.

Post-1995 Exploration

After 1995 the most significant work has been undertaken by Astro Mining, which was exploring for diamonds, focussed on the project area it termed the Mount Gould Alkaline Province, in which lamprophyres (see note 1) were located. Non-traditional exploration methods such as stream sampling and geological surveys proved most successful. In the Astro Mining project area, 19 discrete, primitive, alkaline lamprophyres were located, of which three were in the BullBadger licence area. Astro Mining believed that there were two potassic lamprophyre events during which most of the Mount Gould bodies were emplaced. The two potassic lamprophyre events showed clusterings of low and high niobium (40 – 200 parts per million).

The rock sampling and heavy mineral concentrates returned no micro-diamonds, and analytical probe results were negative for a number of high interest diamond indicator minerals such as spinels. Astro Mining concluded that the lamprophyres have an affinity with primitive lamproites, and although lacking diamonds, are probably from a deep crustal origin.

2006 Findings

Recent work has seen grain counts of mineral species in selected samples of heavy mineral concentrates undertaken by Paul Askins (see note 2), which showed very high monazite, zircon, ilmenite and leucoxene counts recorded.

An analysis of the work undertaken to date on BullBadger has concluded that, whilst exploration for diamonds was unsuccessful, the discovery of lamprophyres, having a deep crustal origin, in a highly complex area at the edge of the Archaean

BullBadger and Errabiddy – Property Overview (continued)

craton, indicates that the area has considerable potential for a suit of alkaline ultramafic rocks, such as carbonatites, which are prospective for, inter alia, rare earth elements, including niobium and thorium.

The Errabiddy tenement includes some very large zones with significantly high thorium radiometric anomalies. Grades of up to 48% monazite, 47% zircon, 29% ilmenite, and 20% leucoxene have been recovered in stream sediments.

Note 1 – Lamprophyres are known to be associated with diamonds, for example, the Wandagee Lamprophyre Suite in Western Australia is host to diamond-bearing picritic monchiquite lamprophyre plugs

Note 2 – Paul Askins is an owner of Geotech International Pty Ltd, the owner of the BullBadger property prior to its transfer of ownership to All Star Minerals Plc. Paul Askins and Dr Robert Young, the Chairman of All Star Minerals Plc, worked together in the past for BHP Billiton

Directors' Report for the Year Ended 30 November 2006

The directors present their report and financial statements for the year ended 30 November 2006.

Principal activities and review of the business

The principal activity of the company was that of the exploration of minerals. The company did not trade during the period.

Results and dividends

The results for the year are set out on page 5.

The loss for the year after tax amounted to £199,630. The directors do not recommend the payment of a dividend (2005 - nil).

Directors

The following directors have held office since 1 December 2005:

Mr R B Rowan	(Resigned 3 February 2006)
Dr R D Young	
Mr S Khan	(Appointed 8 March 2006)
Mr C Windham	(Appointed 3 February 2006)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of 1p each	
	30 November 2006	1 December 2005
Dr R D Young	5,900,000	5,900,000
Mr S Khan	-	-
Mr C Windham	-	-

Ordinary shares of 1p each under option

Dr R D Young	5,900,000	1,800,000
Mr S Khan	1,000,000	-
Mr C Windham	2,000,000	-

Each option granted gives the holder the right to subscribe for 1 ordinary share at an exercise price of 1 pence at any time up to 8 March 2011.

Creditor payment policy

It is the company's policy to pay suppliers within their respective credit terms, this policy is abided by. At 30 November 2006 there were no trade creditors outstanding.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Price Bailey LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

Directors' Report for the Year Ended 30 November 2006 (continued)

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

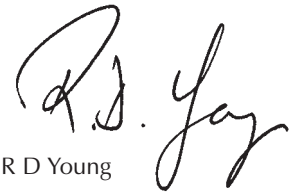
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Dr R D Young
Director
2 March 2007

Independent Auditors' Report

To the Shareholders of All Star Minerals Plc

We have audited the financial statements of All Star Minerals Plc for the year ended 30 November 2006 set out on pages 5 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985.We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which

Independent Auditors' Report (continued)

we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2006 and of its loss for the year then ended;
- the information given in the directors' report is consistent with the financial statements.
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

Price Bailey LLP 2 March 2007

Chartered Accountants
Registered Auditor

Richmond House
Broad Street
Ely
Cambs
CB7 4AH

Profit and Loss Account for the Year Ended 30 November 2006

	Notes	2006 £	2005 £
Administrative expenses		(205,255)	(2,129)
Operating loss	**2**	(205,255)	(2,129)
Other interest receivable and similar income		5,625	2
Loss on ordinary activities before taxation		(199,630)	(2,127)
Tax on loss on ordinary activities		–	–
Loss on ordinary activities after taxation	**8**	(199,630)	(2,127)
Loss per share	**13**	(0.34)p	–
Diluted loss per share	**13**	(0.22)p	-

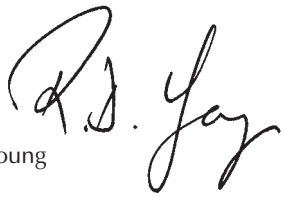
The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

Balance Sheet as at 30 November 2006

	Notes	2006 £	2006 £	2005 £	2005 £
Fixed assets					
Tangible assets	**4**		1,246		–
Current assets					
Debtors	**5**	10,004		–	
Cash at bank and in hand		430,166		97	
		440,170		97	
Creditors: amounts falling due within one year	**6**	(7,314)		(9,001)	
Net current assets/(liabilities)			432,856		(8,904)
Total assets less current liabilities			434,102		(8,904)
Capital and reserves					
Called up share capital	**7**		625,000		300,000
Share premium account	**8**		317,636		–
Profit and loss account	**8**		(508,534)		(308,904)
Shareholders' funds – equity interests	**9**		434,102		(8,904)

The financial statements were approved by the Board on 2 March 2007



Dr R D Young
Director

Cash Flow Statement for the Year Ended 30 November 2006

		2006		2005
	£	£	£	£
Net cash inflow/(outflow) from operating activities		(216,634)		83
Returns on investments and servicing of finance				
Interest received	5,625		2	
Net cash outflow for returns on investments and servicing of finance		5,625		2
Capital expenditure				
Payments to acquire intangible assets	(1,558)		–	
Net cash inflow/(outflow) for capital expenditure		(1,558)		–
Net cash inflow/(outflow) before management of liquid resources and financing		(212,567)		85
Financing				
Issue of ordinary share capital	650,000		–	
Cost of share issue	(7,364)		–	
Issue of shares	642,636		–	
Decrease in debt	–		–	
Net cash outflow from financing		642,636		–
Increase in cash in year		430,069		85

Notes to the Cash Flow Statement for the Year Ended 30 November 2006

1 Reconciliation of operating loss to net cash (outflow)/inflow from operating activities

	2006 £	2005 £
Operating loss	(205,255)	(2,129)
Depreciation of tangible assets	312	–
Increase in debtors	(10,004)	–
(Decrease)/Increase in creditors within one year	(1,687)	2,212
Net cash (outflow)/inflow from operating activities	(216,634)	83

2 Analysis of net funds

	1 December 2005 £	Cash flow £	Other non-cash changes £	30 November 2006 £
Net cash:				
Cash at bank and in hand	97	430,069	–	430,166
Bank deposits	–	–	–	–
Net funds	97	430,069	–	430,166

3 Reconciliation of net cash flow to movement in net funds

	2006 £	2005 £
Increase in cash in the year	430,069	85
Movement in net funds in the year	430,069	85
Opening net funds	97	12
Closing net funds	430,166	97

Notes to the Financial Statements for the Year Ended 30 November 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment 20% straight line

1.2 Deferred taxation

The accounting policy in respect of deferred tax reflects the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. A deferred tax asset is not recognised unless recovery is expected in the foreseeable future.

1.3 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Operating loss

	2006 £	2005 £
Operating loss is stated after charging:		
Depreciation of tangible assets	312	–
Auditors' remuneration	3,251	1,762
Remuneration of auditors for non-audit work	8,950	–

Notes to the Financial Statements for the Year Ended 30 November 2006 (continued)

3 Investment income

	2006 £	2005 £
Bank interest	5,625	2

4 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 December 2005	-
Additions	1,558
At 30 November 2006	1,558
Depreciation	
At 1 December 2005	-
Charge for the year	312
At 30 November 2006	312
Net book value	
At 30 November 2006	1,246

5 Debtors

	2006 £	2005 £
Other debtors	1,381	-
Prepayments and accrued income	8,623	-
	10,004	-

Notes to the Financial Statements for the Year Ended 30 November 2006 (continued)

6 Creditors: amounts falling due within one year

	2006 £	2005 £
Taxes and social security costs	3,403	-
Directors' current accounts	-	7,501
Other creditors	661	-
Accruals and deferred income	3,250	1,500
	7,314	9,001

7 Share capital

	2006 £	2005 £
Authorised		
200,000,000 Ordinary shares of 1p each	2,000,000	2,000,000
Allotted, called up and fully paid		
62,500,000 Ordinary shares of 1p each	625,000	300,000

On 13 April 2006 22,500,000 ordinary shares of £0.01 each were allotted and fully paid at a premium of £0.01 per share for cash consideration to provide additional working capital.

On 22 May 2006 10,000,000 ordinary shares of £0.01 each were allotted and fully paid at a premium of £0.01 per share for cash consideration to provide additional working capital.

Total costs of issues amounted to £7,364.

On 28 September 2001 the company granted options over 58,000,000 new ordinary shares , each option granted giving the holder the right to subscribe for 1 ordinary share at an exercise price of 3.5p pence from the date of admission to OFEX. These options were cancelled by written resolution of the option holders on 7 March 2006.

On 8 March 2006 the company granted options over 28,250,000 new ordinary shares exercisable at any time up to 8 March 2011 at an exercise price of £0.01 per new ordinary share.

Notes to the Financial Statements for the Year Ended 30 November 2006 (continued)

On 11 May 2006 the company granted options over 450,000 new ordinary shares exercisable at any time up to 13 April 2011 at an exercise price of £0.01 per new ordinary share.
On 29 October 2006 the company granted options over 250,000 new ordinary shares exercisable at any time up to 29 October 2011 at an exercise price of £0.02375 per new ordinary share

On 29 October 2006 the company granted options over 100,000 new ordinary shares exercisable at any time up to 29 October 2008 at an exercise price of £0.02375 per new ordinary share.

8 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 December 2005	-	(308,904)
Loss for the year	-	(199,630)
Premium on shares issued during the year	325,000	-
Share premium - other movements	(7,364)	-
Balance at 30 November 2006	317,636	(508,534)

9 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Loss for the financial year	(199,630)	(2,127)
Proceeds from issue of shares	650,000	-
Cost of share issue written off to share premium account	(7,364)	-
Net addition to/(depletion in) shareholders' funds	443,006	(2,127)
Opening shareholders' funds	(8,904)	(6,777)
Closing shareholders' funds	434,102	(8,904)

Notes to the Financial Statements for the Year Ended 30 November 2006 (continued)

10 Capital commitments

	2006 £	2005 £
At 30 November 2006 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	36,226	-

11 Directors' emoluments

	2006 £	2005 £
Emoluments for qualifying services	70,583	-

12 Employees

Number of employees

There were no employees during the year apart from the directors.

Employment costs	2006 £	2005 £
Wages and salaries	70,583	-
Social security costs	7,370	-
	77,953	-

13 Loss per share

Basic loss per share has been calculated on the loss on ordinary activities after taxation and on the weighted average ordinary shares in issue of 57,842,466 (2005 - 30,000,000) during the year.

Fully diluted loss per share has been calculated on the loss on ordinary activities after taxation and on the adjusted weighted average ordinary shares in issue of 91,200,000 (2005 - 88,000,000) during the year.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at St Helen's Capital, 15 St Helen's Place, London EC3A 6DE on 16 April 2007 at 11.00 a.m. for the following purposes:

As Ordinary Business

1 To receive and consider the Company's audited accounts for the year ended 30th November 2006 and the directors' and auditors' reports thereon.

2 To re-elect Dr Robert Young, who is retiring by rotation, as a Director of the Company.

3 To re-appoint Price Bailey LLP as auditors and authorise the directors to fix the auditors' remuneration.

As Special Business

To consider and if thought fit to pass the following Resolution which will be proposed as a Special Resolution:

Special Resolution

4 That pursuant to the Directors' authority to allot shares under Section 80 of the Companies Act 1985 (granted by Ordinary Resolution on 7th March 2006) the Directors of the Company be and they are hereby empowered to allot equity securities (as defined for the purposes of Section 95 of the Companies Act 1985) for cash as if Section 89(1) of the said Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities having:

4.1 in the case of relevant shares (as defined for the purposes of the said Section 95), a nominal amount; or

4.2 in the case of other equity securities, giving the right to subscribe for or convert into relevant shares having a nominal amount,

not exceeding in aggregate £200,000 and this power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

By Order of the Board

Secretary

Directors

Robert Young BSc MSc PhD DIC – Executive Chairman

Aged 62, Dr Young holds a first class honours degree in geology and chemistry, a MSc in Mineral Exploration and Mining Geology and a PhD in geochemistry. He has over 30 years of varied experience in the mining industry in Europe and South East Asia. Positions held included director of Minerex Limited (Ireland), chief metals geologist for Shell Metals (Indonesia) and founding Managing Director of Cambridge Mineral Resources PLC and Angus and Ross PLC.

Conrad Windham – Executive Director

Aged 23, Mr Windham was awarded a BA in geography at King's College, University of London. He currently serves as the chief executive officer and founder of the uranium exploration company, U3O8 Energy Limited, as executive director of Oracle Coalfields plc, and the investment vehicle Valiant Investments plc. Prior to holding directorships, Mr Windham worked as a financial analyst with a number of junior mining and exploration companies, assisting in their development and understanding and advising upon their properties and strategies. Mr Windham was involved in working for the web-based tipping service, T1ps.com Limited, where he worked on a number of its websites, including editing A1m-Analyst.com and writing for Watshot.com. Mr Windham is also a professional investor whose holdings cover mining and technology in listed and unlisted companies.

Shahrukh Khan – Non-Executive director

Aged 35, Mr Khan was educated in the USA (at Harvard University) and in the UK. He was awarded a BA in business administration and economics (finance and international business) at Richmond, the American International University in London. Mr Khan has over 9 years' experience in project finance, with a particular focus on the natural resources and infrastructure related sector. He has worked on a number of international assignments with a total value exceeding US $5 billion, predominantly in the Middle East, South Asia and China. He has specialist expertise in large and complex projects, including project valuation and investment appraisal, financial modelling, feasibility studies and other project finance related services. He is chairman and CEO of Oracle Coalfields plc. He is also a director of Al Nasr Europe Limited, a London-based trading and finance company (a sister company of Al Nasr Trading and Industrial Corporation of Saudi Arabia) which is involved in the metals and minerals industries and the energy sector.

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