

Everfor Resources plc
(Formerly Everfor Diamonds plc)
Annual Report and Financial Statements
For the year ended 31 December 2008

Registered number: 5025273

Directors and advisers

Directors
Dr. Sergey V Kurzin (*Executive Chairman*)
Petro Mychalkiw (*Finance Director – Appointed 29 May 2008*)
Geoffrey Bush (*Non-executive Director*)

Company Secretary Tania Tchedaeva, ACIS

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W1K 6PL

Company number 5025273

Nominated Adviser and Broker
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London SW1E 5JL

Independent Auditors
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EXECUTIVE CHAIRMAN'S STATEMENT

As announced on 5 June 2008, subsequent to its cessation of diamond exploration activities in North West Russia, Everfor Diamonds plc effectively became a cash shell and was re-named Everfor Resources plc ("Everfor" or the "Company") and re-structured in readiness for new potential opportunities.

Everfor adopted a policy of reviewing potential investments in the mining of natural resources of any nature whatsoever, primarily in Russia, Kazakhstan and Kyrgyzstan. The policy covered the acquisition of various exploration, development or production projects in the minerals, base metals, precious metals, or hydrocarbon related industries after applying due diligence which would be carried out by reputable professional advisors and consultants experienced in the related industries.

Recent capital market conditions have increased the difficulty of raising capital to acquire or invest in mining or natural resources deposits, and while we have reviewed various opportunities, the Board has not yet identified an asset or investment suitable for its investment policy. Pursuant to the AIM Rules for Companies, if Everfor has not implemented its investment policy by 30 June 2009 the board expects that trading in Everfor will be suspended until such time as it has made an investment or investments to implement its investment policy. If the investment policy is not implemented within 6 months of suspension, it is anticipated that Everfor's shares will be cancelled from trading on AIM.

I have full confidence in the commitment and experience of the Everfor team and will update shareholders on the Company's development in due course.



Dr Sergey V Kurzin
Chairman
29 June, 2009

ANALYSIS OF RISK

The following describes some of the risks that could affect any future exploration, development or production investments made by Everfor.

There may be additional risks unknown to Everfor and other risks, currently believed to be immaterial, could turn out to be material. These risks, whether they materialise individually or simultaneously, could significantly affect the Groups' future business and financial results. They should also be considered in connection with any forward looking statements in this document.

The risks noted below do not necessarily comprise all those that may be faced by the Company in the future.

Exploration and Mining Licences

Everfor's new investment strategy will be to invest in the mining of natural resources of any nature whatsoever primarily in Russia, Kazakhstan and Kyrgyzstan.

Exploration activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents, which may be withdrawn or made subject to limitations.

There can also be no absolute assurance that an exploration licence will be renewed or, if so, on what terms. There is no irrevocable guarantee or pre-emptive right that, upon completion of any exploration, a mining licence will be granted with respect to any mineral resources contained within any exploration licence.

Licences can place a range of potential past, current and future obligations on the Company. In some cases there could be adverse consequences for breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of the relevant licence or related contract.

Additional Financing to Fund Exploration

The Company may acquire exploration rights in other exploration properties in the Russia, Kazakhstan and Kyrgyzstan, which may require acquisition payments to be made and exploration expenditures to be incurred. The only sources of potential funding currently available to the Company are through the issue of additional equity capital, or borrowing. There is no assurance that the Company will be successful in raising sufficient funds to meet its obligations with respect to the exploration properties in which it has or may acquire exploration rights.

Regulatory Approvals

There can be no guarantee that the Company will be able to obtain or maintain all necessary approvals, licences and permits that may be required to explore and develop the properties on which it has exploration rights, commence construction or operation of mining facilities or to maintain continued operations that economically justify the costs involved.

Political Risk

With the broadening of the Company's potential exploration activity to include Kazakhstan and Kyrgyzstan, the Directors are hopeful that Everfor will receive support from governments for the development of natural resources. There can be no assurance that future political and economic conditions in the in these countries will not result in these governments adopting different policies in relation to foreign development and ownership of mineral resources. Any such changes in policy may result in changes in laws affecting ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income, return of capital and other areas, each of which may affect both the Company's ability to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore and develop those properties in respect of which it has obtained exploration and development rights.

ANALYSIS OF RISK (continued)

Currency Risk

Up to the end of 2008, the Company's funds were raised in British Pounds Sterling and costs are incurred principally in United States Dollars and Russian Roubles as well as British Pounds Sterling. Any significant or sustained appreciation of the United States Dollar or Russian Rouble against the British Pound could have a material impact on the Company's finances.

As the Company looks to opportunities in Kazakhstan and Kyrgyzstan, it may incur significant costs in Kazakh Tenge and Kyrgyz Som.

Competition

The mineral exploration and mining business is highly competitive in all of its phases. The Company competes with numerous other companies, enterprises and individuals, including those with greater financial, technical and other resources than the Company, in the search for and acquisition of exploration and development rights on attractive mineral properties. There is no assurance that the Company will continue to be able to compete successfully in acquiring exploration and development rights on such properties.

Environmental Factors

Future potential activities will need to consider the environmental regulations (including regular environmental impact assessments and the requirement to obtain and maintain certain permits) in all jurisdictions in which the Company operates. This may subject the Company to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. Environmental legislation and permitting requirements are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees. The Company will endeavour to ensure that any future project incurs the minimum environmental impact possible. In particular, in sensitive regions environmental baselines studies are undertaken to assess the initial environmental state prior to the Company's involvement.

Nature of Mineral Exploration and Mining

The exploration and development of natural resources involves significant financial risks over a prolonged period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a mineral deposit may result in substantial rewards, few properties that are explored are ultimately developed into economically viable operating mines. Major expenditure may be required to establish reserves by drilling and in constructing mining and processing facilities at a site, and it is possible that due diligence will result in adverse conclusions, leading to the abandonment of projects.

It is impossible to ensure that preliminary feasibility studies or full feasibility studies on the Company's projects in which it has exploration rights will result in a profitable commercial mining operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit (such as its size, grade and average value of the mineral), proximity to infrastructure, financing costs and governmental regulations (including regulations relating to prices, taxes, royalties, infrastructure, land use and environmental protection). The effect of these factors cannot be accurately predicted, but the combination of factors may result in the Company not receiving an adequate return on invested capital.

Market Perception

Market perception of small mining exploration companies may change which could impact on the value of investors' holdings and impact on the ability of the Company to raise further funds by issue of further Ordinary Shares.

BOARD OF DIRECTORS

Dr Sergey V Kurzin, PhD - Executive Chairman

Dr Kurzin is a Russian-born research engineer who moved to the United Kingdom in 1990 and has played a key role in initiatives to acquire and progress several important FSU mining assets. These include Julietta (a high grade gold deposit in Magadan, Russia with Bema Gold), Kupol (a high grade epithermal gold deposit in Chukotka, Russia also with Bema Gold Corporation (“Bema”)), the Voskhod chromite deposit (acquired by Mechel OAO, Moscow) and the Varvarinskoye deposit in Kazakhstan with European Minerals Corporation (“EMC”).

He also played a key role in establishing UrAsia Energy Ltd, a uranium producer with mining operations in The Republic of Kazakhstan. He was founder and Executive Chairman of Oriel Resources Plc (“Oriel”) and also held the position of Chairman of Lero Gold Corp. He currently also holds the position of Executive Chairman of Orsu Metals Corporation.

Dr Kurzin has been an officer and consultant for the following companies active in the FSU:

- Bema – consultant on Kupol and Julietta gold developments.
- Arian Resources Corp. (acquired by Bema) – ex. VP Corporate Development.
- EMC – ex. VP Corporate Development
- Consolidated Puma Minerals Corp. – PGM in Kola Peninsula, Russia
- Zincox – Zinc project in Kazakhstan.
- Eurasia Mining plc – PGM projects in Russia

Petro Mychalkiw, BA, ACA – Finance Director

Petro is currently Chief Financial Officer of Orsu Metals Corporation and was previously Oriel Resources PLC’s Treasurer and Head of Corporate Finance, where he was responsible for strategic financial and tax planning, treasury, mergers and acquisitions, debt and equity financing. Prior to that position, he was Oriel Resources PLC’s Regional Finance Director, Kazakhstan during which time he was responsible for tax planning, contract negotiations and financial reporting and was a vital part of the team which not only secured December 2006’s US\$120m project financing deal for the Voskhod chrome project with the Eurasian Development Bank, Bayerische Hypo- und Vereinsbank AG and WestLB AG, but was awarded the prestigious 2006 European Mining Deal of the Year award from Project Finance Magazine.

Geoffrey Bush, MSc, FCA - Non-executive Director

Geoffrey is a Corporate Citizenship Advisor to Diageo plc, the world’s leading premium drinks company. He is the brother-in-law of the Company’s Executive Chairman. Geoffrey has extensive knowledge in international corporate social responsibility matters, as well as earlier financial and general management experience. He is former Chairman of the Corporate Responsibility Group and Director of Business in the Community. He has also been an adviser to a wide range of networks including the UK Committee of Inquiry on a new vision for business and the World Economic Forum global corporate citizenship initiative.

CORPORATE GOVERNANCE STATEMENT

The Company, being listed on AIM, is not required to comply with the provisions of the Combined Code (“the Code”) on Corporate Governance published in 2006. However the Company has given consideration to the code provisions set out in Section 1 of the Code on Corporate Governance. The Directors support the objectives of the Code and intend to comply with those aspects which they consider relevant to the Group’s size and circumstances. Details of these are set out below. A statement of the directors’ responsibilities in respect of the financial statements is set out on page 11. Below is a brief description of the role of the Board, including a statement regarding the Group’s system of internal financial control.

The Board of Directors

The Board currently comprises two executive and one non-executive director.

The Board meet periodically is responsible, inter alia, for setting and monitoring Group strategy, reviewing trading performance, ensuring adequate funding, examining major acquisition opportunities, formulating policy on key issues and reporting to the shareholders.

Internal Financial Control

The Board is responsible for establishing and maintaining the Group’s system of internal financial controls. Internal financial control systems are designed to meet the particular needs of the Group concerned and the risk to which it is exposed, and by its very nature can provide reasonable, but not absolute, assurance against material misstatement or loss.

The Directors are conscious of the need to keep effective internal financial control, particularly in view of the limited cash resources of the Group. Due to the relatively small size of the Group’s operations, the Directors are very closely involved in the day-to-day running of the business and as such have less need for a detailed formal system of internal financial control. The Directors have reviewed the effectiveness of the procedures presently in place and consider that they are appropriate to the nature and scale of the operations of the Group.

DIRECTORS' REPORT

The Directors present their annual report and the audited Group financial statements for the year ended 31 December 2008.

Principal activities

Subsequent to the cessation of diamond drilling activities in Russia in 2008 there has no further exploration activities by the Company in the year.

Business review and future developments

In 2008 the Company took the decision to relinquish its license agreements and cease exploration activities at its four licenses within the Kola Peninsula. Although the Company initially received positive technical assessments of the license areas, highlighting the possible potential of the Kola Peninsula, the work programme had not identified any targets likely to be of commercial interest.

Everfor adopted a new policy of reviewing potential investments in the mining of natural resources of any nature whatsoever, primarily in Russia, Kazakhstan and Kyrgyzstan.

Principal Risks and uncertainties

Future activities of the Company may require it to operate in an uncertain environment that may increase risk and adversely affect costs and schedule delays. The major risks are described in the Analysis of Risk Factors review on pages 4 and 5.

Key performance indicators

The key performance indicators of the Group are as follows:

	2006	2007	2008
Samples collected	1,057	Nil	Nil
Loss per share	(1.44p.)	**(67.21p.)	(1.9p.)
Share price at 31 December	3.63p.	2.13p.	0.0625p.
Cash at bank at 31 December	£0.7m	£0.3m	£0.2m

** - The loss per share is after restating the consolidation of shares as described in note 13 b).

Financial results and dividends

The audited financial statements are presented on pages 14 to 35. The Directors do not recommend payment of a dividend for the year (2007: nil).

Share consolidation

As at 1 July 2008, the Company consolidated its share capital so that every 20 allotted ordinary shares of 1 pence each was consolidated into one new ordinary share of 1 pence each and 19 deferred shares. These deferred shares do not carry any voting rights and will not be quoted or traded on any stock exchange.

Directors and Directors' interests

The Directors of the Company who all held office during the year and their beneficial interests are as follows:

	Notes	Number of shares held as at 1 January 2008 (<i>Restated</i>)	Number of shares held as at 31 December 2008
Dr Sergey Kurzin	1	275,000	275,000
Donald Duncan (Resigned 29 May 2008)		25,000	25,000
Geoffrey Bush	2	112,500	112,500
David Swan (Resigned 29 May 2008)		-	-
Petro Mychalkiw (Appointed 29 May 2008)		-	-

The options are restated after the consolidation of shares as described in note 13 b).

1. The interests of Sergey Kurzin include 112,500 ordinary shares which are held by his wife Jennifer Mary Kurzin.
2. The interests of Geoffrey Bush include 10,000 ordinary shares which are held by his wife Fellippa Bush.

The Directors' interests in share options are as follows:

	Options at 01.01.08	Options at 31.12.08	Exercise Price	Date of grant	First date of exercise	Final date of exercise
Sergey Kurzin	50,000	50,000	£3.00	21.05.04	31.12.04	21.05.14
	17,500	17,500	£1.30	18.04.06	07.04.07	18.04.16
Geoffrey Bush	20,000	20,000	£3.00	21.05.04	31.12.04	21.05.14
	10,000	10,000	£1.30	18.04.06	07.04.07	18.04.16

The options are restated after the consolidation of shares as described in note 13 b).

These options have been granted under the Everfor Resources plc Unapproved Share Option Plan.

No Director exercised any options during the current or prior year.

No options were granted during the current year.

The right granted to subscribe for Ordinary Shares is exercisable up to 10 years from the date of grant. The vesting of the shares takes place in three equal annual tranches from the first date of exercise.

Ordinary Shares resulting from the exercise of any such rights will rank *pari passu* in all respects with the Ordinary Shares in issue at the time of such exercise.

Significant shareholders

As at **29 June 2009** so far as the directors are aware, the only persons who are directly or indirectly interested in 3 per cent or more of the nominal value of the Company's share capital are as follows:

	Number of Ordinary Shares held	Ordinary Shares as % of issued share capital
Credit Suisse Client Nominees (UK) Limited	1,200,000	24.28%
Forest Nominees Limited	516,908	10.46%
Securities Services Nominees Limited	500,701	10.13%
Dr Sergey V Kurzin	275,000	5.57%
Ferlim Nominees Limited	275,000	5.57%
T. Hoare Nominees Limited	458,399	9.27%
Pinnacle Trustees Limited	225,000	4.55%
Lynchwood Nominees Limited	207,124	4.19%

The numbers of the shares shown in the above table are after the share consolidation of 1 for 20 mentioned.

Payments to suppliers

The Company has no formal code or standard, which deals specifically with the payment of suppliers. However, the Company's policy on the payment of all creditors is to ensure that the terms of payment, as specified and agreed with the supplier, are not exceeded. Trade creditors as at 31 December 2008 represents 2 days (2007: 82 days) as a proportion of the total amount invoiced by suppliers during the period ended on that date.

Financial Instruments

Details of the use of financial instruments by the Company and its subsidiary undertakings are contained in note 16 of the financial statements.

Donations

To the Directors' knowledge no Company in the Group has made any political or charitable donations in the year (2007: nil).

Post Balance Sheet Events

As at the date these Financial Statements were approved being **29 June 2009**, the Directors were not aware of any significant post balance sheet events as set out in the notes to these Financial Statements.

Auditors

A resolution to re-appoint the auditors, BDO Stoy Hayward LLP, will be proposed at the forthcoming EGM. The re-appointment of BDO Stoy Hayward LLP has been approved by the board who will also be responsible for determining their audit fee on behalf of the Board. BDO Stoy Hayward LLP have indicated their willingness to continue in office.

Disclosure of information to auditors

So far as each Director at the date of approval of this report is aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going Concern and future prospects

The financial statements have been prepared on a going concern basis. The Group's cash and liquid resources stood at £0.2m at 31 December 2008 (2007: £0.3m). During the prior year all of the exploration licenses were relinquished and accordingly the Group has relatively low on going costs. The Directors are actively seeking new exploration projects. The Group will seek to raise additional funds to finance future operations when required.

By order of the board

Tania Tchedaeva, ACIS
Company Secretary
29 June 2009

Statement of directors' responsibilities

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets of the Company, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors' Report which complies with the requirements of the Companies Act 1985.

The directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 1985. The directors are also required to prepare financial statements for the group in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and the rules of the London Stock Exchange for companies trading securities on the AIM. The directors have chosen to prepare financial statements for the company in accordance with IFRSs.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. A fair presentation also requires the Directors to:

- consistently select and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent Auditors' Report to the Shareholders of Everfor Resources plc

We have audited the Group and Parent Company financial statements (the "financial statements") of Everfor Resources plc for the year ended 31 December 2008 which comprise the Consolidated Income Statement, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Consolidated and Company Statement of changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those financial statements. We also 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 other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Executive Chairman's Statement, the Analysis of Risk, the Board of Directors, the Corporate Governance Statement, the Directors Report and the Statement of Directors' Responsibilities. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which 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 Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 December 2008 and of its loss for the year then ended;
- the Parent Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Parent Company's affairs as at 31 December 2008;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

BDO Stoy Hayward LLP

Chartered Accountants and Registered Auditors

London

Date **29 June 2009**

Consolidated income statement for the year ended 31 December 2008

	Note	<u>2008</u> £'000	<u>2007</u> £'000
Exploration expenses		-	(96)
Provision in respect of exploration licenses		-	(3,182)
Exploration expenses		-	(3,278)
Other operating expenses		(105)	(448)
Operating loss	3	(105)	(3,726)
Finance income	4	9	20
Loss before taxation	2	(96)	(3,706)
Taxation	5	-	-
Loss for the year		(96)	(3,706)
<u>Attributable to:</u>			
Equity shareholders of the parent		(96)	(3,322)
Minority Interest		-	(384)
		(96)	(3,706)
Loss per share - basic and diluted	14	(1.9)p	(67.21)p

The notes from pages 21 to 35 are an integral part of these consolidated and company financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2008

	Called up share capital £'000	Share premium £'000	Merger reserve £'000	Translation reserve £'000	Retained earnings £'000	Total shareholders equity £'000	Minority Interest £'000	Total £'000
At 1 January 2007	989	4,111	1,950	25	(3,529)	3,546	384	3,930
Currency translation differences and net income recognised directly in equity	-	-	-	(54)	-	(54)	-	(54)
Loss for the year	-	-	-	-	(3,322)	(3,322)	(384)	(3,706)
Total recognised income and expense for the year	-	-	-	(54)	(3,322)	(3,376)	(384)	(3,760)
Share based payments	-	-	-	-	20	20	-	20
At 1 January 2008	989	4,111	1,950	(29)	(6,831)	190	-	190
Currency translation differences and net expense recognised directly in equity	-	-	-	26	-	26	-	26
Loss for the period	-	-	-	-	(96)	(96)	-	(96)
Total recognised income and expense for the year	-	-	-	26	(96)	(70)	-	(70)
Share based payments	-	-	-	-	7	7	-	7
At 31 December 2008	989	4,111	1,950	(3)	(6,920)	127	-	127

Company statement of changes in equity for the year ended 31 December 2008

	Called up share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
At 1 January 2007	989	4,111	(2,322)	2,778
Loss for the period	-	-	(2,592)	(2,592)
Total recognised income and expense for the year	-	-	(2,592)	(2,592)
Share based payments	-	-	20	20
At 1 January 2008	989	4,111	(4,894)	206
Loss for the period	-	-	(67)	(67)
Total recognised income and expense for the year	-	-	(67)	(67)
Share based payments	-	-	7	7
At 31 December 2008	989	4,111	(4,954)	146

The notes from pages 21 to 35 are an integral part of these consolidated and company financial statements.

The following describes the nature and purpose of each reserve within shareholders' equity.

Reserve	Description and purpose
Called up share capital	Amount subscribed for shares at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value.
Translation reserve	Gains/(losses) arising on retranslating the net assets of overseas operations into GBP
Retained earnings	Cumulative net gains and losses recognised in the consolidated income statement.
Merger reserve	Amount resulting from a merger of subsidiary investments

The notes from pages 21 to 35 are an integral part of these consolidated and company financial statements.

Consolidated balance sheet as at 31 December 2008

	Notes	2008 £'000	2007 £'000
<u>ASSETS</u>			
Non current assets			
Property, plant and equipment	9	1	2
		<u>1</u>	<u>2</u>
Current assets			
Other receivables	11	2	26
Cash and cash equivalents	16	165	260
		<u>167</u>	<u>286</u>
Total Assets		<u>168</u>	<u>288</u>
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	12	41	98
Total current liabilities		<u>41</u>	<u>98</u>
Equity			
Called up share capital	13	989	989
Share premium		4,111	4,111
Merger reserve		1,950	1,950
Translation reserve		(3)	(29)
Retained earnings		(6,920)	(6,831)
Equity attributable to shareholders of the parent		<u>127</u>	<u>190</u>
Total equity		<u>127</u>	<u>190</u>
Total Equity and Liabilities		<u>168</u>	<u>288</u>

The financial statements were approved and authorised for issue by the Board of Directors on **29 June 2009** and were signed on its behalf by:

Petro Mychalkiw
Finance Director

29 June 2009

The notes from pages 21 to 35 are an integral part of these consolidated and company financial statements.

Company balance sheet as at 31 December 2008

	Notes	2008 £'000	2007 £'000
ASSETS			
Non current assets			
Investments	10	-	-
Property, plant and equipment	9	-	-
Loans to group companies	11	-	-
		-	-
Current assets			
Other receivables	11	2	19
Cash and cash equivalents	16	161	255
		163	274
Total Assets		163	274
EQUITY AND LIABILITIES			
Current liabilities			
Other payables	12	17	68
Total current liabilities		17	68
Equity			
Called up share capital	13	989	989
Share premium		4,111	4,111
Retained earnings		(4,954)	(4,894)
Total equity		146	206
Total Equity and Liabilities		163	274

The financial statements were approved and authorised for issue by the Board of Directors on **29 June 2009** and were signed on its behalf by:

Petro Mychalkiw
Director

29 June 2009

The notes from pages 21 to 35 are an integral part of these consolidated and company financial statements.

Consolidated cash flow statement for the period ended 31 December 2008

	2008	2007
	£'000	£'000
Operating activities		
Loss before taxation	(96)	(3,706)
Depreciation	1	2
Finance income	(9)	(20)
Share based payments	7	20
Foreign exchange losses	26	(54)
Impairment of exploration licenses	-	3,182
Decrease in other receivables	24	167
(Decrease) in trade and other payables	(57)	(7)
Net cash flows from operating activities	(104)	(416)
Investing activities		
Interest received	9	20
Net cash flows from investing activities	9	20
Decrease in net cash and cash equivalents in the year	(95)	(396)
Cash and cash equivalents at the beginning of the year	260	656
Cash and cash equivalents at the end of the year	165	260

The notes from pages 21 to 35 are an integral part of these consolidated and company financial statements.

Company cash flow statement for the period ended 31 December 2008

	2008	2007
	£'000	£'000
Operating activities		
Loss before taxation	(67)	(2,592)
Depreciation	-	2
Finance income	(9)	(20)
Share based payments	7	20
Provision in respect of intercompany loans	-	2,102
Decrease in other receivables	17	51
(Decrease)/ increase in trade and other payables	(51)	21
Net cash flows from operating activities	(103)	(416)
Investing activities		
Interest received	9	20
Net cash flows from investing activities	9	20
Decrease in net cash in the year	(94)	(396)
Cash and cash equivalents at the beginning of the year	255	651
Cash and cash equivalents at the end of the year	161	255

The notes from pages 21 to 35 are an integral part of these consolidated and company financial statements.

1 Accounting policies

Basis of preparation

These consolidated and company financial statements of Everfor Resources Plc have been prepared in accordance with accepted International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations (collectively "IFRSs") as adopted for use in the European Union and as issued by the International Accounting Standards Board and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS.

The Company has taken advantage of the exemptions allowed under section 230 of the Companies Act 1985 and has not presented its own income statement in these financial statements. The Group loss for the year included a loss on ordinary activities before and after tax of £67,000 (2007: a loss of £2,592,000) in respect of the Company which is dealt with in the financial statements of the parent Company.

Standards, interpretations and amendments to published standards effective in 2008 but which are not relevant to the Group.

The following amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2008 but are currently not relevant to the Group's operations:

Amendments

IAS39 & IFRS7 – Reclassification of financial assets: effective date and transition (effective from 1 July 2008).

Interpretations

IFRIC 11 – (IFRS 2) Group and treasury share transactions (effective for accounting periods commencing on or after 1 January 2008).

IFRIC 14 - IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction (effective for accounting periods commencing on or after 1 January 2008).

Standards, amendments and interpretations to published standards not yet effective.

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods and which the Group has decided not to adopt early. These are:

New Standards not yet effective

IFRS 8 - Operating segments (effective for accounting periods commencing on or after 1 January 2009). The Group will apply this standard commencing 1 January 2009.

Amendments not yet effective

IAS39 & IFRS7- Amendment - Reclassification of Financial Instruments (effective for accounting periods commencing on or after 1 July 2008).

IAS 1 - Presentation of financial statements: a revised presentation (effective for accounting periods commencing on or after 1 January 2009). The group will apply this standard in the accounting period commencing 1 January 2009.

IAS 23 - Borrowing costs (effective for accounting periods commencing on or after 1 January 2009). This is not considered relevant to the group's operations.

IFRS 2 - Share based payment: vesting conditions and cancellations (effective for accounting periods commencing on or after 1 January 2009). The group will apply this amendment in the accounting period commencing 1 January 2009.

IAS 27 - Consolidated and separate financial statements (effective for accounting periods commencing on or after 1 July 2009). The group will apply this amendment in the accounting

period commencing 1 January 2010.

IFRS 3 - Business combinations (effective for accounting periods commencing on or after 1 July 2009). This is not considered relevant to the group's operations.

IFRS 1 - First time adoption of IFRS (effective for accounting periods commencing on or after 1 January 2009). This is not considered relevant to the group's operations.

IAS32 & IAS1 - Puttable financial instrument and obligations arising on liquidation (effective for accounting periods commencing on or after 1 January 2009). This is not considered relevant to the group's operations.

IFRS1 & IAS27 - Cost of an investment in a subsidiary, jointly-controlled entity or associate (effective for accounting periods commencing on or after 1 January 2009). The group will apply this amendment in the accounting period commencing 1 January 2009.

IAS39 - Financial Instruments: recognition and measurement: eligible hedged Items (effective for accounting periods commencing on or after 1 July 2009). This is not considered relevant to the group's operations.

IAS39 - Reclassification of financial assets: effective date and transition (effective for accounting periods commencing on or after 1 July 2009). The group will apply this amendment in the accounting period commencing 1 January 2010.

IFRS7 - Improving disclosures about financial Instruments (effective for accounting periods commencing on or after 1 January 2009). The group will apply this amendment in the accounting period commencing 1 January 2009.

IFRIC 9 & IAS39 - Embedded derivatives (effective for accounting periods commencing on or after 1 June 2009). This is not considered relevant to the group's operations.

IFRS 2 – Group cash settled share based payment transactions (effective for accounting periods on or after 1 January 2010). This is not considered relevant to the group's operations.

Interpretations not yet effective

IFRIC 13 - Customer loyalty programmes (effective for accounting periods commencing on or after 1 July 2008). This is not considered relevant to the group's operations.

IFRIC 15 - Agreements for the construction of real estate (effective for accounting periods commencing on or after 1 January 2009). This is not considered relevant to the group's operations.

IFRIC 16 - Hedges of a net investment in a foreign operation (effective for accounting periods commencing on or after 1 October 2008). This is not considered relevant to the group's operations.

IFRIC 17 - Distributions of non-cash assets to owners (effective for accounting periods commencing on or after 1 July 2009). This is not considered relevant to the group's operations.

IFRIC 18 - Transfers of assets from customers (effective for accounting periods commencing on or after 1 July 2009). This is not considered relevant to the group's operations.

Basis of consolidation

The consolidated and company financial statements include the results of the Company and all of its subsidiary undertakings. A subsidiary is an entity controlled, directly or indirectly, by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The results of subsidiaries have been included from the date of acquisition using the merger method of accounting or the acquisition method of accounting as appropriate.

The consolidated financial statements present the results of the Company and its subsidiaries (“the Group”) as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

Revenue

The Group and Company had no revenue during current and prior years.

Investment in group companies

Investments consist of the parent company's investments in its subsidiaries. These are stated at cost less provision for any impairment to their carrying value.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is provided at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful economic life, as follows:

Office and computer equipment: 3-5 years on a straight-line basis

Intangible assets

Exploration and evaluation costs include costs incurred on projects where insufficient work has been performed to confirm whether significant mineralization exists or whether the project is economically feasible. Costs are capitalised as intangible assets until the decision is made to proceed to development, whereupon the related expenditures are transferred to non-current assets as mining properties, or until the projects are determined not to be commercially viable, whereupon the related costs are written off to the income statement. A test for impairment is carried out when costs are transferred to mining properties. Pre-licensed costs are recognised as an expense in the income statement as incurred.

Impairment of non financial assets

The carrying amount of the non-current assets of the Group is compared to the recoverable amount of the assets whenever events or changes in circumstances indicate that the net book value may not be recoverable. The recoverable amount is the higher of value in use and the fair value less costs to sell.

In assessing the value in use, the expected future cash flows from the assets is determined by applying a discount rate to the anticipated pre-tax future cash flows. Impairment is recognised in the income statement to the extent that the carrying amount exceeds the assets' recoverable amount. The revised carrying amounts are amortised in line with the Group's accounting policies.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally resulted in the impairment. This reversal is recognised in the income statement and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in prior years.

Assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units) for purposes of assessing impairment. The estimates of future discounted cash flows are subject to risks and uncertainties including the future gold price. It is therefore reasonably possible that changes could occur which may affect the recoverability of assets.

Environmental provisions

Appropriate and adequate provision is made for rehabilitation costs over the estimated period of exploration activity. As at 31 December 2008 no environmental damage had occurred and hence no provisions exist (2007: nil).

Operating leases

Amounts payable under operating leases are charged against income on a straight-line basis over the lease term.

Foreign currency transactions

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in sterling which is the presentation currency for the consolidated and Company financial statements. The functional currency of the Company is Pounds Sterling.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items is included in the income statement for the period.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Pounds Sterling using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve.

Financial instruments

Financial assets

The Group and Company classify their financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Loans and other receivables: These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. These include other receivables and loans to Group undertakings.

There is no significant difference between the carrying value and fair value of receivables.

Cash and cash equivalents include cash in hand and other short term highly liquid investments. Any interest earned is accrued monthly and classified as interest. Cash equivalents comprise short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities

The Group and Company classify their financial liabilities as:

Financial liabilities at amortised cost

These are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method. These include trade and other payables.

Share-based payments

In accordance with IFRS 2 '*Share-based payments*', the Group reflects the economic cost of awarding shares and share options to employees and directors by recording an expense in the income statement equal to the fair value of the benefit awarded. The expense is recognised in the income statement over the vesting period of the award.

The cost of equity-settled transactions with suppliers of goods and services is measured by reference to the fair value of the good or service received, unless that fair value cannot be estimated reliably. The fair value of the good or service received is recognised as an expense as the Group receives the good or service. The cost of equity-settled transactions with employees, and transactions with suppliers where fair value cannot be estimated reliably, is measured by

reference to the fair value of the equity instrument. The fair value of equity-settled transactions with employees is recognised as an expense over the vesting period. The fair value of the equity instrument is determined at the date of grant, taking into account market based vesting conditions. The fair value is determined using an option pricing model.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Segmental reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular environment (geographic segment), which is subject to risks and rewards that are different from those of other segments.

Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future, which by definition will seldom result in actual results that match the accounting estimate. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Impairment of intangible assets

In accordance with the accounting policy stated above, the Group tests annually to see whether intangible assets have suffered any impairment. The recoverable amount from value in use of potential cash generating units is determined based on value-in-use calculations, which require the use of estimates to determine the future expected cash flows. The recoverable amount from fair value less costs to sell is determined based on estimates of sales proceeds and estimates of sales costs (see note 8).

2 Segmental analysis

The Group's primary form of segmental reporting is by geographic segment. Its secondary form of segmental reporting is business. A business segment is a group of assets or operations that are subject to risks and returns that are different to those of her business segments.

Analysis by geographical market by origin:

	2008	2007
	£'000	£'000
Loss before tax		
United Kingdom	(69)	(348)
Russia	(22)	(3,358)
	<u>(96)</u>	<u>(3,706)</u>
Net assets		
United Kingdom	147	204
Russia	(20)	(14)
	<u>127</u>	<u>190</u>

3 Operating loss

This is arrived at after charging:

	2008	2007
	£'000	£'000
Depreciation of tangible fixed assets	1	2
Group auditors' remuneration:		
- fee for the audit of the Group financial statements	5	20
- non audit fees – taxation services	5	5
Foreign exchange differences	26	54
Share based payment	7	20
Staff costs (note 7)	11	142
	<u>11</u>	<u>142</u>

4 Finance income

	2008	2007
	£'000	£'000
Bank interest receivable	9	20
	<u>9</u>	<u>20</u>

5 Taxation

The Company and the Group have incurred tax losses for the period and a corporation tax charge is not anticipated. The cumulative potential benefit of these taxation losses calculated at the rates of tax prevailing in the countries in which the losses were incurred amount to approximately £1,350,000 (2007: Accumulated loss £1,260,000). The unrecognised deferred tax asset in respect of these losses is £378,000 (2007: £378,000). This amount has not been recognised in the financial statements as the recovery of this benefit is dependent on the future profitability of the Group, the timing of which cannot be reasonably foreseen.

The Directors believe that there have been no breaches of foreign tax regulations and that all necessary provisions have been made in these accounts.

The tax assessed for the period is different than the standard rate of corporation tax in the UK. The differences are explained below:

No current or deferred tax charge has arisen in the current period.

	2008 £'000	2007 £'000
Loss on ordinary activities before taxation	<u>(96)</u>	<u>(3,706)</u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	(27)	(1,112)
Effects of:		
Expenses not deductible for tax	2	1,047
Effect of overseas tax rates	-	10
Unrecognised tax losses carried forward	<u>25</u>	<u>55</u>
Current tax charge	<u>-</u>	<u>-</u>

6 Directors remuneration

	2008 £'000	2007 £'000
Directors emoluments excluding share based payments	<u>-</u>	<u>62</u>

The directors have waived their rights to remuneration for 2008 (2007: 9,000).

No retirement benefits are accruing to directors under pension schemes.

Directors	Resigned/ Appointed	Note	2008 £'000	2007 £'000
Sergey Kurzin			-	20
Donald Duncan	Resigned 29 May 2008	1	-	19
Geoffrey Bush			-	7
David Swan	Resigned 29 May 2008		-	13
Barry Hawthorne	Resigned 29 May 2007		-	3
Petro Mychalkiw	Appointed 29 May 2008		<u>-</u>	<u>-</u>
			<u>-</u>	<u>62</u>

1 Travel and accommodation expenses in connection with the Managing Director's services were met by the Company

Key management comprises the Directors.

No Directors have exercised any share options in the current or prior year.

7 Staff Costs (including Directors) (continued)

Staff costs for all employees, including directors, consist of:

	2008	2007
Group	£'000	£'000
Directors' fees and emoluments	-	62
Wages and salaries – staff costs	11	72
Social security costs	-	8
Total staff costs	<u>11</u>	<u>142</u>
Share based payment (all relating to directors)	<u>7</u>	<u>20</u>
Total	<u>18</u>	<u>162</u>

	2008	2007
Company	£'000	£'000
Directors' fees and emoluments	-	62
Wages and salaries – staff costs	-	40
Social security costs	-	8
Share based payment (all relating to directors)	<u>7</u>	<u>20</u>
	<u>7</u>	<u>130</u>

The average monthly number of persons (including executive directors) employed by the Group during the period was:

	2008	2007
Group	Number	Number
Technical	-	3
Administration	<u>6</u>	<u>10</u>
	<u>6</u>	<u>13</u>

	2008	2007
Company	Number	Number
Technical	-	2
Administration	<u>3</u>	<u>6</u>
	<u>3</u>	<u>8</u>

8 Impairment of intangible assets

Intangible assets represent four diamond exploration licenses held by the Russian subsidiaries. During the prior year the directors carried out an impairment review in respect of the intangible assets and concluded the recoverable value of these was nil. As a result at 31 December 2007 these licenses and associated other debtors were fully provided against. During the current year the licenses were relinquished for nil consideration. The amount charged to the income statement in respect of impairment of these assets during the year was nil (2007: £3,182,000).

9 **Property, plant and equipment**

	Group		Company	
	Office and computer equipment		Office and computer equipment	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Cost				
At 1 January	<u>11</u>	11	<u>7</u>	7
At 31 December	<u>11</u>	11	<u>7</u>	7
Depreciation				
At 1 January	9	7	7	5
Charge for year	<u>1</u>	2	-	2
At 31 December	<u>10</u>	9	<u>7</u>	7
Net Book Value				
At 31 December	<u>1</u>	2	-	-

10 **Investments**

Company	Investments in subsidiary undertakings	Investments in subsidiary undertakings
	2008	2007
	£'000	£'000
<i>Cost and net book value</i>	273	273
Provision (see below)	<u>(273)</u>	<u>(273)</u>
Net book value at 31 December	<u>-</u>	<u>-</u>

As described in note 8 the four diamond exploration licences held by the Russian subsidiaries were fully provided against in 2007. As a result a full provision has been made against the carrying value of the Company's investment in Reynalda Holdings Ltd, which is the indirect holding company for these subsidiaries.

The Company had the following subsidiary undertakings at the end of the year which have all been included in the consolidated financial statements:

	% interest	Country of incorporation	Activity
Reynalda Holdings Limited	100	British Virgin Islands	Holding company
Edlin Finance Limited †	100	British Virgin Islands	Holding company
LLC Central Kola Mining & Geological Company *	80	Russia	Mining Exploration
LLC Olenegorsk Mining & Geological Company *	80	Russia	Mining Exploration
LLC Mining & Geological Company Keiv *	80	Russia	Mining Exploration

† Investment held by Reynalda Holdings Limited

* Investments held by Edlin Finance Limited

11 **Other receivables**

	Group		Company	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Amounts falling due within one year:				
Other receivables	<u>2</u>	<u>26</u>	<u>2</u>	<u>19</u>
Amounts falling due after more than one year:				
Loans to Group undertakings	-	-	2,102	2,102
Provision	-	-	(2,102)	(2,102)
Total receivables	<u>2</u>	<u>26</u>	<u>2</u>	<u>19</u>

In the prior year a full provision was made against the carrying value of the loans to Group undertakings as a result of the Russian subsidiaries relinquishing the four diamond exploration licenses which they previously held.

12 **Trade and other payables**

	Group		Company	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Trade payables	2	42	1	42
Other payables	-	3	-	3
Current taxation and social security	-	3	-	3
Accruals	<u>39</u>	<u>50</u>	<u>16</u>	<u>20</u>
	<u>41</u>	<u>98</u>	<u>17</u>	<u>68</u>

13 **Share capital**

a) *Ordinary share capital*

	Share capital No. 2008	Share capital £'000 2008	Share capital No. 2007	Share capital £'000 2007
Authorised:				
Ordinary shares of:				
Ordinary Shares of 1p (2007 1p) each	10,000,000	100	200,000,000	2,000
Deferred shares of 1p each	190,000,000	1,900	-	-
Ordinary Shares of 1p (2007 1p) each	<u>200,000,000</u>	<u>2,000</u>	<u>200,000,000</u>	<u>2,000</u>
Issued and fully paid:				
Ordinary Shares of 1p (2007 1p) each	4,942,714	49	98,854,291	989
Deferred shares of 1p each	93,911,577	940	-	-
Ordinary Shares of 20p (2007 1p) each	<u>98,854,291</u>	<u>989</u>	<u>98,854,291</u>	<u>989</u>

b) *Share consolidation*

As at 1 July 2008, the Company consolidated its share capital so that every 20 of allotted ordinary shares of 1pence each was consolidated into one new ordinary share of 1 pence each and 19 deferred shares. These deferred shares do not carry any voting rights and will not be quoted or traded on any stock exchange.

c) *Share options*

During 2008 no options were granted by the company.

The following options are outstanding for ordinary shares:

	Options at 31.12.07 <i>(Restated)</i>	Options lapsed	Options at 31.12.08	Exercise Price (GBP pence) <i>(Restated)</i>	Date of grant	First date of exercise	Final date of exercise
Directors	125,000	(55,000)	70,000	300p	21.05.04	31.12.04	31.12.14
Directors	90,000	(62,500)	27,500	130p	18.04.06	07.04.07	18.04.16
Staff	7,500	(5,000)	2,500	300p	21.05.04	31.12.04	31.12.14
Staff	12,500	(5,000)	7,500	130p	18.04.06	07.04.07	18.04.16
Consultants	85,000	(85,000)	-	-	21.05.04	31.12.04	31.12.14
Consultants	25,000	(25,000)	-	-	19.10.04	31.12.04	31.12.14

The options outstanding at 31 December 2007 and the exercise price have been restated following a 20 to 1 consolidation of the ordinary shares.

The Everfor Resources plc Unapproved Share Option Plan was adopted on 21 May 2004 and is not approved by the Inland Revenue under Schedule 9 of the Income and Corporation Taxes Act 1988. The Scheme is governed by Rules and is administered by the Directors of the Company, or a duly authorised committee thereof.

Share options are granted to senior executives with more than 12 months' service. The options vest in three equal annual tranches, from first date of exercise. The right to subscribe for Ordinary Shares is exercisable up to 10 years from the date of grant. There are no cash settlement alternatives.

During the year 11,667 share options (2007: 11,667 after the share consolidation mentioned above) vested and therefore all options are exercisable.

The market price of the shares at 31 December 2008 was 0.0625 pence and at 31 December 2007 was 2.13 pence. The range during 2007 was 1.89 pence to 3.63 pence.

The expense recognised for share-based payments in respect of employee services received during the period ended 31 December 2008 was £7,000 and during the year ended 31 December 2007 was £20,041.

The range of exercise prices for options outstanding at 31 December 2007 was £1.30 - £3.0 and the range of exercise prices for options outstanding at 31 December 2008 was £1.30 - £3.0.

The fair value of equity-settled share options granted is estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the period ended 31 December 2008.

	2008	2007
Weighted average share price at grant date	6.5p	6.5p
Exercise price	6.5p	6.5p
Weighted average expected life	5 years	5 years
Expected volatility	24%	24%
Expected dividend growth rate	Nil	Nil
Risk-free rate	4.50%	4.50%

Expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

There are no market based vesting conditions and no other feature of options grant was incorporated into the measurement of fair value.

14 Loss per share – basic and diluted

The basic loss per share is calculated on the loss attributable to equity shareholders of the parent and on ordinary shares being the weighted average number of ordinary shares on issue during the period.

	2008	2007
		<i>(Restated)</i>
Loss per share – basic and diluted	1.9p	67.21p
	£'000	£'000
Loss attributable to equity shareholders of the parent	96	3,322
	Number	Number
		<i>(Restated)</i>
Weighted average number of ordinary shares at 31 December	4,942,714	4,942,714

Diluted earnings per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. There is no difference between the diluted loss per share and the loss per share presented as the potential shares are anti-dilutive. Details of potentially dilutive share options are disclosed in note 13.

The loss per share at 31 December 2007 has been restated as mentioned in note 13 b) following a 20 to 1 consolidation of the ordinary shares.

15 Related party transactions

See note 6 for transactions with Directors, there were no other transactions with related parties.

16 Financial Instruments

In common with other businesses, the Group and Company (the 'Group') is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The significant accounting policies regarding financial instruments are disclosed in note 1.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

Group	2008	2007
	£'000	£'000
Other receivables	2	26
Cash and cash equivalents	165	260
Trade payables	2	42
Accruals	39	3

Company	2008	2007
	£'000	£'000
Other receivables	2	19
Cash and cash equivalents	161	255
Trade payables	1	42
Accruals	16	3

The carrying amounts are a reasonable approximation of the fair value of the above financial instruments.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group and Company risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives regular reports from the Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk arises principally from the Group's and Company's other receivables. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument. The maximum exposure to credit risk equals the carrying value of these items in the financial statements.

Credit risk with cash and cash equivalents is reduced by placing funds with internationally recognised banks.

Liquidity risk

Liquidity risk arises from the Group's and Company's management of working capital and the amount of funding committed to its exploration programme. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The principal liabilities of the Group and Company arise in respect of committed expenditure in respect of its ongoing exploration work and subsequently related development expenditure. To achieve this aim, it seeks to raise new equity finance and debt sufficient to meet the next phase of exploration and where relevant development expenditure.

The Board receives cash flow projections on a monthly basis as well as information on cash balances. The Board will not commit to material expenditure in respect of its ongoing exploration programme prior to being satisfied that sufficient funding is available to the Group to finance the planned programmes. The Group and Company has no interest-bearing borrowings or any current undrawn borrowing facilities.

All of the Group's and Company's financial instruments are due for repayment in less than one year.

Interest rate risk

The Group and Company has no interest-bearing borrowings and so there is no interest rate risk.

There is no significant interest rate risk in respect of temporary surplus funds invested in deposits and other interest-bearing accounts with financial institutions as the operations of the Group are not dependent on the finance income received. However it is the Group's policy to manage the interest rate risk over the cash flows on its invested surplus funds by using only substantial financial institutions when such funds are invested.

Capital

The Group and Company considers its capital to comprise of ordinary share capital, share premium and accumulated retained earnings. No financial instruments, classified as financial liabilities, have been treated as equity instruments. There have been no changes in what the Group considers to be capital since the previous period.

The Group is not subject to any externally imposed capital requirements.

Currency risk

As the Group and Company holds the majority of its surplus funds in sterling there is no significant currency risk.

Financial assets and liabilities are held in the following currencies at the year-end:

	2008		2007	
Group	Sterling	RRL	Sterling	RRL
	£'000	£'000	£'000	£'000
Other receivables	2	-	20	6
Cash and cash equivalents	163	2	259	1
Trade payables	1	1	41	1
Accruals	19	20	3	-
Company	Sterling	RRL	Sterling	RRL
	£'000	£'000	£'000	£'000
Other receivables	2	-	19	-
Loans	-	-	-	-
Cash and cash equivalents	161	-	255	-
Trade payables	1	-	42	-
Accruals	16	-	3	-

17 Capital Commitments

There are no capital commitments as at 31st December 2008 (2007: nil).

18 Going concern and future prospects

The financial statements have been prepared on a going concern basis. The Group's cash and liquid resources stood at £0.2 million at 31 December 2008 (2007: £0.3m) and all of the exploration licenses have been relinquished. The Directors are actively seeking new

exploration projects. The Group will seek to raise additional funds to finance future operations when required.

19 Post Balance Sheet Events

There are no significant events since the balance sheet date.