TARGET RESOURCES PLC

INTERIM REPORT

FOR THE SIX MONTHS ENDED 30 APRIL 2007

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TARGET RESOURCES PLC

CHAIRMAN'S STATEMENT

CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2007

I am pleased to announce the interim results of Target Resources Plc ("Target" or "Company") for the 6 months ended 30 April 2007. The financial information comprises the consolidated results of Target, its direct subsidiaries Pride Diamonds LLC ("Pride") and Milestone Trading Limited ("Milestone") and Milestone's Sierra Leone subsidiaries.

While the results are still in the red, I am encouraged by the progress of the Group and would like to mention the following developments during and after the period:

1. Whilst the volume of gravel extracted has been disappointing, the quality and value of our diamonds has been very high. On 7 February 2007 we sold a parcel of 460.10 carats through the Antwerp Diamond Exchange for $350,030, giving an average price of $761 per carat, the highest price we have achieved to date. A further package of 352 carats was sold in May achieving an average price of $412 per carat, bringing the long term average sale price of our diamonds to $479 per carat.

   The stones sold were produced from different areas of our Sandoh lease and underline the quality of stones available.

2. In February 2007, we acquired Pride, a Delaware incorporated company operating in Sierra Leone and specialising in socially responsible diamond mining. Pride's assets include specialised river dredging equipment, which was put to use on the lower Bagbe River near its confluence with the Bafi River which is located within Target's Bagbema mining lease. As far as we are aware, this is the first substantial operation in Sierra Leone involving the dredging of rivers for diamonds. The acquisition of dredging equipment, through the acquisition of Pride, allows us to maintain production throughout the wet season and to explore the rivers in our existing lease areas in a more cost effective and less intrusive manner. I am pleased to confirm that dredging is continuing and is producing high quality diamonds.

The task ahead is dramatically to upscale production volumes and to maximise efficiency by targeting the most productive land. We are doing two things to achieve this:

Firstly, we are planning to expand and upgrade our fleet which will allow us, after the current rainy season, to operate on a much larger scale.

Secondly, we have commissioned a mining plan based on specialised geophysical techniques for identifying the shape of the bedrock & mapping it to identify channels and potholes. This new technology has already been proven in alluvial mining and we are pleased to have acquired its availability for Target. To date we have mapped about 600 acres of our leased areas, and identified some 160 acres of prospective channels and potholes which will serve as the basis of our mining plan for the next dry season starting in November 2007.

Freddy Hager
17 July 2007

TARGET RESOURCES PLC

UNAUDITED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 APRIL 2007

	Notes	Six months ended 30 April 2007 (Unaudited) £	Six months ended 30 April 2006 (Unaudited) £
Group turnover		178,764	177,888
Cost of goods sold		(1,266,169)	(621,009)
Gross loss		(1,087,405)	(443,121)
Administrative expenses before charge for share based payments		(996,134)	(649,455)
Share based payments	10	(327,238)	(202,938)
Total administrative expenses		(1,323,372)	(852,393)
Group operating loss		(2,410,777)	(1,295,514)
Finance costs		(53,576)	(84,456)
Loss before taxation		(2,464,353)	(1,379,970)
Taxation		(21,850)	(14,163)
Loss for the period		(2,486,203)	(1,394,133)
Attributable to:			
Equity holders of the Company		(2,486,203)	(1,383,498)
Minority interests		-	(10,635)
		(2,486,203)	(1,394,133)
Loss per share (pence)	2		
Basic		(2.84p)	(2.01p)
Diluted		(2.84p)	(2.01p)

TARGET RESOURCES PLC

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 APRIL 2007

	Attributable to equity holders					
	Share capital £	**Share premium £**	**Other reserves £**	**Retained losses £**	**Minority interest £**	**Total equity £**
At 1 November 2005	600,000	-	(409,109)	(5,747,488)	(112,278)	(5,668,875)
Issue of share capital	108,640	2,607,360	-	-	-	2,716,000
Share issue costs	-	(266,170)	-	-	-	(266,170)
Translation differences on re-translation to sterling of the group's net investment in foreign operations	-	-	78,548	-	-	78,548
Minority's interest in the share capital of a subsidiary undertaking	-	-	-	-	308	308
Share based payments	-	-	165,575	-	-	165,575
Loss for the six months ended 30 April 2006	-	-	-	(1,383,498)	(10,635)	(1,394,133)
At 30 April 2006	708,640	2,341,190	(164,986)	(7,130,986)	(122,605)	(4,368,747)
At 1 November 2006	867,593	9,254,171	1,053,464	(10,183,181)	(132,719)	859,328
Issue of share capital	23,496	794,155	-	-	-	817,651
Translation differences on re-translation to sterling of the Group's net investment in foreign operations	-	-	18,996	-	-	18,996
Share based payments (note 10)	-	-	366,096	-	-	366,096
Loss for the six months ended 30 April 2007	-	-	-	(2,486,203)	-	(2,486,203)
Transfer of minority interest (note below)	-	-	-	(132,719)	132,719	-
At 30 April 2007	891,089	10,048,326	1,438,556	(12,802,103)	-	(424,132)

Under the requirements of International Accounting Standard 27, all of the losses of the subsidiaries with net liabilities where there are minority shareholdings are to be taken to the results attributable to the shareholders of the company until the net liabilities in those subsidiaries become nil. Accordingly the losses allocated to minority interest in earlier periods have been transferred to the retained losses of the group.

TARGET RESOURCES PLC

UNAUDITED CONSOLIDATED BALANCE SHEET

AS AT 30 APRIL 2007

	Notes	30 April 2007 (Unaudited) £	31 October 2006 (Audited) £
ASSETS			
Non-current assets			
Goodwill	4	1,003,442	-
Other intangible assets	5	694,838	787,520
Plant and equipment	6	1,256,908	1,214,520
		2,955,188	2,002,040
Current assets			
Trade and other receivables		254,385	22,956
Stock		65,183	-
Cash and cash equivalents		222,783	1,052,563
		542,351	1,075,519
Total assets		3,497,539	3,077,559
LIABILITIES			
Non-current liabilities			
Provision for liabilities and charges	7	1,054,666	122,551
Licence fees payable		236,934	236,934
		1,291,600	359,485
Current liabilities			
Trade and other payables		1,182,834	916,232
Taxation payable		21,850	-
Borrowings	8	1,425,387	942,514
		2,630,071	1,858,746
Total liabilities		3,921,671	2,218,231
Net (liabilities)/assets		(424,132)	859,328
EQUITY			
Capital and reserves attributable to equity holders			
Share capital	9	891,089	867,593
Share premium account	9	10,048,326	9,254,171
Other reserves		1,438,556	1,053,464
Retained losses		(12,802,103)	(10,183,181)
		(424,132)	992,047
Minority interests		-	(132,719)
Total equity and reserves		(424,132)	859,328

TARGET RESOURCES PLC

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 APRIL 2007

	Note	Six months ended 30 April 2007 (Unaudited) £	Six months ended 30 April 2006 (Unaudited) £
Cash outflow from operating activities	11	(1,798,853)	(1,714,676)
Cash flows from investing activities			
Purchase of property, plant and equipment		(11,361)	(315,380)
Costs of acquiring subsidiary		(32,469)	-
Cash acquired with subsidiary		511,032	-
Purchase of intangible assets		-	(198,726)
Interest received		-	12,458
Net cash inflow/(outflow) from investing activities		467,202	(501,648)
Cash flows from financing activities			
Proceeds from issue of share capital		-	2,449,830
Loans granted/(repayments)		482,875	(130,528)
Net cash inflow from financing activities		482,875	2,319,302
Net (decrease)/increase in cash and cash equivalents in the period		(848,776)	102,978
Cash and cash equivalents at beginning of the period		1,052,563	16,531
Exchange rate effects		18,996	78,548
Cash and cash equivalents at the end of the period		222,783	198,057
Cash and cash equivalents consist of:			
Cash and cash equivalents		222,783	198,057
Overdrafts		-	-
		222,783	198,057

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1. **Basis of preparation**

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

These interim results for the six months ended 30 April 2007 are unaudited and do not constitute statutory accounts as defined in section 240 of the Companies Act 1985. They have been prepared using accounting bases and policies consistent with those used in the preparation of the financial statements of the Company and the Group for the year ended 31 October 2006 and those to be used in year ending 31 October 2007. The financial statements for the year ended 31 October 2006 have been delivered to the Registrar of Companies and the auditors' report on those financial statements was unqualified and did not contain a statement made under Section 237(2) or Section 237(3) of the Companies Act 1985.

Although during the six months ended 30 April 2007, the Group made a loss of £2,486,203 and it had net liabilities of £424,132 at 30 April 2007, the financial information has been prepared on the going concern basis for the following reasons.

As stated in the Chairman's statement, the acquisition of dredging equipment, through the acquisition of Pride, allows the Group to maintain production throughout the wet season and to explore the rivers in its existing lease areas in a more cost effective and less intrusive manner.

With the prospect of a significant increase in the extraction of gravel and the high quality of diamonds expected in the licensed areas, the directors believe that the Group will be able to grow its business and will become profitable in the future. Accordingly, they are satisfied that the going concern basis remains appropriate for the preparation of financial information for the six month period ended 30 April 2007.

2. **Loss per ordinary share**

The basic loss per ordinary share has been considered using the loss attributable to equity shareholders for the financial period of £2,486,203 (2006: £1,383,498) and the weighted average number of ordinary shares in issue of 87,628,992 (2006: 68,858,166).

The diluted loss per share has been considered using a weighted average number of shares in issue and to be issued of 93,177,716 (2006: 72,833,815). The diluted loss per share has been kept the same as the basic loss per share as the conversion of share warrants and options decreases the basic loss per share, thus being anti-dilutive.

3. **Segment Information**

3.1 **Primary reporting format - business segments**
During the period, the Group's main business segment was exploration and mining of alluvial diamonds and selling them in the related world markets.

3.2 **Secondary reporting format – geographical segments**
During the period ended 30 April 2007, the Group sold its products in one geographical area, being Europe (excluding UK).

The information on sales, total assets and capital expenditure for the period is set out below:

	2007	**2006**
	£	**£**
Sales		
Europe excluding UK	178,764	177,888
	178,774	177,888

Sales are allocated based on the country in which the customer is located

	2007	**2006**
	£	**£**
Total assets		
UK	167,428	1,552,604
Sierra Leone	3,330,111	1,524,955
	3,497,539	3,077,559

Total assets consist of intangible assets, stocks, receivables and operating cash. Total assets are allocated based on where the assets are located.

	2007	**2006**
	£	**£**
Capital expenditure		
UK	-	-
Sierra Leone	1,321,422	1,173,512
	1,321,422	1,173,512

Capital expenditure comprises additions to property, plant and equipment and intangible assets. Capital expenditure is allocated based on where the assets are located.

4. **Goodwill**

The Group's goodwill of £1,003,442 arose from the acquisition of 100% of the issued share capital of Price Diamonds LLC ("Pride") in February 2007. Pride is a Delaware incorporated company operating in Sierra Leone and owns specialised river dredging equipment. Details of the acquisitions are set out below:

	£
Book and fair value of net assets acquired:	
Mining and other equipment	306,618
Cash at bank	511,032
	817,650
Goodwill	1,003,442
Total consideration for acquisition	1,821,092

Satisfied by:

Issue of 2,349,570 shares at 34.8p per share	817,650
Deferred consideration to be paid in cash (note 7)	970,973
Costs of acquisition	32,469
	1,821,092

5. **Other intangible assets**

The movements of other intangible assets during the period were as follows:

	Deferred exploration costs	Mining licences	Rehabilitation costs	Total
	£	£	£	£
Cost				
At 1 November 2006 and 30 April 2007	123,721	510,886	206,208	840,815
Amortisation				
At 1 November 2006	18,294	4,509	30,492	53,295
Charge for the period	3,186	84,188	5,308	92,682
At 30 April 2007	21,480	88,697	35,800	145,977
Net book value				
At 30 April 2007	102,241	422,189	170,408	694,838
At 31 October 2006	105,427	506,377	175,717	787,520

6. **Plant and Equipment**

	Mining equipment, plant and machinery	Cabins and associated set up costs	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£
Cost					
At 1 November 2006	1,256,340	64,727	65,753	46,987	1,433,807
Additions	226,081	20,924	21,353	49,622	317,980
At 30 April 2007	1,482,421	85,651	87,106	96,609	1,751,787
Depreciation and impairment					
At 1 November 2006	203,506	6,423	5,380	3,978	219,287
Depreciation charge	248,527	8,565	7,988	10,512	275,592
At 30 April 2007	452,033	14,988	13,368	14,490	494,879
Net book value					
At 30 April 2007	1,030,388	70,663	73,738	82,119	1,256,908
At 31 October 2006	1,052,834	58,304	60,373	43,009	1,214,520

7. **Provisions for liabilities and charges**

	30 April 2007	31 October 2006
	£	£
Provision for employer's national insurance on share based payments	83,693	122,551
Provision for deferred cash consideration on the acquisition of Pride Diamonds LLC (note 5)	970,973	-
	1,054,666	122,551

8. **Borrowings**

	30 April 2007 £	31 October 2006 £
Current liability		
Loans	1,425,387	942,514
	=======	=======

Loans are in US Dollars and subject to a fixed interest rate of 12.5%. These loans are repayable on demand and are unsecured.

9. **Share capital**

	30 April 2007 £	30 October 2006 £
Authorised		
1,000,000,000 ordinary shares of 1p each	10,000,000	10,000,000
	========	========
Allotted, called up and fully paid		
89,108,832 ordinary shares of 1p each	891,089	867,593
	========	========

The movements in the share capital are shown below:

	Number of shares of 1p each	Share capital at nominal value £	Share premium £
At 1 November 2006	86,759,262	867,593	9,254,171
Acquisition of Pride Diamonds LLC	2,349,570	23,496	794,155
	_________	_______	_________
As at 30 April 2007	89,108,832	891,089	10,048,326
	========	======	========

The share warrants and share options outstanding at 30 April 2007 are as follows:

	Number of warrants	Number of options
At 1 November 2006 and 30 April 2007	15,895,262	12,893,052
	========	========

10. Share based payments

	Six months ended 30 April 2007 £	Six months ended 30 April 2006 £
The Group recognised the following charges in the income statement in respect of its share based payment plans:		
Employer's national insurance	(38,858)	37,363
IFRS 2 charge	366,096	165,575
	327,238	202,938

The above charges are based on the requirements of IFRS 2 on share based payments. For this purpose, the weighted average estimated fair value for the share options granted was calculated using a Black-Scholes option pricing model in respect of options. The volatility measured at the standard deviation of expected share price return is based on statistical analysis of the Company's share price and this has been calculated at 42%. The risk free rate has been taken at 4.75%.

11. Reconciliation of cash generated from operations

	Six months ended 30 April 2007 £	Six months ended 30 April 2006 £
Operating loss	(2,410,777)	(1,295,514)
Adjustments for:		
Depreciation and amortisation	368,274	9,255
Share based payments charge	327,238	202,938
Rehabilitation costs provision	-	30,781
	(1,715,265)	(1,052,540)
Changes in working capital	(30,012)	(577,680)
Finance costs	(53,576)	(84,456)
Cash outflow from operating activities	(1,798,853)	(1,714,676)

GROUP INFORMATION

FOR THE SIX MONTHS ENDED 30 APRIL 2007

Directors	F Hager P O'Kane Dr N Levy J C Smith Y Ziv A Greenblatt (appointed 2 March 2007)
Company Secretary	D Bressloff
Company Number	5566717
Registered Office	16th Floor Marble Arch Tower 55 Bryanston Street London W1H 7AA
Auditors	UHY Hacker Young LLP St Alphage House 2 Fore Street London EC2Y 5DH
Business Address	16th Floor Marble Arch Tower 55 Bryanston Street London W1H 7AA
Solicitors	Faegre & Benson 7 Pilgrim Street London EC2V 6LB
Principal Bankers	Bank Leumi 20 Stratford Place London W1C 1BG EFG Private Bank 12 Hay Hill London W1J 6DW

INDEPENDENT REVIEW REPORT BY THE AUDITORS

TO TARGET RESOURCES PLC

Introduction

We have been instructed by the Company to review the financial information for the six months ended 30 April 2007 set out on pages 2 to 12, which comprises the consolidated income statement, consolidated statement of changes in equity, consolidated balance sheet, consolidated cash flow statement and related notes.

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the AIM rules which require that the half-yearly report must be presented and prepared in a form consistent with that which will be adopted in the AIM company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 April 2007.

UHY Hacker Young LLP
Chartered Accountants
London

17 July 2007

Notes

1. The maintenance and integrity of the Target Resources plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim report or the auditors' review report since they were initially presented on the web site.

2. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.