



Dustbiglu
Takestan

Dalli
Chah-e-Zard

PERSIAN GOLD PLC
INTERIM REPORT 2007

Persian Gold plc

Chairman's Statement

Persian Gold is making solid progress in Iran. The highlights of recent activities are:

- Two new projects acquired; Dalli, an advanced gold/porphyry project, and Dustbiglu, an early stage gold in clay silica alunite project,
- Drilling commencing in Dalli in September,
- Second phase drilling at our Chah-e-Zard discovery to follow Dalli drilling.

Remember our background. Persian Gold was formed in 2003 to prospect for gold in Iran, a large country significantly underexplored in the last 30 years. The focus was on the large volcanic belt stretching from Turkey in the Northwest to Pakistan in the Southeast – almost 2000kms. Significant gold discoveries have been made in this belt in Turkey and in Pakistan, including a world class gold deposit at Riko Diq on the border between Iran and Pakistan.

We went into Iran using a new gold exploration model – gold in clay silica alunite alteration environments. We have two projects concentrating on this model, Takestan and now, Dustbiglu. However, our presence in Iran and our growing local experience, resulted in other projects, mainly gold, being presented to Persian Gold, including the most recent and very exciting Dalli prospect. Dalli is a significant copper gold porphyry deposit which has never been drilled – until now.

The world class geological opportunities in Iran are off-set to some extent by the political situation. Political uncertainty has impacted many Western companies operating there. Though this has not adversely affected our operations, Persian Gold's share price has suffered from the negative media coverage. We have experienced no significant or unusual challenges operating in any part of the country. We continue to be made welcome by the Iranian authorities and people. Accordingly, Persian Gold has Early Mover Advantage giving us access to projects not normally available to junior explorers.

Dalli

Located 200kms southwest of Tehran. Sampling has discovered strong gold and copper mineralisation in two centres 1.7km apart. An initial exploration programme of 5 drill holes will start in September. Work in the area can continue year round. We have an option to acquire 70%.

Dustbiglu

Our second new project, the wholly owned Dustbiglu, lies 450km Northwest of Tehran. It is a gold in silica-clay-alunite resource. The area has similar characteristics to the silica-alunite gold mines in Peru and Chile. Previous prospecting work for copper discovered gold traces. Persian Gold has applied for exploration concessions over the area. It is hoped to sample the ground before the snows set in in December.

Chah-e-Zard

The first phase drilling programme in this volcanic hosted gold deposit, discovered gold in 13 of 16 drill holes including two very good results;

122m @ 1.95g/t gold in Hole 3,

40m @ 1.24g/t gold in Hole 1.


The results have led to a second phase exploration programme consisting of further trenches and 20 drill holes concentrated in the Southern zone. The target is to define a near surface gold oxide heap leachable resource. The trenching programme is underway and the rig drilling Dalli will move to Chah-e-Zard.

Takestan

As easier to explore later stage projects have become available, the Takestan project has moved down the list of priorities. We still await permits to pit and trench the Twin Hills area located near the city of Qazvin. The opportunities on this block of 4 licences are good, but they must wait for environmental clearance.

Future

There are many large gold opportunities in Iran. Persian Gold must not over-extend. The four projects underway, particularly the drilling at Dalli and Chah-e-Zard, will provide the core of activities in the coming months. First drill results can be expected at the end of October.



John J Teeling
Chairman

14th September 2007

Financial Information (unaudited)

PERSIAN GOLD INTERIM RESULTS 2007

	Six Months ended	
	30 June 07	30 June 06
	£'000	£'000
Group Profit and Loss		
Operating Loss	(162)	(67)
Investment Income	6	13
Loss before Taxation	(156)	(54)
Taxation	0	0
Loss for the period	(156)	(54)
Loss per share	(.28p)	(.10p)
Group Balance Sheet	30 June 07	30 June 06
	£'000	£'000
Fixed Assets	921	413
Current Assets	120	732
Current Liabilities	(265)	(37)
Current Assets less Current Liabilities	(145)	695
	776	1,108
Share Capital and Reserves	776	1,108
Group Cash Flow	30 June 07	30 June 06
	£'000	£'000
Net Cash Outflow from Operating Activities	(99)	(56)
Returns on Investments and Servicing of Finance	6	13
Capital Expenditure	(101)	(154)
Decrease in Cash	(194)	(197)

Notes:

1 The figures for the six months to 30 June 2007 and 30 June 2006 are unaudited. The financial information set out above does not constitute full statutory accounts within the meaning of section 240 of the Companies Act 1985.

2 Copies of this announcement will be sent to shareholders and will be available for inspection at the Company's registered office at 20-22 Bedford Row, London, WC1R 4JS.

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