



MINMET PLC

**ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

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CHAIRMAN'S STATEMENT

Background

Over recent years Minmet has exited from many of its exploration programs and liquidated and de-risked its exploration assets. In the 2006 Annual Report it was reported that the Group was in the process of selling its main operational asset, the Björkdal gold mine. The sale was completed on 31 December 2007.

In liquidating its exploration assets the Group has built up significant liquid assets and tradable securities but had effectively no meaningful exploration strategy. While the Group had reviewed several exploration opportunities none of these were pursued by the then management of the Group.

New Board

In effect Minmet had become a manager of cash and investments in traded securities whilst also selling down its remaining exploration and mining assets.

This strategy was at odds with the expectations of certain major shareholders in the Company who promoted a change in the Board with a view to introducing a more aggressive and focused exploration strategy for the Group. This resulted in a new board being appointed to the Company over a short period of time commencing in August 2007. I was appointed Executive Director on 22 August 2007 and later Executive Chairman on 2 October 2007, replacing Mike Neville who resigned as Non-executive Chairman on the same date. The new board of Jon King (Chief Executive Officer), Denis Barrett (Executive Financial Director) and Peter Gardener (Non-executive Director) were all appointed by year end 2007.

New Strategy

Your new Board immediately set about directing the strategic focus of the Group towards oil and gas exploration. We first set about securing the cancellation of the Gold Oil Joint Venture Arrangements whereby the Group had committed resources to acquire oil and gas exploration projects in Cuba and Latin America. The new Board's rationale for this was due to the fact that the new strategy was to invest in North American oil and gas opportunities and continuation of the Gold Oil Joint Venture would contravene the US embargo over Cuba.

New Projects

On 23 August 2007 the Group entered into a conditional agreement to purchase Alaska Oil and Gas Resources Limited ("Alaska") which owned exploration rights over certain oil and gas prospects in the Cook Inlet in Alaska.

On 23 August 2007 the Group paid a returnable deposit amounting to US\$4.35 million to Carbon Energy Investments Limited. The deposit was initially secured by a pledge over shares in Tucumcari Investments Limited ("TIL") but the security was subsequently varied and secured by a charge over TIL's shares in Tucumcari Exploration LLC ("TUCX").

Subsequently the Board focused on recovering its interest in the Tucumcari Project where the Group had a potentially doubtful receivable of \$3.35 million due from Charms Investments Limited. We converted this receivable into a 25% equity stake in Tucumcari Exploration LLC ("TUCX") together with a secured receivable of \$2.75 million. Additionally the Group entered into an option to acquire the remaining 75% of TUCX not already owned by the Group from TIL ("the Tucumcari Option") In entering into the Tucumcari Option the Group paid a returnable deposit of \$6m to TIL. We also committed to advancing \$3m to TUCX to fund TUCX's immediate needs in developing the Tucumcari project so as to ensure that operational issues that required attention were properly dealt with. The returnable deposit and funds advanced to TUCX were secured by means of a share charge over TIL's 75% shareholding in TUCX. The Board believes that this transaction represented an attractive opportunity to acquire a part developed gas exploration project and pipeline assets at a discounted price.

The Board's intention was that the Tucumcari and Alaska projects would form the two major building blocks of our strategy. However given the exploration risk as well as the substantial rig manoeuvring and drilling costs associated with the Alaska project, we subsequently decided to limit our exposure by avoiding direct involvement, retaining a carried interest and focusing attention on the Tucumcari project. Therefore we cancelled the agreement for the purchase of Alaska. The cancellation agreement resulted in Minmet securing a receivable of \$4.35 million while at the same time retaining upside potential through securing an equity participation to be valued at \$4.35 million in the Alaska project when it is brought to market (on AIM or other exchange) without further cost to the Group as announced on 21 January 2008.

A detailed overview of the Group's activities for the year and results is contained in the Directors' Report.

CHAIRMAN'S STATEMENT

Company Share Trading

Trading in the Company's shares on AIM was temporarily suspended in view of the need to announce these transactions. A further announcement was made on 21 January 2008 but, due to the scope and size of the transaction the exercising of the Tucumcari Option would be classified as a reverse takeover under the AIM Rules for Companies and accordingly trading in the Company's shares remained suspended.

The Board then encountered opposition from a group of shareholders who were unhappy with the Board's new strategy. In particular the dissentient shareholders opposed the Company's entry into the Tucumcari Option. Given this opposition to the Tucumcari Option forced the Company to discontinue its plans to effect a reverse take over as the adverse publicity was making it difficult for Minmet to raise funding.

Following the Company's announcement that it was no longer intending to exercise the Tucumcari Option, trading in the Company's shares was reinstated but, as a consequence of negative publicity and internet gossip the Company's share price has collapsed despite the Board's confidence in the value of the Tucumcari Project.

Extraordinary General Meetings

The opposing shareholders requisitioned an Extraordinary General Meeting ("EGM") and looked for detailed explanations relating to the transactions effected by the Group. This EGM went ahead on 11 April 2008, was adjourned until 23 May 2008, further adjourned until 13 June 2008 and adjourned again until 3 July 2008. Immediately prior to the adjourned meeting of 13 June 2008, an announcement summarising an Independent Expert's Report on the Tucumcari Project was announced to the market and provided to the attendees. The report is available on the Minmet website.

Subsequently another EGM has been requisitioned with resolutions to remove the existing Board and replace with a new Board. This new EGM will be held on 18 July 2008.

The actions of these shareholders have hindered our ability to progress the Tucumcari Project and diverted the Board's attention from operational matters at a critical time when oil and gas transactions are considered to be a worthwhile pursuit in the current economic climate. Notwithstanding the opposition of the dissentient shareholders the Board is committed to creating value for the Company.

Moving Forward

Exploration data available indicates that the Tucumcari Basin is a major undeveloped natural gas reservoir that offers significant exploration opportunity and potential upside to Minmet. Subsequent to the year end the Board has taken operational control of the Tucumcari project and we are proceeding to oversee the development of this project into gas production and distribution over the next 12 months, through spinning the project off into a separate listed vehicle which will seek its own fundraising. We believe this offers significant potential for the benefit of Minmet and its shareholders.

I express thanks to fellow Directors and corporate advisors who have supported the Company during a period of significant change.

Peter Maddocks
Chairman
Minmet plc

26 June 2008

MINMET PLC

DIRECTORS' REPORT

GROUP ACTIVITIES

The Directors of Minmet plc ("Minmet" or the "Company") present their annual report, together with audited financial statements, for the year ended 31 December 2007. Minmet plc and its subsidiary undertakings (the "Group") are involved in the development of Oil and Gas Exploration and Production projects and also hold mining and mineral interests. Details of the Company's principal subsidiary undertakings can be found in Note 15 to the financial statements.

REVIEW OF THE GROUP'S ACTIVITIES DURING 2007

Change in Management and Group Strategy

Following the appointment of the new Executive Chairman in early October and in order to execute the declared strategy, the Board was strengthened by the appointment of two senior oil and gas executives to the Board by the end of 2007.

The new Board introduced a strategy focusing on development of oil and gas opportunities and having cancelled the Gold Oil Joint Venture arrangements, committed to an oil exploration project in the Cook Inlet in Alaska ("the Alaska Project") and a partially developed gas and pipeline infrastructure project in Tucumcari in New Mexico. In the meantime the Group's Björkdal gold mine in Northern Sweden has been sold and cash resources have been generated from this sale and by selling shareholdings in certain quoted entities.

The new strategy of the Group is based on enhancing Minmet's growth potential by focusing on the acquisition and development of selected oil and gas assets, initially in North America. The first step involved refreshing and strengthening the Board and senior management team with executives with an oil and gas background who have the experience and expertise to evaluate, acquire and develop oil and gas opportunities.

New Growth Strategy and Future Developments

The Board's strategy is to focus on developing its oil and gas assets initially in North America, whilst divesting its mineral assets at favourable prices and continuing to identify and investigate seed capital opportunities in both oil & gas and mineral exploration projects.

The new Board's strategic priorities are as follows:

- To increase the value of the Company through successful evaluation, acquisition and development of oil and gas assets and, secondly, by highlighting the opportunity arising from the value gap between the Company's existing net asset value and the share price in the short to medium term.
- To identify suitable investment opportunities after due consideration of resources, risk and return. At this stage the focus of the Company's resources will be directed towards controlled asset development rather than more speculative exploration.
- Consistent with this strategy, the immediate growth plans are focused on the phased development of the gas assets in New Mexico owned by Tucumcari Exploration LLC ("TUCX"), (the "Tucumcari Project"). This project should provide a suitable asset base, and, ultimately, cash flow for future growth.
- The Group has secured the services of Jim Heald who has proven field experience and he will be focused on developing the Tucumcari Project.
- The Group's interest in Alaska, an oil and gas exploration project in the Cook Inlet in Alaska (the "Alaska Project") has been ring-fenced and is planned to be spun out as a separate listed vehicle in order to maximise the value of Minmet's interest without taking on the full exploration risk. Minmet shareholders stand to benefit from any increase in value of the Alaska Project through the Group's carried interest in a newly listed entity.

The Board is in constant review of Group strategy to take into account of both market and internal developments.

MINMET PLC

DIRECTORS' REPORT

Gold Oil plc (“Gold Oil”)

In February 2007 the Group announced a strategic investment with Gold Oil (“the Gold Oil Joint Venture Arrangements”) which was intended to give Minmet information and the opportunity to participate in possible oil and gas projects in Cuba and Latin America. The Gold Oil Joint Venture Arrangements also included Minmet and Gold Oil each completing a cross shareholding arrangement.

The strategic rationale for the Gold Oil Joint Venture Arrangements at the time was to use the perceived political advantage of Minmet’s Irish status as an appropriate investor aimed at oil and gas projects in Cuba and Latin America. In addition the transaction also secured oil and gas expertise through the appointment of Gary Moore and Mike Burchell Gold Oil’s Directors to the Board of Minmet.

The Gold Oil Joint Venture Arrangements were cancelled following a re-evaluation of these interests by the Company’s new board in August 2007. In particular, as certain of the oil and gas opportunities which the Group was reviewing are in the U.S., the Minmet board and its advisers took the view that opportunities in the U.S. and Cuba could not be pursued by the same company due to the US embargo over investing in Cuba.

As part of the cancellation of the Gold Oil Joint Venture Arrangements, Minmet and Gold Oil entered into a Share Exchange agreement whereby Gold Oil deposited 8,300,000 ordinary Minmet shares with a broker, with instructions to have the shares placed in the market and the proceeds distributed to Minmet. Minmet also deposited its 22,950,000 ordinary shares in Gold Oil with a broker, with instructions to have the shares placed in the market and the proceeds distributed to Gold Oil. Both sets of shares were subject to lock in arrangements until February 2008.

In terminating the Gold Oil Joint Venture Arrangements, it was recognised that Minmet could make a loss on the book value of its investment in the Gold Oil Joint Venture Arrangements following the placing and sale of Gold Oil’s shares in Minmet.

Westcoast Group Limited (“Westcoast”), a significant shareholder in Minmet at the time the Joint Venture Arrangements were cancelled, entered into a Guarantee and Indemnity with the Group to make good any loss on the cancellation of the Joint Venture Arrangements (“the Westcoast Guarantee”). The Westcoast Guarantee was secured by a charge over shares in the Tucumcari Project described below which the Board believes is sufficient to cover the Group’s maximum possible loss under the transaction.

The Alaska Project

In August 2007 Minmet agreed to acquire Alaska Oil and Gas Resources Limited (“Alaska”), a company with exploration on and off shore blocks in the Cook Inlet in Alaska, for a consideration of US\$87.5 million. A refundable deposit of US\$4.35 million was paid and the balance of the consideration was to be paid by the issue and allotment of new shares in Minmet at market value at the time the transaction was completed. This agreement has subsequently been cancelled and Minmet’s deposit of US\$4.35 million is to be repaid within 180 days of 31 December 2007 together with interest which shall accrue from 1 March 2008. In addition Minmet is entitled to receive new ordinary shares to the value of US\$4.35 million in the intended listed company that will progress the Alaska Project. The return of the deposit paid for Alaska is secured by a charge over TIL’s shares in TUCX. The Group is in discussion with Carbon Energy Investments Limited regarding the repayment of the deposit and a further announcement will be made in due course.

Tucumcari Exploration LLC (“TUCX”)

During 2006, Minmet participated in a consortium which acquired a partially developed natural gas project in the Tucumcari Basin in New Mexico, USA, with significant development potential.

Minmet’s initial participation involved Minmet acquiring a 25% interest in Tucumcari Investments Limited (“TIL”) which was a special purpose vehicle incorporated to acquire TUCX and providing a shareholder loan of £1,581,000 to part fund TIL and TUCX. TUCX owns substantial gas lease acreage, eight gas wells and strategic pipeline assets.

The Group subsequently sold its interest in TIL and assigned its shareholder loan to Charms Investments Limited (“Charms”) for a consideration of \$3.35m. Charms never paid the consideration and there was an element of uncertainty as to whether the Group would ultimately secure payment.

DIRECTORS' REPORT

Consequently the Group cancelled the sale to Charms and recovered its 25% interest in TIL and the benefit of its shareholder loan. In October 2007 the Group paid a refundable deposit of \$6million to secure an option ("The Tucumcari Option Agreement") to purchase the remaining 75% of TUCX on terms the Board considered to be favourable. In addition the Group committed to finance up to US\$3million to proceed with the development of the Tucumcari Project. It was agreed with TIL that these cash payments were to be set off against the purchase price of the remaining 75% of TUCX. The purchase price under the terms of the Tucumcari Option was to be established based on a 25% discount to a valuation based on a Competent Persons Report ("CPR"). Due to its size the transaction was classified as a reverse take over for the purposes of the AIM Rules.

The adverse publicity caused by the shareholder action made it difficult for Minmet to obtain funding for TUCX. Consequently, the Board has decided not to exercise the Tucumcari Option and proceed with the reverse take over. The CPR was, therefore, no longer required but, as the work was underway, the Board commissioned an independent report which covered substantially the same ground as the CPR. The independent report was issued in May 2008 and a valuation, based on the independent report, was prepared by an independent firm with expertise in valuing oil and gas projects. The independent report and valuation (which was prepared for management purposes) confirmed the Board's understanding that TUCX is robust with significant upside.

Björkdal Gold Mine

In December 2007 Gold-Ore Resources Limited ("Gold-Ore") exercised its option to acquire the Björkdal gold mine that was fully owned by the Group. Minmet received the consideration of US\$2 million plus 4,000,000 shares in Gold-Ore, and in addition a Net Smelter Royalty ("NSR") (1.75% at current gold prices). Gold-Ore is entitled to buy-out the NSR at any time for US\$1 million.

Seed Capital Opportunities

West African Gold SA

During the last quarter of 2007 the Group entered into a conditional agreement to acquire 90% of the issued share capital of West African Gold SA ("WAG"), which owned concessions in a gold exploration project in Guinea West Africa, for a consideration amounting to £2 million (US\$3,969,000) payable as to £500,000 (US\$990,000) in cash and the balance by the issue and allotment of new shares in Minmet. The Group paid a returnable deposit of £100,000 (US\$198,000) to West African Logistics SA on signing the conditional agreement.

The agreement was conditional on full legal financial geological engineering and valuation due diligence and on the securing of all relevant regulatory approvals. As announced on 4 June 2008, Minmet agreed to cancel the sale and purchase of the interest in WAG and entered into another agreement which provided Minmet with a 10% carried interest in WAG and a 5% share of TIL in consideration for amounts already spent on WAG and the transfer of 1 million shares in Horizonte Minerals Plc.

Aragon Industries Limited ("Aragon")

In December 2007 the Group entered into an agreement with Blackhawk Investments Limited ("Blackhawk") and paid STG£100,000 (US\$198,000) as an option fee to enter into an option to purchase 10% of the issued capital of Aragon. Aragon has entered into two key Joint Ventures, one with the Sultan of Bulangan in Borneo and the second with Abacus Consolidated Resources & Holding Limited, a Philippine listed company. The consideration for the purchase is STG£3,000,000 (US\$5,954,000) payable by the issue and allotment of new shares in the Company. The option can be exercised at any time before 30 September 2008 and shall be repaid by Blackhawk in the event that the Group gives notice that it chooses not to exercise the option. The repayment of the option fee is guaranteed by TIL.

Investments in traded securities

Northland Resources Inc ("Northland")

The Group disposed of its remaining interest in Northland during the first half of 2007. In the period January 2007 to end May 2007 the Group sold via the Canadian and Norwegian stock markets a total of 4,129,600 shares in Northland realising CAD\$10,800,000 (US\$10,839,000) and NOK500,000 (US\$63,000) respectively. The shares sold included the sale of 1,500,000 shares in Northland that were acquired by exercising warrants held at a cost of CAD\$1,200,000 (US\$1,204,000).

GoldQuest Mining Corp ("GoldQuest")

The Group sold a total of 4,065,928 shares in GoldQuest during 2007 generating CAD\$2,000,000 (US\$2,007,000). At 31 December 2007 the Group held 4,576,357 ordinary shares (equating to a 7.6% equity interest) in GoldQuest. GoldQuest is a Canadian based mineral exploration company quoted on TSX which is focused on cost-effective exploration in the Dominican Republic. GoldQuest has a strategic association with Gold Fields Ltd who are major shareholders in the company.

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DIRECTORS' REPORT

Horizonte Minerals plc ("Horizonte")

At 31 December 2007 the Group held 6 million shares (equating to a 14.8% equity interest) in Horizonte, an AIM-quoted group focused on the identification, appraisal and development of gold and base metal deposits in Brazil and Peru. Minmet's interest in Horizonte increased to 6,000,000 shares in July 2007 following the purchase of 1,000,000 shares for STG£200,000 (US\$397,000). Subsequent to the year end the Group's holding has been reduced to 5,000,000 shares as part of the arrangements for the cancellation of the WAG purchase.

Gold-Ore Resources Ltd ("Gold-Ore")

At 31 December 2007 the Group held 3,950,000 shares (equating to a 5.4% equity interest) in Gold-Ore. Gold Ore is a TSX-V quoted Canadian-based mining and exploration company which owns one operating gold mine and various exploration properties, all of which are in Sweden. Minmet held 5,716,000 shares in Gold Ore at 31 December 2006 and these shares were disposed of during 2007 realising CAD\$4,500,000 (US\$4,516,000) in cash. The holding of shares in Gold Ore at 31 December 2006 was acquired as part of the sale of the Björkdal gold mine.

Crucial Plan plc ("Crucial Plan")

In the final quarter of 2007 the Group purchased 3,333,333 shares of Crucial Plan for STG£100,000 (US\$198,000). Crucial Plan is an AIM quoted company that is effectively a shell. The rationale for the purchase of the shares was that Crucial Plan could be used as an AIM quoted vehicle that could be used to spin off assets or a project owned by the Group.

Ashburton Minerals Limited ("Ashburton")

The Group holds 1,609,332 shares in Ashburton, an Australian-based resource company primarily focused on exploration and development of advanced resource projects in Brazil and Australia.

Cross Lake Minerals Ltd ("Cross Lake")

During July 2007 the Group purchased 200,000 shares in Cross Lake for CAD\$100,000 (US\$101,000). Cross Lake is a Vancouver-based gold mining and development company focused on continued growth through exploration and acquisitions.

Impairment of Intangible Assets

During 2007 the Board has reduced the carrying value of a number of investments.

Old non-toxic leaching system technology that was held at a capitalised value of US\$0.244 million was fully written off.

Intangible assets in Brazilian projects were written down by US\$1.184 million.

PERFORMANCE REVIEW AND KEY PERFORMANCE INDICATORS

Total recognised gains for 2007 amounted to US\$12.103 million (2006 US\$3.086 million). This performance reflects strong gains both realised and unrealised in the Group's listed equity portfolio and bank interest earnings of US\$11.939 million (2006 US\$2.291 million), offset by a loss on disposal of discontinued operations (Björkdalsgruvan AB) of US\$1.6 million (2006 nil) and by impairment write downs in the Group's Brazilian and other intangible assets.

The reported profit for the year amounts to US\$5.921 million (2006 loss US\$4.991 million). The improvement reflects significant realised gains on the sale of shareholdings in Canadian quoted entities, particularly in Northland Resources Limited, Gold-Ore Resources Limited and Goldquest Mining Corp. together with a reduced impairment charge for the year of US\$1.428 million (2006 US\$5.575 million). Administrative expenses increased in 2007 to US\$3.534 million (2006 US\$3.831 million).

The overall performance, together with the issue of shares during the year to the value of US\$6.0 million, resulted in an increase in the Equity value of the Company to US\$33.399 million (2006 US\$25.289 million).

At the date of approval of the financial statements the Group has cash balances of US\$0.5 million and quoted investments of approximately US\$5.1 million.

The Directors do not propose payment of a dividend (2006: US\$ Nil).

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DIRECTORS' REPORT

At year end the Group had total assets of US\$33.951 million (2006 US\$33.465 million), which includes cash balances of US\$3.6 million (2006 US\$3.1 million). The Group held quoted investments of US\$9.0 million (2006 US\$11.1 million).

The Board reviews a number of projects and investments on an ongoing basis. Selection of projects for further evaluation is only after due consideration by the Board. Investment by the Group in specific projects is only after appropriate professional due diligence is completed and the Board is satisfied that the project merits investment.

Exploration work is broken down into individual work programmes which are reviewed on an ongoing basis before entering the next stage of development. Performance is evaluated against the timely delivery of these programmes within agreed budgeted costs. Key performance indicators for active mining operations include: ore grade (e.g. Au grams per tonne), mineral recovery percentage, and processing costs per tonne. On the Tucumcari Project, the key performance indicators include NAV increase for money spent and security over the return of receivables.

The prospects and share price developments of the Group's quoted investments are monitored by the Board on a continuous basis and the Group's strategy on the individual holdings is managed by the Board accordingly.

CORPORATE DEVELOPMENTS

Share Capital Developments

In February 2007 as part of the Gold Oil Joint Venture Arrangements, 10,000,000 ordinary shares were issued to Gold Oil Caribbean Limited and 22,750,000 ordinary shares to Gold Oil PLC at a price of £0.135 per share.

Cancellation of IEX Listing and Resignation of IEX Adviser and Broker

On 22 August 2007, the Company's IEX adviser and broker, Davy Stockbrokers ("Davy"), resigned. During September 2007, following the resignation of Davy, the Company decided not to appoint a new IEX adviser and broker and accordingly the Company's IEX listing was cancelled with effect from Monday 24 September 2007.

Company Name Change

At the Company's last Annual General Meeting ("AGM") it was agreed to change the name of the Company to Achill Resources Public Limited Company. Following the change of management in the Company this issue was re-considered and registration of the name change was postponed. A resolution will be put before the Shareholders at the next AGM to maintain the Company's old name of Minmet Public Limited Company.

Change of registered address

During the year the Company moved to a new registered address at 18 Fitzwilliam Place, Dublin 2, Ireland.

New Nominated Adviser

On 23 October 2007 Nabarro Wells & Co. Limited were appointed as Nominated Adviser. They replaced HB Corporate, who resigned on the same date.

Requisition of Extraordinary General Meetings ("EGM")

On 15 February 2008, Minmet announced that it had received a requisition from a group of shareholders ("the Parties") holding in excess of a 10% interest in the Company, to convene an EGM. The requisition submitted by the Parties required the Directors of the Company to respond in writing to a number of questions ("the Questions") specified in the proposed resolution. The Parties are further proposing that pending receipt of answers to the Questions which the Parties deem to be satisfactory, the Directors of the Company do not seek shareholder approval for the exercise of the Tucumcari Option.

The EGM was held at College Hill Associates, The Registry, Royal Mint, London EC3N 4QN on 11 April 2008, was adjourned to 23 May 2008, adjourned again until 13 June 2008 and further adjourned until 3 July 2008. The purpose of the EGM was for considering and, if thought fit, passing, a series of resolutions which are available to view on the Company's website.

The Parties have also requisitioned another EGM to secure the removal of the Board and to replace the Board with Tom Anderson, Justin Ribbons and Tom O'Gorman. The EGM will be held in Dublin on 18 July 2007.

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DIRECTORS' REPORT

TRADING OF THE COMPANY'S SHARES AND SUBSTANTIAL SHAREHOLDERS

The Company's ordinary shares are traded on; the Alternative Investment Market ("AIM") of the London Stock Exchange (MNT.L), the Norwegian Over-the counter market (MINT) and on the Börse Berlin AG (MJX1).

Suspensions from trading on AIM

The Board of Minmet announced on 11 October 2007 that it had requested the suspension of its ordinary shares from trading on AIM pending the announcement of a transaction. The suspension was lifted from 2 November 2007 following the announcement of the transaction in relation to the dissolution of the Gold Oil Joint Venture Arrangements.

At the request of the Company trading on AIM was temporarily suspended from 21 December 2007 pending an announcement of transactions entered into. These transactions related inter alia to the Tucumcari Option. As the exercise by Minmet of the Tucumcari Option and the consequent acquisition by the Group of the whole issued share capital of TUCX which is a reverse takeover under the AIM Rules for Companies, the Minmet Board requested that trading in the Company's shares should continue to be suspended pending the publication of a full circular to shareholders.

Following the Company's announcement on that it no longer intended to exercise the Tucumcari Option The Company's shares recommenced trading on 15 April 2008.

Share Price during the Year

In 2007, the shares were last traded on AIM on 21 December 2007 and the closing mid market price was £0.085 per ordinary share of £0.01 each. During 2007 the share price on the AIM market ranged from a low of £0.061 to a high of £0.16, with the average price from the 1 January being £0.106.

Substantial Shareholdings

The Directors are aware of the following shareholdings that are greater than 3% of the issued share capital of the Company:

	31 December 2007	20 June 2008
Fiske Nominees Ltd	19.0%	19.0%
Kevin Anderson (beneficial holdings)	13.8%	16.1%
HSBC Global Custody Nominee (UK)	5.9%	5.9%
Ashdale Investment Trust Services Ltd (T9266999)	2.9%	3.1%

Fiske Nominees Ltd includes 8,300,000 shares held with a broker (with proceeds due to Minmet) as part of the dissolution of the Gold Oil Joint Venture Arrangements.

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DIRECTORS' REPORT

DIRECTORS AND SECRETARY

The Company's Directors and Secretary are as set out below:

P Maddocks (British), Executive Chairman
J King (British), Chief Executive Officer
D Barrett (British), Executive Financial Director and Company Secretary
P Gardener (British), Non-executive Director

On 9 February 2007, M Burchell and G Moore were appointed as non-executive Directors of the Company. On 9 February 2007, M Neville, who had been serving as the Company's Executive Chairman became the Company's Non-executive Chairman, and on the same date both J Liwosz and M Johnson resigned as Directors of the Company.

On 15 August 2007 M Nolan resigned as Chief Executive Officer of the Company.

On 22 August 2007, B Gibbs and P Maddocks were appointed Executive Directors of the Company.

On 2 October 2007, D Hall, M Burchell and G Moore resigned as Non-executive Directors of the Company and, on the same date, M Neville resigned as Non-executive Chairman to be replaced as Executive Chairman by P Maddocks.

Also on 2 October 2007, P Gardener was appointed as Non-executive Director of the Company.

On 26 November 2007, J King was appointed Chief Executive Officer of the Company.

On 21 December 2007 B Gibbs resigned as Executive Director and D Barrett was appointed Executive Financial Director.

On 7 March 2008, A Mooney resigned as Company Secretary to be replaced by D Barrett.

As none of the current Directors of the Company are resident in the State, the Company has in place an insurance bond with HCC International Insurance Company Plc as is required by the Companies (Amendment) (No.2) Act, 1999.

BOARD OF DIRECTORS

Peter Maddocks – Executive Chairman

Peter Edwin Maddocks, aged 51, is a chartered accountant with over 20 years experience in finance, planning and control roles in the retail, corporate and private banking sectors. He is also an experienced UK and US executive board member and is currently on the boards of a number of public and private companies.

Jon King – Chief Executive Officer

Jon King aged 51 has 25 years experience in the oil and gas industry having formerly worked as a Senior Vice President with Bredero Price Group, a leading pipeline company with relationships with international oil companies.

Denis Barrett - Executive Financial Director and Company Secretary

Denis Barrett, aged 53, is a chartered accountant who spent most of his career with Shell, where he has worked on a wide range of international assignments and latterly as Corporate M & A Manager with Shell International E&P, Netherlands, where his responsibilities included the evaluation of corporate acquisition targets and the execution of acquisition projects. He is also experienced in the financial control and management of large scale oil and gas operations.

Peter Gardener - Non-Executive Director

Peter Gardener, aged 58, has held various senior executive positions over the past ten years as Chief Executive and General Manager. His primary skills are in executing and implementing defined strategies and building global operations in a number of industry sectors.

MINMET PLC

DIRECTORS' REPORT

DIRECTORS' AND SECRETARY'S INTERESTS

The interests (all of which were beneficially held) of the Directors and the Secretary, their spouses and minor children, in the share capital of the Company and its subsidiaries are as follows:

	-----Shares-----		-----Options-----		Exercise Price
	Ord. shares of €0.01 each 31 Dec 2007	Ord. shares of €0.01 each 31 Dec 2006	Ord. shares of €0.01 each 31 Dec 2007	Ord. shares of €0.01 each 31 Dec 2006	
P Maddocks	-	-	1,844,160	-	£0.10
J King	-	-	1,844,160	-	£0.10
D Barrett	-	-	1,844,160	-	£0.10
P Gardener	-	-	1,844,160	-	£0.10
A Mooney	25,000	25,000	500,000	500,000	€0.10

The total number of options exercisable in the above table at 31 December 2007 was 500,000 (2006: 4,500,000). The expiry date of all options is 22 March 2013. These options all relate to A. Mooney.

All of the other options were granted on 15th December 2007. These options shall be exercisable at any time after 1 January 2009 but no later than 31 December 2010.

DIRECTORS REMUNERATION

The Company remunerates the Directors at a level commensurate with the size of the Company and the experience of its Directors; in this regard the Company has a Remuneration Committee, details of which are below under Corporate Governance.

The Directors' total remuneration for the 12-month period ended 31 December 2007 was US\$1,797,000. Details of remuneration to individual Directors who served during the year are detailed below (all amounts are in US\$'000):

Directors

	Salary & Fees US\$'000	Share-based Payments US\$'000	Compensation for loss of office US\$'000	Total 2007 US\$'000	Total 2006 US\$'000
M Neville (resigned)	217	104	395	716	250
M Nolan (resigned)	213	138	510	861	790
J King*	67	-	-	67	-
B Gibbs (resigned)	-	-	57	57	-
P Maddocks*	39	-	-	39	-
D Hall (resigned)	12	-	16	28	85
J Liwosz (resigned)	1	-	16	17	27
P Gardener*	12	-	-	12	-
D. Barrett*	-	-	-	-	-

Included in other payments are benefits in kind, bonuses and compensation for termination of contract and other termination payments.

MINMET PLC

DIRECTORS' REPORT

In addition to the above remuneration, share options were issued to M Nolan (2,000,000) and M Neville (1,500,000) during the year. The exercise price of these options is €0.10 with 1,166,667 exercisable at year end. Of the remaining 2,333,333, 1,666,667 become exercisable in 2008 and 666,666 in 2009. The expiry date of all options is 22 March 2013.

On 15 December 2007, an option to purchase up to 1,844,160 shares was granted to each of the following directors P. Maddocks, J. King, D. Barrett and P. Gardener. The exercise price of these options is STG£0.10.

* Under service agreements dated 15 December 2007 between each of these Directors and the Company, the Company is required to give 12 months notice of termination of employment. The total annual salary payable under these agreements is US\$1,396,000 prior to the payment of any bonus.

Also as part of these service agreements, each of these Directors has agreed that a proportion of their salary and payment for services shall be deferred for the first six months of this agreement. The Directors may elect at their sole discretion to extend or shorten this period. As consideration for deferring part of their salary and payment for services, the Directors shall be entitled to receive a premium equivalent to 100% of the value of the deferred element of their salary and payment for services which shall be payable after six months. If the Directors and the Company agree to a further period of deferred payment, the deferred payment and the premium will be payable six months thereafter or when either the Company and/or the Directors decide that the deferred salary period should end. The premium payable under these agreements shall be paid by the issue and allotment of new shares in the Company at an issue price equivalent to the average mid market price of the previous ten days. The Directors may also elect in their sole discretion to be issued and allotted new shares in the Company at an issue price equivalent to the average mid market price of the previous ten days in lieu of the cash in relation to all or part of deferred payment.

CORPORATE GOVERNANCE

The Combined Code

This report has been prepared by reference to The Combined Code on Corporate Governance 2003 ("Combined Code") as applicable to smaller companies.

Audit Committee

The Board intends to establish an Audit Committee that will consist of the Chairman and one other non-executive director. The committee's role will be to examine and review internal controls, compliance, financial accounting policies and practices and general matters brought to its attention by both the Group's financial management and external auditors.

Remuneration Committee

In determining the remuneration of the Executive Directors, the Board considers the relevant provisions of the Combined Code. During 2007 the Remuneration Committee comprised M Johnson, and J Liwosz, whom upon their retirement from the Board in February 2007, were replaced by M Burchell and G Moore, who were in turn replaced upon their retirement from the Board in October 2007 by Peter Gardener (Non-executive Director). The Remuneration Committee seeks to offer remuneration packages that reflect current market conditions and that will attract, retain and motivate executives of ability to ensure the Group achieves its objectives.

Internal Control

The Board has overall responsibility for ensuring that the Group maintains a system of internal control to provide it with reasonable assurance regarding the reliability of financial information used within the business and for publication and that assets are safeguarded.

RISKS AND UNCERTAINTIES

The realisation of expenditure incurred on natural resource exploration and development projects is dependent on the successful development of economic reserves, together with the Group's ability to raise sufficient funds to develop the projects.

Other significant potential risks include: price fluctuation on natural resources, foreign exchange risks, and political and legal risks.

MINMET PLC

DIRECTORS' REPORT

GOING CONCERN

The Directors have reviewed the Group's finances and are satisfied that the Group and the Company have adequate resources to continue in operational existence, at the projected level of activity, for the foreseeable future. On this basis they consider it appropriate to prepare the financial statements on the going concern basis.

POLITICAL CONTRIBUTIONS

There were no political contributions that require disclosure under the Electoral Act, 1997.

ENVIRONMENT AND SOCIAL RESPONSIBILITY

Minmet's policy is to conduct activities in an environmentally responsible manner and to minimise disturbance to the communities in which we operate. Our overall objective is to develop our business whilst having full regard to the environment and taking into account the views of all affected interests.

We are committed to being ethical and responsible members of the communities in which we operate and to being fair to our employees who we recognise are entitled to work in a positive environment with equal opportunities and absence of discrimination.

POST BALANCE SHEET EVENTS

Post balance sheet events of note are identified and discussed in Note 30 to the financial statements – Events after the Balance Sheet Date.

BOOKS OF ACCOUNT

The measures that the Directors have taken to ensure compliance with Section 202 of the Companies Act, 1990, include the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's books of account are maintained at the Company's registered office.

PAYMENTS TO SUPPLIERS

The Group's policy is to agree terms and conditions with suppliers in advance; payment is then made in accordance with the agreement provided the supplier has met the terms and conditions.

CLOSE COMPANY STATUS

So far as the Directors are aware, the Company is not a close company within the meaning of the Taxes Consolidation Act, 1997.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

For all periods up to and including the year ended 31 December 2006, the Group prepared its financial statements in accordance with Irish Generally Accepted Accounting Practice (Irish GAAP). These financial statements are the first that the Group has prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted for use in the European Union.

MINMET PLC

DIRECTORS' REPORT

AUDITORS

The auditors, Deloitte & Touche, Chartered Accountants, continue in office in accordance with Section 160(2) of the Companies Act, 1963.

Signed on behalf of the Board:

Peter Maddocks
Chairman

Jon King
Chief Executive Officer

26 June 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with the applicable accounting framework (the Group Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the Parent Company Financial Statements are prepared in accordance with accounting standards generally accepted in Ireland) and comply with Irish statute comprising the Companies Acts, 1963 to 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MINMET PLC**

We have audited the Group and Parent Company Financial Statements of Minmet Plc for the year ended 31 December 2007 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement, the Company Balance Sheet, the related Notes 1 to 32 (Group) and the related notes 1 to 12 (Company). These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including the preparation of the Group Financial Statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Parent Company Financial Statements in accordance with applicable law and accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility, as independent auditors, 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 Group Financial Statements give a true and fair view, in accordance with IFRSs as adopted by the European Union and the Parent Company Financial Statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and the Group Financial Statements and the Parent Company Financial Statements are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2006. We also report to you whether in our opinion: proper books of account have been kept by the company; whether, at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the company's balance sheet is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements. The other information comprises only the Chairman's Statement and the Director's Report. Our responsibilities do not extend to other information.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MINMET PLC

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's and group'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 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 affairs of the Group as at 31 December 2007 and of the profit of the Group for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with the Companies Acts, 1963 to 2006;
- the Parent Company Financial Statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and of the state of the Parent Company affairs as at 31 December 2007; and
- the Parent Company financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2006.

Emphasis of Matter – going concern and recoverability of intangible assets

Without qualifying our opinion we draw your attention to Note 13 of the Group Financial Statements concerning the valuation of intangible assets, and Notes 4 and 5 of the Company Financial Statements concerning the valuation of investment in subsidiaries and amounts due by group undertakings. The Directors have received an independent evaluation of resource and production potential in respect of the Randal's Ranch and Walker Ranch leases in the Tucumcari Basin in New Mexico USA and a separate valuation of this project, which has been prepared for management purposes, from an independent research company. The realisation of the intangible assets of US\$21,305,000 included in the consolidated balance sheet and investment in subsidiaries of US\$10,114,000 and amounts due by group undertakings of US\$11,043,000 in the company balance sheet is dependent on the successful discovery and development of economic reserves including the ability of the group to raise sufficient finance to develop the projects. The ultimate outcome of these uncertainties cannot presently be determined.

We have obtained all the information and explanations we considered necessary for the purpose of our audit. In our opinion proper books of account have been kept by the company. The company's balance sheet is in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

The net assets of the company, as stated in the company balance sheet are more than half the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2007 a financial situation which, under Section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the company.

Deloitte & Touche
Chartered Accountants and Registered Auditors
Dublin
26 June 2008

MINMET PLC

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

		2007	2006
	<i>Notes</i>	US\$'000	US\$'000
Continuing Operations			
Revenue	2	11	5
Cost of sales		-	-
Gross profit		11	5
Investment revenue	5	405	115
Impairment of exploration and evaluation assets	13	(1,428)	(5,575)
Other gains and losses	6	12,103	3,086
Administration expenses	7	(3,534)	(3,381)
Profit/ (Loss) before tax		7,557	(5,750)
Income tax expense	8	-	-
Profit/ (Loss) for the year from continuing operations		7,557	(5,750)
Discontinued operation			
(Loss)/ Profit after tax for the year from a discontinued operation	9	(1,636)	759
PROFIT/ (LOSS) FOR THE YEAR		5,921	(4,991)
Attributable to:			
Equity holders of the parent		5,921	(4,991)
Earnings per share			
Basic, for profit/ (loss) for the year attributable to ordinary equity holders of the parent (cents per share)	11	6.70	(7.19)
Diluted, for profit/ (loss) for the year attributable to ordinary equity holders of the parent (cents per share)	11	6.38	(7.19)
Earning per share for continuing operations			
Basic, for profit/ (loss) from continuing operations attributable to ordinary equity holders of the parent (cents per share)	11	8.55	(8.28)
Diluted, for profit/ (loss) from continuing operations attributable to ordinary equity holders of the parent (cents per share)	11	8.15	(8.28)

The financial statements were approved by the Board of Directors on 26 June 2008 and signed on its behalf by:

Peter Maddocks
Chairman

Jon King
Chief Executive Officer

MINMET PLC

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007

		2007	2006
	<i>Notes</i>	US\$'000	US\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	10	9,725
Intangible assets	13	21,305	3,506
		<u>21,315</u>	<u>13,231</u>
Current Assets			
Available-for-sale investments	16	8,998	14,693
Inventories	17	-	1,017
Trade and other receivables	18	12	1,456
Cash and cash equivalents	19	3,626	3,068
		<u>12,636</u>	<u>20,234</u>
TOTAL ASSETS		<u><u>33,951</u></u>	<u><u>33,465</u></u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Issued capital	20	18,821	18,522
Share premium	20	43,276	37,584
Other reserves	21	4,622	8,424
Retained earnings	22	(33,320)	(39,241)
Total equity		<u>33,399</u>	<u>25,289</u>
Non-current liabilities			
Provisions	23	-	1,895
Current liabilities			
Trade and other payables	24	552	6,281
Total liabilities		<u>552</u>	<u>8,176</u>
TOTAL EQUITY AND LIABILITIES		<u><u>33,951</u></u>	<u><u>33,465</u></u>

The financial statements were approved by the Board of Directors on 26 June 2008 and signed on its behalf by:

Peter Maddocks
Chairman

Jon King
Chief Executive Officer

MINMET PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2007

Attributable to equity holders of the parent

	Issued capital US\$'000	Share premium US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Total equity US\$'000
Balance at 1 January 2006	18,369	37,537	539	(34,250)	22,195
Changes in equity for 2006					
Issue of shares	153	47	-	-	200
Retained loss for the year	-	-	-	(4,991)	(4,991)
Unrealised gains on investments	-	-	5,246	-	5,246
Translation adjustment	-	-	2,427	-	2,427
Share-based payments	-	-	212	-	212
Balance at 31 December 2006	18,522	37,584	8,424	(39,241)	25,289
Changes in equity for 2007					
Issue of shares	299	5,692	-	-	5,991
Retained profit for the year	-	-	-	5,921	5,921
Unrealised gains on investments	-	-	2,228	-	2,228
Gain transferred to income statement on sale of investment	-	-	(4,359)	-	(4,359)
Translation adjustment	-	-	(1,955)	-	(1,955)
Share-based payments	-	-	284	-	284
Balance at 31 December 2007	18,821	43,276	4,622	(33,320)	33,399

MINMET PLC

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

		2007	2006
	<i>Notes</i>	US\$'000	US\$'000
Operating activities			
Profit/ (Loss) before tax from continuing operations		7,557	(5,750)
Loss/ (Profit) before tax from discontinued operations		(1,636)	759
Profit/ (Loss) before tax		5,921	(4,991)
Adjustment to reconcile profit/ (loss) before tax to net cash flows			
Depreciation	12	806	635
Share-based payment expense	26	284	212
Loss on discontinued operations	28	3,009	-
Gain on disposal of tangible assets		-	(795)
Gain on disposal of investments		(11,939)	(2,291)
Net foreign exchange gain		168	-
Amortisation and impairment of intangible fixed assets	13	1,522	5,771
Interest income	5	(405)	(107)
Interest expense		205	-
Movement in provisions		-	255
Working capital adjustments:			
Increase in trade and other receivables		(1,444)	385
Increase in inventories		(1,017)	(173)
Decrease in trade and other payables		5,729	4,363
Income tax paid		-	-
Net cash flows from operating activities		2,839	3,264
Investing activities			
Purchase of property, plant and equipment	12	(1,339)	(4,412)
Purchase of available-for-sale investments	16	(4,931)	(5,480)
Proceeds from available-for-sale investments		20,773	1,228
Purchase of intangible assets	13	(17,522)	(246)
Proceeds from disposal of business	28	(265)	-
Interest paid		(205)	-
Interest received		405	107
Net cash flows used in investing activities		(3,084)	(8,803)
Net increase		(245)	(5,539)
Effect of exchange rate changes on cash held in foreign currencies		803	3,453
Cash and cash equivalents at the beginning of the year		3,068	5,154
Cash and cash equivalents at the year end		3,626	3,068

1. ORGANISATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BACKGROUND

Minmet plc (“Minmet” or the “Company”) and its subsidiary undertakings (the “Group”) are involved in the development of Oil and Gas Exploration and Production projects and also hold mining and mineral interests. During the year the Group disposed of its production facility in Björkdal. The Company is a public limited company incorporated in the Republic of Ireland under the Companies Acts, 1963 to 2006. The Company operates on a worldwide basis and its ordinary shares are traded on; the Alternative Investment Market of the London Stock Exchange (MNT.L), the Norwegian Over-the counter market (MINT) and on the Börse Berlin AG (MJX1). The nature of the Group’s operations and its principal activities are set out in the Directors’ Report.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

For all periods up to and including the year ended 31 December 2006, the Group prepared its financial statements in accordance with Irish Generally Accepted Accounting Practice (Irish GAAP). These financial statements are the first that the Group has prepared in accordance with International Financial Reporting Standards (“IFRSs”), as adopted for use in the European Union. An explanation of how the transition to IFRS has impacted the reported financial performance, financial position and cash flows of the Group is provided in Note 31 to the consolidated financial statements.

The financial statements have also been prepared in accordance with IFRSs. The financial statements have also been prepared in accordance with IFRSs as adopted by the European Union and the Group’s financial statements comply with Article 4 of the IAS Regulations and in accordance with the Companies Acts, 1963 to 2006.

The financial statements are prepared under the historical cost convention modified by the inclusion of certain items at fair value, as stated in the accounting policies.

NEW STANDARDS AND INTERPRETATIONS NOT APPLIED

At the date of authorisation of these financial statements, the International Accounting Standards Board and the International Financial Reporting Interpretations Committee have issued the following standards and interpretations which have not been applied as they are not yet effective:

- IFRS 8: *Operating Segments*
- Amendment to IFRS 2: *Share-based Payment - Amendment relating to vesting conditions and cancellations*
- Amendment to IFRS 3: *Business Combinations - Comprehensive revision on applying the acquisition method*
- Amendment to IAS 1: *Presentation of Financial Statements – Amendments relating to disclosure of puttable instruments and obligations arising on liquidation*
- Amendment to IAS 23: *Borrowing Costs: Comprehensive revision to prohibit immediate expensing*
- Amendment to IAS 27: *Consolidated and Separate Financial Statements – Consequential amendments arising from amendments to IFRS 3*
- Amendment to IAS 28: *Investments in Associates – Consequential amendments arising from amendments to IFRS 3*
- Amendment to IAS 31: *Interests in Joint Ventures – Consequential amendments arising from amendments to IFRS 3*
- Amendment to IAS 32: *Financial Instruments: Presentation – Amendments relating to puttable instruments and obligations arising on liquidation*
- IFRIC 11: *IFRS 2: Group and Treasury Share Transactions*
- IFRIC 12: *Service Concession Arrangements*
- IFRIC 13: *Customer Loyalty Programmes*
- IFRIC 14: *IAS 19: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ORGANISATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The above standards have effective dates ranging from March 1, 2007, to July 1, 2009. The Group will adopt each of the standards with effect from their respective effective dates. It is not anticipated that the adoption of these standards and interpretations will have a material impact on the Group's consolidated financial statements in the period of initial application.

PRINCIPLES OF CONSOLIDATION

The Group's consolidated financial statements incorporate the results of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control over the operating and financial decisions is obtained and cease to be consolidated from the date on which control is transferred out of the Group. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain economic benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of the acquisition or up to the effective date of the disposal, as appropriate. All intra-group transactions, balances, incomes and expenses are eliminated on consolidation.

The financial year-ends of the Group's subsidiaries are coterminous.

Business Combinations

Acquisition of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The Group elected to avail of the exemption under IFRS 1 First-time Adoption of International Financial Reporting Standards whereby business combinations prior to the transition date (1st January 2006) were not restated.

Interests in joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control.

Where a Group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ORGANISATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using proportionate consolidation, except when the investments is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. The Group's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

Revenue recognition

Revenue comprises the invoiced value of goods supplied and services rendered to external customers, and exclude intercompany sales and value added tax. Revenue from the sale of products and services is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Sales of goods represents the sale of mine extracts and processed ore from Björkdal which are recognised when goods are delivered and title has passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

Foreign currencies

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 Group entity are expressed in US Dollars. US Dollar is the presentation currency of the Group, while Euro is the functional currency of the Company. US Dollars are given as it is recognised as the industry wide standard for presentation of the financial statements for exploration companies.

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 at 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. Non-monetary items carried at fair value in that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of non-monetary items, are included in the income statement for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in US Dollars using exchange rates prevailing at the balance sheet date. Income and expense items are retranslated using the average exchange rates during the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and recognised in the Group's foreign currency translation reserve. Such exchange differences are recognised in the profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. On disposal of a foreign operation, accumulated currency translation differences are recognised in the Group Income Statement as part of the overall gain or loss on disposal.

When a monetary item forms part of a net investment in a foreign operation, exchange differences are recognised in equity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ORGANISATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Translation differences arising are presented as a separate component of equity in the foreign currency translation reserve in the Group Balance Sheet.

Taxation (current and deferred)

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is based on the profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary timing differences and deferred tax assets are recognised for all deductible temporary timing differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences arising on investments in subsidiaries, only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that future profits will allow the deferred tax asset to be recovered.

Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statements, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Intangible Assets

Exploration and evaluation assets arising from a business combination are recognised as an intangible asset and initially measured at estimated fair value, generally based on the excess of the cost of the business combination over the Group's interest in the net fair value of the other identifiable assets, liabilities and contingent liabilities recognised, unless a more reliable indicator of fair value is available. The costs of exploration properties, which include the costs of acquiring prospective properties and exploration rights and costs incurred in exploration and evaluation activities, are capitalised as intangible assets as part of exploration and evaluation assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ORGANISATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Mineral properties relate to those properties where commercial extraction is demonstrable. Mineral properties acquired in a business combination are recognised as an intangible asset, being the excess of the present value of the economic reserves over the allocated amount of related property, plant and equipment and exploration and evaluation costs.

Exploration and evaluation assets are carried forward during the exploration and evaluation stage and are assessed for impairment in accordance with the indicators of impairment as set out in IFRS 6 '*Exploration for and Evaluation of Mineral Resources*'. In circumstances where a property is abandoned, the cumulative capitalised costs relating to the property are written off in the period. No amortisation is charged prior to the commencement of production.

When a project reaches the development stage, all costs which have been capitalised to date and included in exploration and evaluation assets, are assessed for impairment. If they are not impaired, then they are reclassified as either tangible assets or intangible assets. Costs which are deemed to be intangible assets are written off over the life of the estimated oil and gas reserve on a unit of production basis (accounted for under IAS 38 Intangible assets). Costs which are tangible are accounted for under IAS 16 Property, Plant and Equipment.

Tangible Assets

Land is stated at cost less any recognised impairment loss. Other assets are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is provided on the cost of depreciable property, plant and equipment at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life as follows:

Buildings	10%
Vehicles, plant and machinery	15 - 25%
Office equipment	20 - 33 ¹ / ₃ %

For mineral properties and mine development assets, the economic benefits from the asset are consumed in a pattern which is linked to the production level. Such assets are depreciated on a unit of production basis.

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal. Upon sale or retirement of property, plant and equipment, the cost and related accumulated depreciation are eliminated from the financial statements. Any resulting gains or losses are included in the income statement.

The cost of maintenance, repairs and replacement of minor items of property, plant and equipment are charged to the income statements as incurred. Renewals and asset improvements are capitalised.

Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit and loss immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ORGANISATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the profit and loss immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials only. Net realisable value is the estimated proceeds of sale less all further costs to completion, and less all costs to be incurred in marketing, selling and distribution.

Trade and other receivables and payables

Trade and other receivables and payables are stated at cost which approximates fair value given the short-term nature of these assets and liabilities. Trade and other receivables and payables are measured at initial recognition at fair value, and subsequently measured at amortised cost.

Investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost including transaction costs.

The investments of the Group are classified as available for sale, consisting of both quoted and unquoted investments, and are measured at fair value. For available for sale investments, gains or losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the income statement for the period. Impairment losses recognised in the income statement for equity investments classified as available for sale are not subsequently reversed through the income statement.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. Unquoted investments are carried at cost less any provision for impairment, which generally equates to fair value.

Cash and cash equivalents

Cash and cash equivalents consist of cash balances, deposits and short-term, highly liquid investments with an original maturity of three months or less. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments.

Equity instruments

Equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ORGANISATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Share-based payments

The Group has applied the requirements of IFRS 2 “*Share-based Payment*”. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested at 1 January 2005. There were no equity instruments granted after 7 November 2002 that vested before 1 January 2005.

The Group issues equity-settled share based payments to certain employees and directors. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on the Group’s estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Where the value of the goods and services received in exchange for the share-based payment cannot be reliably estimated the fair value is measured by use of a valuation model (Black-Scholes). The expected life used in the model has been adjusted, based on management’s best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**Critical accounting judgements**

The following are the critical accounting judgements, apart from those involving estimates (see below), that the Directors have made in the process of applying the entity’s accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

* ***Impairment of intangible assets and investments***

The assessment of intangible assets and investments for any indications of impairment involves judgement. If an indication of impairment exists, a formal estimate of the recoverable amount is performed and an impairment loss recognised to the extent that carrying amount exceeds recoverable amount. Recoverable amount is determined as the higher of fair value less costs to sell and value in use. As outlined in note 13 the development of projects require on-going funding, the availability of which requires judgements in ascertaining whether a project is impaired.

* ***Going Concern***

The financial statements have been prepared on a going concern basis. The Directors consider this appropriate based on the resources available to the Company at the balance sheet date and at the date of approval the 2007 financial statements.

* ***Deferred tax assets***

The assessment of availability of future taxable profits involves judgement. A deferred tax asset is recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ORGANISATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

* *Share based payments*

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Group has made estimates as to the volatility of its own shares, the probable life of options granted and the time of exercise of those options. The model used by the Group is the Black-Scholes model.

* *Measurement of fair value for available for sale financial investments*

The estimation of fair value for available for sale investments is determined based on quoted market prices for assets where quoted market prices exist. The price obtainable for disposal of all holdings in a share may give rise to a discount on the quoted stock market price. No discount has been recognised in respect of the prices used in determining the fair value. The fair value of the unlisted available for sale investments has been estimated as the cost price less any impairment. The impairment of these unquoted investments is based on assumptions that may not be supported by observable market prices or rates.

2. REVENUE

An analysis of the Group's revenue for the year (excluding investment revenue - see note 5) for both continuing and discontinuing operations is as follows:

	2007 US\$'000	2006 US\$'000
Continuing Operations		
Administration services	11	5
	<u>11</u>	<u>5</u>
Discontinued operations (note 9)		
Mining and natural resource exploration	12,248	11,771
	<u>12,259</u>	<u>11,776</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SEGMENTAL INFORMATION

The Group operates in one business segment, mining and natural resource exploration. The Group operates in three geographical segments that are subject to risks and returns that vary by segment. Geographical analysis of sales and profits is based on market/destination. There is no material difference between this analysis and the split of sales and profits by origin.

Segment revenue and segment result

	Segment Revenue		Segment result	
	2007 US\$'000	2006 US\$'000	2007 US\$'000	2006 US\$'000
Continuing Operations				
Europe	11	5	(3,848)	(1,222)
North America	-	-	12,589	795
Rest of world	-	-	(1,184)	(5,439)
Total for continuing operations	<u>11</u>	<u>5</u>	<u>7,557</u>	<u>(5,866)</u>
Unallocated Income tax			-	116
			-	-
Profit/(Loss) for the year (continuing operations)			<u>7,557</u>	<u>(5,750)</u>
Discontinued Operations				
Europe	12,248	11,771	1,373	759
North America	-	-	-	-
Rest of world	-	-	-	-
Total for discontinued operations	<u>12,248</u>	<u>11,771</u>	<u>1,373</u>	<u>759</u>
Loss on disposal of operation			(3,009)	-
(Loss)/Profit before tax (discontinued operations)			<u>(1,636)</u>	<u>759</u>
Consolidated revenue and profit	<u>12,259</u>	<u>11,776</u>	<u>5,921</u>	<u>(4,991)</u>

There was no inter-segmental revenue.

The result for North America includes the profit and losses in relation to the disposal of shares in Gold Ore-Resources, Gold Quest and Northlands.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SEGMENTAL INFORMATION (Continued)

Segment assets and segment liabilities

	Assets		Liabilities	
	2007 US\$'000	2006 US\$'000	2007 US\$'000	2006 US\$'000
Europe	5,861	19,635	(552)	(8,176)
North America	27,488	12,090	-	-
Rest of world	602	1,740	-	-
Consolidated	<u>33,951</u>	<u>33,465</u>	<u>(552)</u>	<u>(8,716)</u>

The 2006 assets and liabilities figures include balances that relate to Björkdal (assets: US\$15,317,000 and liabilities: US\$7,456,000). These balances were deconsolidated in the current year (see Notes 9 and 28). The North America asset balances relate to Group investing activities. The largest of which is Tucumcari. Further geographical analysis of the intangible assets are outlined in note 13.

Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	2007 US\$'000	2006 US\$'000	2007 US\$'000	2006 US\$'000
Europe	893	821	5,983	4,412
North America	-	-	17,467	-
Rest of world	7	10	55	446
	<u>900</u>	<u>831</u>	<u>23,505</u>	<u>4,858</u>

As explained in note 13, the Group has certain interests in a project in Tucumcari, New Mexico, all such interests have been included above within North America. In addition to the depreciation and amortisation reported above, impairment losses of US\$1,428,000 and US\$5,575,000 were incurred in 2007 and 2006 respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. EMPLOYEES

The average number of persons employed by the Group during the year (including executive directors) is set out below:

	2007	2006
Management	3	3
Field and administration	42	41
	45	44
	45	44

The aggregate payroll costs of these persons were as follows:

	US\$'000	US\$'000
Wages and salaries	2,381	1,999
Social welfare costs	799	714
	3,180	2,713
	3,180	2,713

Of the total employee numbers listed above, 43 (2006: 42) related to Björkdalsgruvan AB.

5. INVESTMENT REVENUE

	2007 US\$'000	2006 US\$'000
Continuing Operations		
Interest revenue	405	115
	405	115
	405	115

Interest revenue earned relates to cash and cash equivalent balances.

6. OTHER GAINS AND LOSSES

	2007 US\$'000	2006 US\$'000
Continuing Operations		
Gain on disposal of available-for-sale investments	11,939	2,291
Gain on disposal of tangible assets	-	795
Foreign Exchange Gains/(Losses)	164	-
	12,103	3,086
	12,103	3,086

The gain on disposal of investments is as a result of the sale of quoted shares held (see Note 16).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. ADMINISTRATION EXPENSES

	2007 US\$'000	2006 US\$'000
Continuing Operations		
Professional Fees and General Expenses	1,671	1,727
Wages & Salaries	1,863	1,654
	<u>3,534</u>	<u>3,381</u>

8. INCOME TAX

The tax assessed for the year is lower than the standard rate of corporation tax prevailing in the period in the Republic of Ireland of 12.5% (2006: 12.5%).

No charge to corporation tax arises in the current year or in 2006 as the Group has incurred losses in the prior and unutilised losses forward more than exceed any tax liability on profits arising in the current year.

Also, one of the subsidiaries of the Group is tax resident in the Isle of Man. Any gains and losses arising in this subsidiary are exempt from taxation. The gains on the disposals of available-for-sale investments (note 6) and of Björkdalsgruvan AB (notes 9 and 28) have all been dealt with through this subsidiary.

No deferred tax asset has been recognised on accumulated tax losses as the recoverability of any assets is not likely in the foreseeable future. The amounts not recognised are US\$1,314,000 (2006: US\$1,100,000). The tax asset not recognised is analysed as follows:

	2007 US\$'000	2006 US\$'000
Deferred tax asset arising from:		
Losses forward	1,314	1,100
	<u>1,314</u>	<u>1,100</u>
	<u><u>1,314</u></u>	<u><u>1,100</u></u>
	2007 US\$'000	2006 US\$'000
Continuing Operations		
Profit/(Loss) on ordinary activities before taxation	7,557	(5,750)
	<u>7,557</u>	<u>(5,750)</u>
Corporation tax at standard rate 12.5%	944	(719)
Effects of:		
Tax losses forward	(214)	719
Items not subject to tax	(730)	-
	<u>(944)</u>	<u>719</u>
Income tax expense recognised in Consolidated Income Statement	<u><u>-</u></u>	<u><u>-</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. INCOME TAX (Continued)

	2007 US\$'000	2006 US\$'000
Discontinued Operations		
(Loss)/Profit on ordinary activities before taxation	1,373	759
Corporation tax at standard rate 12.5%	172	95
Effects of:		
Utilisation of tax losses	-	95
Utilisation of unused tax losses carried forward	(172)	-
Income tax expense recognised in Consolidated Income Statement	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. DISCONTINUED OPERATIONS

Sale of Björkdalsgruvan AB to Gold-Ore Resources Inc

In January 2006 the Group sold an exclusive option over Björkdalsgruvan AB to Vancouver based Gold-Ore Resources Ltd (“Gold-Ore”). The agreement gave Gold-Ore a conditional option to purchase, up to 31 December 2007, the Group’s 100% interest in Björkdalsgruvan AB which owns the gold mine at Björkdal in Northern Sweden. To exercise the option Gold-Ore were be required to pay US\$2 million in cash and to deliver to the Group a minimum of US\$2 million cash equivalent in Gold-Ore shares. At 31 December 2007, Gold-Ore exercised the option and the Björkdalsgruvan AB results for 2007 have been transferred to discontinued operations in the Minmet Plc Consolidated Financial Statements.

The results of the discontinued operations included in the Consolidated Income Statement are set out below. The comparative profit and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current period.

	2007 US\$'000	2006 US\$'000
(Loss)/Profit for the year from discontinued operations		
Revenue	12,248	11,771
Expenses	(10,875)	(11,012)
Profit before tax	<u>1,373</u>	<u>759</u>
Attributable income tax expense	-	-
	<u>1,373</u>	<u>759</u>
Loss on disposal of operation (note 28)	(3,009)	-
(Loss)/Profit for the year from discontinued operations	<u><u>(1,636)</u></u>	<u><u>759</u></u>

Including within “other gains and losses” in 2006 is US\$2,291,000 relating to a gain on granting a 2 year exclusive option to Gold-Ore to purchase 100% of Björkdalsgruvan AB.

Cash flows from discontinued operations

Net cash flow from operating activities	6,655	4,734
Net cash flow from investing activities	(6,345)	(4,125)
Net cash flow from financing activities	-	-
Net cash	<u><u>310</u></u>	<u><u>609</u></u>

The 2007 figure for net cash flow from investing activities includes an amount of US\$2,000,000 transferred to the Group as part of the consideration paid by Gold-Ore for Björkdal.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. PROFIT/ (LOSS) FOR THE YEAR

Profit/ (Loss) for the year has been arrived at after charging (crediting):

	2007 US\$'000	2006 US\$'000
Depreciation and amortisation		
Depreciation of property, plant and equipment	806	635
Amortisation of other intangibles assets	94	196
Impairment of exploration and evaluation assets	1,427	5,575
Impairment of available-for-sale investments	298	-
Total	<u>2,625</u>	<u>6,406</u>
Attributable to:		
Continuing operations	1,923	5,630
Discontinuing operations	702	776
	<u>2,625</u>	<u>6,406</u>
Directors' remuneration		
For services as directors	561	958
Compensation for loss of office	994	-
Share-based payments	242	209
Total directors' emoluments	<u>1,797</u>	<u>1,167</u>
Attributable to:		
Continuing operations	1,797	1,167
Discontinuing operations	-	-
	<u>1,797</u>	<u>1,167</u>
Auditors' remuneration		
Audit related	180	80
Non-audit related	10	14
Total auditors' remuneration	<u>190</u>	<u>94</u>
Attributable to:		
Continuing operations	177	82
Discontinuing operations	13	12
	<u>190</u>	<u>94</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. EARNINGS PER SHARE

	2007 Cents per share	2006 Cents per share
Basic earnings per share		
From continuing operations	8.55	(8.28)
From discontinued operations	(1.85)	1.09
Total basic earnings per share	<u>6.70</u>	<u>(7.19)</u>
Diluted earnings per share		
From continuing operations	8.15	(8.28)
From discontinued operations	(1.77)	1.09
Total diluted earnings per share	<u>6.38</u>	<u>(7.19)</u>

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2007 US\$'000	2006 US\$'000
Earnings used in the calculation of total basic earnings per share from continuing operations	7,557	(5,750)
(Loss)/Profit for the year from discontinued operation used in the calculation of basic earnings per share from discontinued operations	(1,636)	759
Earnings used in the calculation of total basic earnings per share	<u>5,921</u>	<u>(4,991)</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share (<i>millions</i>)	<u>88.34</u>	<u>69.42</u>

Diluted earnings per share

The earnings used in the calculation of all diluted earnings per share measures are the same as those for the equivalent basic earnings per share measures, as outlined above.

The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2007 '000	2006 '000
Weighted average number of ordinary shares for the purpose of basic earnings per share (<i>millions</i>)	88.34	69.42
Shares deemed to be issued for no consideration in respect of: Employee options	4.35	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share (<i>millions</i>)	<u>92.69</u>	<u>69.42</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. PROPERTY, PLANT AND EQUIPMENT

	Mineral Properties & Mine Development US\$'000	Land & Buildings US\$'000	Vehicles Plant & Machinery US\$'000	Office Equipment US\$'000	Total US\$'000
Cost					
At 1 January 2006	3,624	3,098	3,162	174	10,058
Exchange movement	(239)	793	468	21	1,043
Additions	3,466	871	71	4	4,412
Disposals	-	(9)	(179)	(19)	(207)
At 1 January 2007	6,851	4,753	3,522	180	15,306
Exchange movement	199	293	217	13	722
Additions	5,637	226	118	2	5,983
Transfer to discontinued operations	(12,687)	(5,272)	(3,857)	(78)	(21,894)
Disposals	-	-	-	-	-
At 31 December 2007	-	-	-	117	117
Depreciation					
At 1 January 2006	1,981	1,796	702	110	4,589
Exchange movement	113	281	113	13	520
Charge for the year	181	38	389	27	635
Disposals	-	-	(145)	(18)	(163)
At 1 January 2007	2,275	2,115	1,059	132	5,581
Exchange movement	50	130	65	11	256
Charge for the year	-	347	441	18	806
Transfer to discontinued operations	(2,325)	(2,592)	(1,565)	(54)	(6,536)
Disposals	-	-	-	-	-
At 31 December 2007	-	-	-	107	107
Net book value					
31 December 2007	-	-	-	10	10
31 December 2006	4,576	2,638	2,463	48	9,725

The mineral properties, mine development, land and buildings and vehicles, plant and machinery relate solely to the mine at Björkdal, Sweden. These assets were all transferred to discontinued operations following the sale of Björkdalsgruvan AB to Gold-Ore Resources Ltd.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. INTANGIBLE ASSETS

	Exploration & Evaluation US\$'000	Other Intangibles US\$'000	Total US\$'000
Cost			
At 1 January 2006	27,919	6,642	34,561
Exchange movement	22	59	81
Additions	446	-	446
Disposals	(1,681)	(624)	(2,305)
At 1 January 2007	26,706	6,077	32,783
Exchange movement	53	50	103
Transfer In (See note a)	3,350	-	3,350
Additions (See analysis below)	17,522	-	17,522
Transfer to discontinued operations	-	(6,127)	(6,127)
At 31 December 2007	47,631	-	47,631
Impairment & Amortisation			
At 1 January 2006	19,084	4,382	23,466
Exchange movement	-	40	40
Impairment	5,575	-	5,575
Amortisation	196	-	196
At 1 January 2007	24,855	4,422	29,277
Exchange movement	43	30	73
Impairment	1,428	-	1,428
Amortisation	-	94	94
Transfer to discontinued operations	-	(4,546)	(4,546)
At 31 December 2007	26,326	-	26,326
Carrying amount			
31 December 2007	21,305	-	21,305
31 December 2006	1,851	1,655	3,506
			US\$'000
Additions during the year:			
- Purchase of Tucumcari Option & related advances (note b)			6,566
- Refundable deposit re Alaska Oil & Gas Resources Limited (note c)			4,350
- Gold Oil Plc/Westcoast Group Limited transaction (note d)			6,105
- Purchase of Aragon Industries Limited option (note e)			198
- Purchase of West African Gold S.A. option (note f)			248
- Other additions (expenditure in respect of Brazil)			55
Closing balance			17,522

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. INTANGIBLE ASSETS (Continued)

Regional Analysis

	Sweden	Ireland	Romania	Brazil	USA	Peru	Total
<i>US\$'000</i>							
At 1 January 2006	2,260	207	616	5,680	1,899	433	11,095
Exchange movements	19	22	-	-	-	-	41
Additions	-	-	-	446	-	-	446
Disposals	(624)	-	-	(1,248)	-	(433)	(2,305)
Impairment	-	(38)	(616)	(3,218)	(1,899)	-	(5,771)
At 31 December 2006	<u>1,655</u>	<u>191</u>	<u>-</u>	<u>1,660</u>	<u>-</u>	<u>-</u>	<u>3,506</u>
<i>US\$'000</i>							
At 1 January 2007	1,655	191	-	1,660	-	-	3,506
Exchange movements	20	53	-	(43)	-	-	30
Transfer In (see note A)	-	-	-	-	3,350	-	3,350
Additions	-	-	-	55	17,467	-	17,522
Transfer to discontinued operations	(1,581)	-	-	-	-	-	(1,581)
Amortisation	(94)	-	-	-	-	-	(94)
Impairment	-	(244)	-	(1,184)	-	-	(1,428)
At 31 December 2007	<u>-</u>	<u>-</u>	<u>-</u>	<u>488</u>	<u>20,817</u>	<u>-</u>	<u>21,305</u>

The Group's activities during the year included prospecting for, mining and production of gold and other minerals and oil and gas in Sweden, South America and North America. The recovery of exploration and evaluation expenditure is dependent on the successful discovery and development of mineral and oil & gas reserves in the projects involved, which in turn depends on the availability of adequate funding being made available. Where projects prove unsuccessful, the related value included in the balance sheet would be written off.

Tucumcari

The Group has interests in certain part developed gas and pipeline infrastructure in the Tucumcari Basin New Mexico USA. These assets derive from direct investments, advances and certain security granted in respect of refundable deposits arising from other transactions. The value of these assets is dependent on the valuation of the Tucumcari project, and the successful discovery and development of its gas reserves.

In the interest of fair presentation, all of these interests have been aggregated and included in 'Intangible Exploration and Evaluation Assets' in the Group's balance sheet. Information in relation to the various interests in the Tucumcari Basin is provided below.

A. Investment in Tucumcari – US\$3.35 million

In March 2006 the Group acquired a 25% interest in Tucumcari Investments Limited ("TIL") and advanced a loan of US\$2.75 million to TIL to enable TIL to acquire and part fund its wholly owned subsidiary, Tucumcari Exploration LLC's ("TUCX") acquisition of certain gas and pipeline assets pursuant to a Chapter 11 Plan from the Estates of CKG Exploration LLC and CKG Pipeline LLC.

Subsequently, in July and September 2006 the Group sold its interest in two stages and assigned the benefit of its loan to TIL to Charms Investments Limited (CIL) for a consideration of US\$3.35 million.

In the Group's Balance Sheet as at 31 December 2006 this amount was classified as an available-for-sale investment. The value of this asset is dependent on the valuation of the Tucumcari Project and accordingly this amount has been aggregated with the other Tucumcari interests and classified as intangible exploration and evaluation in the Group's Balance Sheet as at 31 December 2007.

13. INTANGIBLE ASSETS (Continued)

On 17 January 2008 Minmet (Isle of Man) Limited (“MIOM”) and CIL entered into a cancellation agreement whereby the sale of the Group’s interest in TIL and the assignment of the loan to TIL to CIL was cancelled with the result that the Group reinstated its 25% interest in TIL and took a reassignment of its shareholder loan to TIL.

At the same time the resulting shareholding structure of TIL and TUCX was simplified by means of a Restructuring and Exchange Agreement dated 17 January 2008 (“the Restructuring and Exchange Agreement”) between MIOM, Peter Maddocks and TUCX whereby Minmet agreed that the Group’s 25% interest in TIL be cancelled and TUCX agreed to issue and allot membership units in TUCX giving the Group a 25% direct holding in TUCX.

Refer to Note 27 for related party aspects of these transactions.

B. Purchase of Tucumcari Option & Advances – US\$6.566.million

In October 2007 the Group paid a refundable deposit US\$6,000,000 to acquire an option to purchase the remaining 75% of TUCX.

On the 17 January 2008 the Group and TIL entered into the Tucumcari Option Agreement whereby TIL granted the Group an option to purchase TIL’s 75% interest in TUCX for a consideration having regard to the net discounted value of TUCX to be established following the preparation of a Competent Persons Report (CPR). The Tucumcari Option is exercisable at any time within three months after delivery of the CPR. Upon exercise of the Tucumcari Option, the consideration will be payable as to the amount required to satisfy the aggregate of the liabilities secured by the TUCX Share Charge in cash and as to the balance in new ordinary shares in the Company.

In addition, the Group agreed to provide working capital and make certain payments to TUCX by way of secured loan to meet its ongoing financial needs within a budget of US\$3 million. At the balance sheet date, US\$566,000 had been advanced. At the date of approval of these financial statements, further amounts of US\$2.411 million amounts had been advanced, giving a total advanced of US\$2.977 million of the budgeted amount of US\$3 million.

Security for the repayment of the deposit (in the event that the Tucumcari Option Agreement was not exercised) and the secured loans to be advanced to TUCX were granted by TIL over its 75% shareholding in TUCX and it was agreed that the share charge granted by TIL over its shares in TUCX dated 2 October 2007 (as part of the Westcoast Guarantee security described below) be extended to include the refundable deposit paid to TIL and the loans to be made by the Group to TUCX.

In summary the additions to intangibles during the year include US\$6.566 million in respect of the refundable deposit paid to TIL and working capital funds advanced to TUCX during the period.

Refer to Note 27 for related party aspects of these transactions.

C. Alaska Oil & Gas Resources Limited – US\$4.35 million

On 23 August 2007, the Group entered into a conditional agreement with Carbon Energy Investments Limited (“Carbon”) for the sale and purchase of Alaska Oil & Gas Resources Limited (“Alaska”) for a consideration of \$87.5 million payable as to \$4.35m in cash and the balance in new shares in the capital of the Group to be issued at Completion (“the Alaska Purchase Agreement”).

Alaska has interests in 3 prospects (Kitchen, East Kitchen and North Alexander) in the Cook Inlet in Alaska (“the Prospects”).

On signing of the Alaska Purchase Agreement the Group paid a returnable deposit of \$4.35m and Carbon agreed to procure security for the repayment of the returnable deposit with the security being a charge in favour of Minmet over 50% of the shares of Tucumcari Investments Limited.

The Alaska Purchase Agreement was subsequently cancelled pursuant to an agreement with Carbon on 31 December 2007 (“the Alaska Cancellation Agreement”). Under the terms of the Alaska Cancellation Agreement, the returnable deposit of

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. INTANGIBLE ASSETS (Continued)

US\$4.35m is to be repaid by Carbon within 180 days of 31 December 2007 together with interest accruing from 1 March 2008 until repayment. The group is in discussion with Carbon Energy Investments Limited and a further announcement will be made in due course.

Additionally the original security granted over shares in TIL was cancelled and new security for the repayment of the deposit and any interest was granted by Carbon and TIL by extending the scope of the TUCX Share Charge.

In addition under the Alaska Cancellation Agreement Minmet is entitled to receive new ordinary shares (to the value of US\$4.35 million) in the intended listed company that will develop the Prospects. This entitlement has not been recognised in the financial statements.

Due to the fact that the returnable deposit is secured over the shares in TUCX the amount of the deposit (US\$4.35 million) was included in additions to intangibles during the year.

Refer to Note 27 for related party aspects of these transactions.

D. Gold Oil Plc – US\$6.105 million

On 9 February 2007, Minmet Plc entered into a Joint Venture Agreement with Gold Oil Plc (“Gold Oil”). The transaction involved inter alia:

- Gold Oil selling information relating to oil & gas exploration opportunities in Cuba and Latin America to Minmet for a cash consideration of STG£1.35 million;
- Gold Oil subscribing for 10 million new ordinary shares in Minmet at a price of £0.135 per share, paid for from the above cash; and
- Gold Oil subscribing for 12.75 million new shares in Minmet at a price of £0.135 per share being satisfied by the issue and allotment of 22,950,000 new ordinary shares in the capital of Gold Oil to Minmet.

On 2 October 2007, Westcoast Group Limited (“Westcoast”) purchased 14.45 million shares in Minmet Plc from Gold Oil. On the same date, Gold Oil and Minmet agreed to terminate their joint venture arrangements in Cuba and Latin America. The book value of Minmet’s investment in Gold Oil and the joint venture amounted to STG£3.151 million (US\$6.105 million).

Under the terms of the agreements between Minmet and Gold Oil dealing with the termination of the joint venture, it was agreed that Gold Oil would place 8.3 million shares which it held in Minmet with brokers so that such shares could be sold with the proceeds of sale being paid to Minmet.

Minmet also agreed to deposit its 22,950,000 ordinary shares in Gold Oil with a broker, with instructions to have these placed in the market and the proceeds distributed to Gold Oil.

As part of the termination of the Joint Venture arrangements it was recognised that Minmet would make a loss on the book value of its investment in Gold Oil and the Joint Venture. Consequently in an effort to ensure the Group did not make a loss in effecting the transaction, Westcoast agreed to guarantee and indemnify Minmet against all and any losses Minmet may incur as a result of the shares being sold at a price less than carrying value at the balance sheet date (US\$6.105 million) by entering into a deed of Guarantee and Indemnity dated 2 October (“the Westcoast Guarantee”).

In the event that Minmet incurs a loss following the sale of the shares Westcoast shall make good such losses to Minmet pursuant to the Westcoast Guarantee within three months of the date of such loss being realised.

As security for the Westcoast Guarantee, Westcoast procured that its associated company TIL would grant security over its shares in TUCX by means of a Share Charge dated 2 October 2007 (“the TUCX Share Charge”).

Due to the fact that the Westcoast Guarantee is secured over TIL’s shares in TUCX, the full extent of the liability on a worst case basis (US\$6.105 million) was included in additions to intangibles during the year.

Refer to Note 27 for related party aspects of these transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. INTANGIBLE ASSETS (Continued)

E. Aragon Industries Limited – US\$0.198 million

On 14 December 2007, Minmet Plc paid an amount of STG£100,000 to acquire an option (“the Aragon Option”) from Blackhawk Investments Limited (“Blackhawk”) to acquire 10% of the issued share capital of Aragon Industries Limited (“Aragon”). At the direction of Blackhawk this amount was paid to Mr. Leslie Greyling.

Aragon and its associated companies have entered into joint-venture agreements in Borneo and the Philippines in infrastructure projects including substantial oil and gas activities. The terms of the option are that the consideration is STG£3 million payable by the issue and allotment of new shares in Minmet. The option price is exercisable any time before 30 September 2008. The option price is refundable if Minmet chooses not to exercise the option and Blackhawk shall procure that TIL guarantees such sum.

Due to the fact that the refundable deposit is secured over TIL’s shares in TUCX, the amount of the deposit US\$198,000 (STG£100,000) was included in additions to intangibles during the year.

Refer to Note 27 for related party aspects of these transactions.

F. West African Gold SA – US\$0.248 million

On 6 November 2007, Minmet Plc paid STG£100,000 to West African Logistics S.A (“WAL”) to secure an option to purchase a 90% holding in West African Gold S.A., a company incorporated in the Republic of Guinea. At the direction of WAL this amount was paid to Hexstar Limited.

On 27 November 2007, Minmet Plc advanced a further STG£25,000 to fund the on-going projects of West Africa Gold S.A. Subsequent to the balance sheet date; Minmet has continued to fund the on-going projects of West Africa Gold S.A., making further advances of STG£129,000.

As explained in Note 30 “Post Balance Sheet Events”, this option agreement was terminated and a new agreement entered into. This resulted in the Group obtaining a further interest in TIL, and accordingly this amount has been aggregated with the Group’s other interests in TIL.

Impairment Charge

The Directors are aware by its nature that there is an inherent uncertainty in mining and exploration expenditure as to the value of an asset. Having reviewed the exploration and evaluation assets and exploration expenditure at 31 December 2007 the Directors have recognised an impairment loss of US\$1,428,000 in respect of projects in Ireland and in Brazil as the fair value was less than the carrying amount. The main focus of the Group is currently the Tucumcari project.

The Directors have received an independent evaluation of resource and production potential in respect of the Randal’s Ranch and Walker Ranch leases in the Tucumcari Basin in New Mexico USA from Gaffney Cline & Associates (GCA) dated 22 May 2008. GCA have applied evaluation standards commensurate with those required by AIM Details of the GCA report are available on the Minmet website.

Additionally, the Directors have obtained an independent valuation from an independent investment research company, who have based their valuation on the technical evaluation by GCA. The valuation, which has been prepared for Management, indicates a range of values that, in the opinion of the Directors, support their opinion that the fair value of the Group’s interests in the Tucumcari Basin is not less than the carrying value of US\$20.817 million.

The Directors have also commissioned a further independent valuation report from this independent investment research company, based on the report already issued for management purposes that will be available to shareholders in July 2008.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. INTANGIBLE ASSETS (Continued)

Risks & Uncertainties

The group's activities are subject to a number of significant potential risks including:

- Uncertainties over development and operational costs – as outlined above the Directors have received an independent evaluation report and valuation in respect of the Tucumcari assets. As with all such exploration projects there are inherent uncertainties in respect of this project. Commercial discoveries of gas reserves have yet to be established and the CPR is based on contingent resources and not reserves. The number of wells that would be required to develop these resources, if commerciality is established, also remains uncertain.
- Availability of funding – the Group will require finance to fund the ongoing development of the above projects. There is a risk that the Group will not be able to secure funding to develop these projects.
- Operational and environmental risks

The realisation of these intangible assets is dependent on the successful development of economic reserves, including the ability to raise finance to develop the projects. Having reviewed the exploration and evaluation assets at 31 December 2007 the Directors are satisfied that the fair value of these intangible assets is not less than the carrying amount.

14. COMMITMENTS AND CONTINGENCIES

Tucumcari Commitments

As part of the Tucumcari Option Agreement (see note 13), the Group agreed to provide working capital and make certain payments to TUCX by way of secured loan to meet its ongoing financial needs within a budget of US\$3 million. At the balance sheet date, US\$566,000 had been advanced. At the date of approval of these financial statements, further amounts of US\$2,000,000 amounts had been advanced, giving a total advanced of US\$2,977,000 of the budgeted amount of US\$3 million.

Net Smelter Return (“NSR”) Royalty – Contingent Asset

As part of the consideration received on the sale of Björkdalsgruvan AB to Gold-Ore Resources Ltd, Minmet received a NSR Royalty. This became effective on 1 January 2008 and entitles the Group to retain a percentage of the revenue generated by the mine by selling its product, minus the expenses of producing the product. The percentage is on a sliding scale 0.5% to 1.75% NSR that varies based on gold prices.

Gold-Ore retains the right to purchase the royalty at any time for US\$1,000,000 (cash or share equivalent). An estimate of the NSR will be paid within 60 days of the end of the first three quarters of the calendar year, with the final NSR calculated and paid within 90 days of the end of each calendar year. In the opinion of the Directors, this represents a contingent asset and accordingly has not been recognised in the financial statements.

Alaska Oil & Gas Resources Limited – Contingent Asset

Under the Alaska Cancellation Agreement Minmet is entitled to receive new ordinary shares (to the value of US\$4.35 million) in a proposed listed company that will develop the Alaska assets. In the opinion of the Directors, this represents a contingent asset and accordingly has not been recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. SUBSIDIARIES

Details of the Company's subsidiaries at 31 December 2007 are as follows:

Subsidiary	Activity	Country of Incorporation and Registered Office	Percentage Ownership	
			2007	2006
Anagram Limited	Investment Company	Empire House Palace Road Douglas Isle of Man IM2 44D	100%	100%
Björkdalsgruvan AB	Gold Mining and Exploration	SE-934 94 Kåge Sweden	0%	100%
Achill Resources Limited (formerly European Minerals and Metals Limited)	Development of a non-toxic leaching process	18 Fitzwilliam Place Dublin 2 Ireland	100%	100%
European Metals and Minerals Limited	Precious metals bioleaching processes	Empire House Palace Road Douglas Isle of Man IM2 44D	100%	100%
Mineradora de Bauxita Limitada	Zinc, Lead and Diamond Exploration	Rua João de Freitas, 314 Santo Antônio Belo Horizonte Minas Gerais Brazil.	100%	100%
Minmet (Isle of Man) Limited	Investment Company	Empire House Palace Road Douglas Isle of Man IM2 44D	100%	100%
Overseas Oil & Gas Resources Limited	Oil & Gas exploration	Mill Mall Suite 6, Wickhams Cay 1 Road Town Tortola British Virgin Islands	100%	100%

During 2007 the Group disposed of the 100% interest in Björkdalsgruvan AB (see Notes 9 and 28).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. AVAILABLE-FOR-SALE INVESTMENTS

	2007 US\$'000	2006 US\$'000
Quoted Investments		
At 1 January	11,067	1,350
Revaluation	1,682	7,537
Exchange movements	152	759
Additions	4,931	1,854
Disposals	(8,834)	(433)
At 31 December	8,998	11,067
Non-quoted Investments		
At 1 January	3,626	-
Exchange movements	22	-
Impairment	(298)	-
Additions	-	3,626
Transfer to Intangibles	(3,350)	-
At 31 December	-	3,626
Total Investments	8,998	14,693

Quoted investments

The fair value of the quoted ordinary shares is determined by reference to published price quotations in an active market.

The Group does not hold more than 20% of the issued capital of any individual quoted investment and does not exert a significant influence over any of the companies for which it maintains a shareholding. Additions and disposals made during the year comprise the following:

Northland Resources Inc ("Northland")

The Group disposed of its remaining interest in Northland during the first half of 2007. In the period January 2007 to end May 2007 the Group sold via the Canadian and Norwegian stock markets a total of 4,129,600 shares in Northland. The shares sold included the sale of 1,500,000 shares in Northland that were acquired by exercising warrants held at a cost of CAD\$1,200,000 (US\$1,060,000).

GoldQuest Mining Corp ("GoldQuest")

At 31 December 2007 the Group held 4,576,357 ordinary shares (equating to a 7.6% equity interest) in GoldQuest. The balance at 31 December 2007 includes purchases of 250,000 ordinary shares (cost US\$149,000) and sales of 4,065,928 made during 2007.

Horizonte Minerals plc ("Horizonte")

At 31 December 2007 the Group held 6 million shares (equating to a 14.8% equity interest) in Horizonte. Minmet's interest in Horizonte increased to 6 million shares in July 2007 following the purchase of 1 million shares for STG£200,000 (US\$397,000).

Gold-Ore Resources Ltd ("Gold-Ore")

At 31 December 2007 the Group held 3,950,000 shares (equating to a 5.4% equity interest) in Gold-Ore. The holding of shares in Gold Ore at year end was acquired as part of the sale of the Björkdal gold mine which were valued at US\$3,034,000 on their acquisition.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. AVAILABLE-FOR-SALE INVESTMENTS (Continued)*Crucial Plan plc (“Crucial Plan”)*

In the final quarter of 2007 the Group purchased 3,333,333 shares of Crucial Plan (representing an 8.6% equity investment) for STG£100,000 (US\$198,000). Crucial Plan is an AIM listed company that is well positioned to invest in significant business opportunities, the group has a highly qualified management team. Refer to Note 27 for details of related party aspects of this investment.

Cross Lake Minerals Ltd (“Cross Lake”)

During July 2007 the Group purchased 200,000 shares in Cross Lake for CAD\$100,000 (US\$93,000).

Non-quoted investments

Non-quoted investments are stated at cost less provision for impairment.

During the year, the Group’s interest in Tucumcari of US\$3,350,000 million was transferred to intangible assets.

Included in non-quoted investments in STG£150,000 relating to an option to acquire the share capital of Worldvoice Communication Corporation, a United States incorporated entity. During 2007, the Directors made a full impairment provision against the recoverability of this amount.

17. INVENTORIES

	2007 US\$’000	2006 US\$’000
Finished goods	-	1,017
	<u> </u>	<u> </u>

The estimated replacement cost of stocks is not considered to be materially different from the amounts stated.

18. TRADE AND OTHER RECEIVABLES

	2007 US\$’000	2006 US\$’000
Trade receivables	-	877
Other receivables	12	192
Prepayments and accrued income	-	387
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

In the opinion of the Directors, at 31 December 2007, the value of the above receivables are not less than their carrying value.

19. CASH AND CASH EQUIVALENTS

	2007 US\$’000	2006 US\$’000
Cash at bank and in hand	3,626	3,068
	<u> </u>	<u> </u>

The Group does not have lines of credit with financial institutions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. ISSUED CAPITAL

	Share capital	
	2007	2006
	US\$'000	US\$'000
Authorised:		
180,000,000 ordinary shares of €0.01 each	2,372	2,372
69,458,000 deferred shares of €0.24 each	21,970	21,970
	24,342	24,342
	24,342	24,342

	Share capital		Share premium	
	2007	2006	2007	2006
	US\$'000	US\$'000	US\$'000	US\$'000
Ordinary shares allotted, called-up and fully paid:				
Opening balance	18,522	18,369	37,584	37,537
Issued during the year	299	153	5,692	47
Closing balance	18,821	18,522	43,276	37,584
Represented by:				
92,248,000 (2006: 69,458,000) ordinary shares of €0.01 each	1,040	741	43,276	37,584
69,458,000 deferred shares of €0.24 each	17,781	17,781	-	-
Balance at 31 December 2007	18,821	18,522	43,276	37,584
	18,821	18,522	43,276	37,584

Issue of shares

In January 2006, 10,000,000 ordinary shares of €0.0125 each were issued, valued at US\$200,000 or US\$0.02 per share, as consideration for the purchase of certain third party interests in exploration licences, including royalty rights, in the Group's project at Coromandel, Minas Gerais, Brazil.

In December 2006, 2,692 ordinary shares of €0.0125 each were issued for cash at par value €0.0125. These shares were issued in order to ensure that, immediately preceding the Capital Reorganisation referred to below, the number of ordinary shares in issue would be divisible by 10,000 for the purpose of facilitating the Capital Reorganisation.

In February 2007 as part of a strategic partnership, 10,000,000 ordinary shares were issued to Gold Oil Caribbean Limited and 22,750,000 ordinary shares to Gold Oil PLC at a price of GB£0.135 per share.

Capital Reorganisation

On the 28 December 2006 the Company, at an Extraordinary General Meeting, passed resolutions that completed a two-stage share consolidation and sub-division resulting in a net consolidation of each 20 existing ordinary shares of €0.0125 each into 1 new ordinary share of €0.01 each and 1 deferred share of €0.24 each. In addition the authorised share capital of the Company was reduced, by way of cancellation of the unissued deferred shares, to €18,469,920 divided into 180,000,000 Ordinary Shares of €0.01 each and 69,458,000 New Deferred Shares of €0.24 each.

Deferred Shares

The holders of deferred shares are not entitled to receive notice of any general meeting of the Company nor the right to attend, speak or vote at any such general meeting. The deferred shares do not entitle their holders to receive any dividend or other distribution. The deferred shares on a return of assets in a winding up entitle the holder only to repayment of the amounts paid up on such shares after repayment of the capital paid up on the ordinary shares plus the payment of €10,000 per ordinary share.

Warrants

At the balance sheet date no warrants are outstanding.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. RESERVES

	2007 US\$'000	2006 US\$'000
Capital conversion reserve	87	87
Investment revaluation reserve	3,115	5,246
Share-based payment reserve	869	585
Foreign currency translation reserve	551	2,506
	<u>4,622</u>	<u>8,424</u>

Capital conversion reserve

Opening balance 1 January	87	87
Movements during the year	-	-
	<u>87</u>	<u>87</u>

This reserve arose upon renominalisation of share capital.

Investment revaluation reserve

Opening balance 1 January	5,246	-
Increase arising on revaluation of available-for-sale investments	2,228	5,246
Cumulative (gain)/ loss transferred to income statement on sale of available-for-sale investments	(4,359)	-
	<u>3,115</u>	<u>5,246</u>

The investments revaluation reserve arises on the revaluation of available-for-sale quoted financial assets. Where a revalued financial asset is sold, the portion of the reserve that relates to that financial asset, and is effectively realised, is recognised in profit and loss. Where a revalued financial asset is impaired, the portion of the reserve that relates to that financial asset is recognised in profit and loss.

Share-based payment reserve

Opening balance 1 January	585	373
Movements during the year	284	212
	<u>869</u>	<u>585</u>

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration and provided to consultants and advisors hired by the Group from time to time as part of the consideration paid.

Foreign currency translation reserve

Opening balance 1 January	2,506	79
Movements during the year	(1,955)	2,427
	<u>551</u>	<u>2,506</u>

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**22. RETAINED EARNINGS**

	2007 US\$'000	2006 US\$'000
Opening balance 1 January	(39,241)	(34,250)
Net profit/ (loss) attributable to members of the parent entity	5,921	(4,991)
Closing balance 31 December	<u>(33,320)</u>	<u>(39,241)</u>

In accordance with Section 148(8) of the Companies Act, 1963 and Section 7(1A) of the Companies (Amendment) Act, 1986, the Company is availing of the exemption from presenting its individual profit and loss account to the Annual General Meeting and from filing it with the Registrar of Companies. The loss retained for the year dealt with in the financial statements of the Company was US\$7,902,000 (2006: loss of US\$5,000).

23. PROVISIONS

	2007 US\$'000	2006 US\$'000
Opening balance 1 January	1,895	1,640
Exchange movements	-	255
Transferred to discontinued operations	(1,895)	-
Closing balance 31 December	<u>-</u>	<u>1,895</u>

The entire provision balance related to estimated future costs of environmental reinstatement work at the Björkdal gold mine in Sweden.

24. TRADE AND OTHER PAYABLES

	2007 US\$'000	2006 US\$'000
Trade payables and accruals	539	6,220
Payroll taxes	13	61
Closing balance 31 December	<u>552</u>	<u>6,281</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and short-term deposits, certain refundable deposits, trade receivables and trade payables. The main risk arising from the Group's financial instruments is currency risk. It is the Group's policy not to enter into derivative instruments or to trade in financial instruments.

The currencies of those countries in which the Group has operations are potentially volatile. For this reason the Group's cash deposits are maintained primarily in "hard" currencies (US Dollars, £ Sterling, Euro, Canadian Dollars and Swedish Kronor). Funds are transferred to fund exploration costs and are translated into local currencies on a monthly basis thereby reducing cash held in local currencies and the Group's exposure to currency movements.

The Group held the following net foreign currency monetary assets/liabilities at 31 December:

	2007 US\$'000	2006 US\$'000
Cash at bank		
Pounds sterling	106	231
Euro	689	574
Swedish kronor	41	914
Canadian dollars	723	1,327
Other currencies	28	8
Total	<u>1,587</u>	<u>3,054</u>

Certain refundable deposits meet the definition of a financial instrument. Hence, in the interest of fair presentation these have been aggregated and included in "Intangible Exploration and Evaluation Assets" in the Group's balance sheet, as they relate to an overall interest that the Group has in certain part developed gas and pipeline infrastructure in the Tucumcari Basin, New Mexico, USA. In the opinion of the Directors, these items have been included at their fair value and details relating to them are disclosed in note 13.

As outlined in note 16, the Group holds quoted investments which have been included at their fair value at the balance sheet date. Fair value is determined by reference to published prices. No discount has been recognised in determining fair value. The investments are held in exploration companies whose share prices are subject to volatility. In the opinion of the Directors there has not been any indication of a permanent diminution in value in respect of these investments.

	2007 US\$'000	2006 US\$'000
Receivables		
Pounds sterling	-	7
Euro	12	82
Swedish kronor	-	1,367
Total	<u>12</u>	<u>1,456</u>

	2007 US\$'000	2006 US\$'000
Payables		
Pounds sterling	95	385
Euro	455	327
Swedish kronor	2	5,563
Norwegian kronor	-	6
Total	<u>552</u>	<u>6,281</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (Continued)

	2007 US\$'000	2006 US\$'000
Provisions for liabilities and charges		
Swedish kronor	-	1,895

Bank deposits earn interest based on bank short term deposits rates. The Group's exposure to interest rate risk is subject to movements in short term interest rates and cash balances.

26. SHARE-BASED PAYMENTS

The Group has applied the requirements of IFRS 2 'Share-based Payment'. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002.

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is capitalised as the transaction relates to the payment of goods and services which qualify to be recognised as an asset.

Fair value is measured by use of a Black-Scholes model.

The Group plan provides for a grant price equal to the average quoted market price of the ordinary shares on the date of grant. The exercise period for the options granted is 10 years from the adoption date (22 May 2003) of the Minmet PLC Share Option Scheme (being 21 May 2013). The vesting period for options granted is staggered with the total option amount vesting 2 years after the initial granting of the option.

New share options totalling 4,475,000 were issued during January 2007, which has been accounted for as a modification under IFRS 2.

	2007 Options	Weighted average exercise price Euro cent	2006 Options	Weighted average exercise price Euro cent
Outstanding at beginning of year	105,366,667	19.2	65,616,667	22
Cancelled during the year	(105,366,667)	19.2	-	-
Granted during the year	11,851,640	10	39,750,000	14.5
Lapsed during the year	(125,000)	10	-	-
Outstanding and exercisable at year end	<u>11,726,640</u>	<u>10</u>	<u>105,366,667</u>	<u>19.2</u>

The options outstanding at 31 December 2007 had a weighted average exercise price of € 0.10, and a weighted average remaining contractual life of 5.5 years.

During 2007, 11,851,640 (2006: 39,750,000) options were granted with a fair value of US\$77,000, (2006: US\$195,000). These fair values were calculated using the Black-Scholes valuation model. The total charge to the income statement for the year was US\$284,000 (2006: US\$212,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. SHARE-BASED PAYMENTS (Continued)

The inputs into the Black Scholes model are as follows:

	2007	2006
Weighted average share price at date of grant	€0.095	€0.20
Weighted average exercise price	€0.100	€0.19
Expected volatility	40%	40%
Expected life	3 years	3 years
Risk free rate	3.90%	3.90%
Expected dividends	None	None

Expected volatility was determined by management based on their cumulative experience of the movement in share prices over the previous number of years.

27. RELATED PARTY TRANSACTIONS

Transactions between the Company and its Subsidiaries, which are related parties of the Company, have been eliminated on consolidation, and are therefore not included in this note. Other material related party transactions are detailed below:

The Restructuring and Exchange of Minmet's Interests in TIL (refer to note 13)

The Restructuring and Exchange Agreement is a related party transaction because Peter Maddocks, the Company's Chairman is also the sole Director and registered shareholder of TIL.

The Grant of the Tucumcari Option (refer to note 13)

The Tucumcari Option Agreement and the extension of the TUCX Share Charge are related party transactions because Peter Maddocks, the Company's Chairman, is also the sole Director and registered shareholder of TIL.

Cancellation of the Alaska Agreement (refer to note 13)

The extension of the TUCX Share Charge to include Carbon's liability to repay the returnable deposit paid under the Alaska Purchase Agreement is a related party transaction because Peter Maddocks, the Company's Chairman is the sole Director and registered shareholder of TIL and a Director of Alaska. Alaska is also 100% owned by Carbon.

Dissolution of the Joint Venture arrangements with Gold Oil plc (refer to note 13)

The dissolution of the Gold Oil Joint Venture Arrangements is a related party transaction because Gold Oil was a significant shareholder in Minmet at the time the Joint Venture Arrangements were dissolved.

The Westcoast Guarantee (refer to note 13)

The Westcoast Guarantee is a related party transaction because Westcoast was a significant shareholder in Minmet at the time the Westcoast Guarantee was executed.

The TUCX Share Charge

The TUCX Share Charge is a related party transaction because Peter Maddocks the Company's Chairman is also the sole Director and registered shareholder of TIL.

The Aragon Option (refer to note 13)

The Aragon Option of itself is not a related party transaction. However the guarantee to return the returnable deposit provided by TIL is a related party transaction because Peter Maddocks, the Company's Chairman is also the sole Director and registered shareholder of TIL.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. RELATED PARTY TRANSACTIONS (Continued)***Investment in Crucial Plan Plc (refer to note 16)***

The Group's investment in Crucial Plan Plc is a related party transaction because Peter Maddocks, the Company's Chairman was also a director of Crucial Plan Plc at the time of Minmet's investment in Crucial Plan., Bamb Investments Limited, ("Bamb") a company controlled by Peter Maddocks was the beneficial owner of 23.66% of Crucial Plan at the time of the investment. Bamb's interest in Crucial Plan was diluted to approximately 15% after Minmet made its investment.

Compensation of key management personnel

Key management personnel are deemed to be the Board of Directors as they are responsible for planning, directing and controlling the activities of the Group.

The remuneration of key management (including former directors) is as follows:

	2007 US\$'000	2006 US\$'000
Short-term employee benefits	561	958
Termination benefits	994	-
Share-based payment	242	209
	1,797	1,167
	1,797	1,167

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. DISPOSAL OF A BUSINESS

During the year, the Group disposed of Björkdalsgruvan AB (see note 9). Details of the disposal are as follows:

Book value of net assets sold

	US\$'000
<u>Assets</u>	
Cash and cash equivalents	2,265
Trade receivables	2,046
Inventories	1,624
Non current assets (including intangibles)	13,187
<u>Liabilities</u>	
Payables	(14,605)
Provisions	(2,012)
Net assets disposed of	2,505
Fair Value Adjustments	1,148
Amounts due to Group	4,429
Total Net Assets	8,082
Less Consideration (see below)	5,073
Loss on disposal (note 9)	(3,009)
	<u><u> </u></u>
Consideration	
Consideration received in cash and cash equivalents	2,000
Value of shares received	3,073
	<u><u>5,073</u></u>

The consideration received includes amounts that relate to the repayment of advances to Björkdalsgruvan AB totalling US\$4,429,000.

Net cash outflow on disposal

	2007
	US\$'000
Consideration received in cash and cash equivalents	2,000
Less; cash and cash equivalent balances disposed of	(2,265)
	<u><u>(265)</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. NON-CASH TRANSACTIONS

Gold Oil plc deal

In February 2007 the Group announced a strategic investment with Gold Oil plc (“Gold Oil”) which saw Minmet acquire a number of developing oil and gas opportunities from Gold Oil in the Latin American region together with the completion of a mutual share for share exchange.

As part of this exchange 12,750,000 shares were issued to Gold Oil plc at a cost of \$0.135 in exchange for 22,950,000 shares in Gold Oil plc at a cost of £0.075.

The agreements with Gold Oil were cancelled subsequent to the change in management in August 2007 and the board’s decision to pursue investment in the Tucumcari and Alaska projects.

Sale of Björkdalsgruvan AB to Gold-Ore Resources Inc

As part of the sale of Björkdalsgruvan AB (see notes 9 and 28), the group received 4,000,000 shares in Gold-ore Resources Limited and a NSR royalty interest in production Björkdal.

30. EVENTS AFTER THE BALANCE SHEET DATE

Tucumcari (refer to note 13)

On 17 January 2008 MIOM and CIL entered into a cancellation agreement whereby the sale of the Group’s interest in TIL and the assignment of the loan to TIL to CIL was cancelled with the result that the Group had its 25% interest in TIL reinstated and took a reassignment of its loan to TIL.

On the 17 January 2008 the Group and TIL entered into the Tucumcari Option Agreement whereby TIL granted the Group an option to purchase TIL’s 75% interest in TUCX for a consideration having regard to the net discounted value of TUCX to be established following the preparation of a Competent Persons Report. The Tucumcari Option is exercisable at any time within three months after delivery of the CPR. Upon exercise of the Tucumcari Option, the consideration will be payable as to the amount required to satisfy the aggregate of the liabilities secured by the TUCX Share Charge in cash and as to the balance in new ordinary shares in the Company. The Board commissioned a CPR on the Tucumcari Project.

The adverse publicity caused by the shareholder action made it difficult for Minmet to obtain funding for TUCX. Consequently, the Board has decided not to exercise the Tucumcari Option and proceed with the reverse take over. The CPR was, therefore, no longer required but, as the work was underway, the Board commissioned an independent report which covered substantially the same ground as the CPR. The independent report was issued in May 2008 and a valuation, based on the independent report, was prepared by an independent firm with expertise in valuing oil and gas projects. The independent report and valuation (which was prepared for management purposes) confirmed the Board’s understanding that TUCX is robust with significant upside. The independent report is available on the Minmet website.

Subsequent to the year end and up to 19 June 2008, amounts totalling US\$2.411 million had been advanced to fund working capital of TUCX.

West African Gold

On 2 June 2008 the Group entered into a Supplemental Agreement with West African Logistics AL (“WAL”) and Clio General SA (“Clio”) (“the Supplemental Agreement”) terminating a sale and purchase agreement dated 6 November 2007 relating to the purchase of shares in West African Gold SA (“WAG”) between the Group and WAL (“the WAG Purchase Agreement”).

Under the terms of the WAG Purchase Agreement, Minmet had advanced a deposit of STG£100,000 and advanced further funds by way of working capital to WAG and incurred costs in connection with the preparation of a Competent Person’s Report valuing certain undeveloped gold and diamond prospects in Guinea, West Africa (“the Prospects”). The total expenditure by Minmet in relation to WAG was approximately STG£260,000.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. EVENTS AFTER THE BALANCE SHEET DATE (Continued)

The principal terms of the Supplemental Agreement are as follows:

(i) In consideration of the termination of the WAG Purchase Agreement, Clio relinquished and will transfer its 5% equity interest in Tucumcari Investments Limited to the Group;

(ii) The Group shall transfer one million shares in Horizonte Minerals Plc, currently valued at approximately US\$250,000 to Clio;

(iii) The Group shall assign its rights and interests in all reports and other documents relating to the Prospects prepared by Behre Dolbear International Limited (“Behre Dolbear”) and the Group shall instruct and authorise Behre Dolbear to deliver all such reports and documents to WAL or its nominee; and

(iv) WAL shall transfer to the Group such number of shares in WAG as shall be equal to ten per cent of the issued share capital of WAG (“the Carried Interest Shares”) with the intention that the Group shall benefit from the proposed admission to trading of WAG’s securities on a securities exchange at some stage in the future (“Admission”). WAL has further agreed that the Carried Interest Shares shall at all times up to and including the date of Admission amount to ten per cent of the issued share capital of WAG.

Major Investments and Cash Movements

Subsequent to year end and up to 31 May 2008, the Group’s cash balances have fallen from US\$3,628,000 to US\$1,243,000. This is as a result of expenditure on the Tucumcari Project (US\$1,370,000), West African Gold SA (US\$202,000) and legal & professional fees (US\$1,030,000). This expenditure is part of the Board’s new growth strategy as outlined in the Directors’ Report. At the date of approval of the financial statements the Group has cash balances of US\$0.5 million and quoted investments of approximately US\$5.1 million.

In the period to 31 March 2008 the value of the quoted investments held by the Group fell from US\$10,399,000 to US\$7,962,000. This is as a result of the general downturn in stock prices across all markets. The most significantly affected investments were those in GoldQuest (share price fall from CAD\$0.78 to CAD\$0.46, resulting in a decrease of US\$1,525,000 in the share valuation) and Horizonte (share price fall from £0.17 to £0.11, resulting in a decrease of US\$673,000 in the share valuation).

Requisition of Extraordinary General Meeting (“EGM”)

Following a requisition from a group of shareholders who collectively own more than ten percent of the issued and paid up share capital of the Company, an EGM was held at College Hill Associates, The Registry, Royal Mint, London EC3N 4QN on 11 April 2008. The purpose of the EGM is for considering and, if thought fit, passing, a series of resolutions which are available to view on the Company’s website. This meeting was adjourned until 23 May 2008 and then further adjourned until 13 June 2008 and subsequently until 3 July 2008.

Requisition of Extraordinary General Meeting (“EGM”)

Following a requisition from a group of shareholders who collectively own more than ten percent of the issued and paid up share capital of the Company, an EGM will be held at 18 July 2008. The purpose of the EGM is for considering and, if thought fit, passing resolutions to remove the Board and replace them with Tom O’Gorman, Justin Ribbons and Tom Anderson which are available to view on the Company’s website.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. RECONCILIATIONS FROM IRISH GAAP TO IFRS

Up to and including the financial year ended December 31, 2006, the Group prepared its consolidated financial statements in accordance with Irish GAAP. These consolidated financial statements, for the year ended December 31, 2007, are the first required to be prepared in accordance with IFRS as adopted by the European Union.

Accordingly, the group has prepared consolidated financial statements that comply with IFRS applicable for periods beginning on or after 1 January 2007, and the significant accounting policies meeting those requirements are described in note 1. In preparing these consolidated financial statements, the group has started from an opening consolidated balance sheet as at 1 January 2006, the group's date of transition to IFRS, and made those changes in accounting policies required by IFRS 1, First-time Adoption of International Financial Reporting Standards. This note explains the principal adjustments made by the group in restating its Irish GAAP consolidated balance sheet as at 1 January 2006, and its previously published Irish GAAP consolidated financial statements for the year ended 31 December 2006.

Exemptions applied

IFRS 1 allows first time adopters to IFRS to take advantage of a number of voluntary exemptions from the general principle of retrospective restatement. The group has taken the following exemptions:

IFRS 2: Share-based Payment has not been applied in respect of share options granted before 7 November 2002.

IFRS 3: Business Combinations has not been applied to business combinations prior to 1 January 2004.

None of the other exemptions contained in IFRS 1 are deemed to have a material impact on the consolidated financial statements.

Significant changes to the consolidated financial statements of the group, on transition to IFRS, were as follows:

Discontinued operations

The Group disposed of its subsidiary Björkdalsgruvan AB during 2007 (see notes 9 and 28). The prior year figures per the financial statements were restated in order to present the 2006 balances in accordance with the IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations. This has a significant effect on the financial statements as the results for Björkdalsgruvan AB are now shown as a single line item in the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. RECONCILIATIONS FROM IRISH GAAP TO IFRS (Continued)

Reconciliations from IRISH GAAP to IFRS

Consolidated Income Statement for the year ended 31 December 2006

	As previously measured under Irish GAAP US\$'000	IFRS presentation adjustments US\$'000	IFRS discontinued operations US\$'000	Under IFRS US\$'000
Continuing Operations				
Revenue	11,776	-	(11,771)	5
Cost of sales	(9,656)	-	9,656	-
Gross profit	<u>2,120</u>	<u>-</u>	<u>(2,115)</u>	<u>5</u>
Investment revenue	107	-	8	115
Impairment of deferred development expenditure	(5,575)	-	-	(5,575)
Other gains and losses (see notes C and G)	795	2,291	-	3,086
Administration expenses	(4,729)	-	1,348	(3,381)
Loss before tax	<u>(7,282)</u>	<u>2,291</u>	<u>(759)</u>	<u>(5,750)</u>
Income tax expense	-	-	-	-
Loss for the year from continuing operations	<u>(7,282)</u>	<u>2,291</u>	<u>(759)</u>	<u>(5,750)</u>
Discontinued operation (see note D)				
Profit after tax for the year from a discontinued operation	-	-	759	759
LOSS FOR THE YEAR	<u><u>(7,282)</u></u>	<u><u>2,291</u></u>	<u><u>-</u></u>	<u><u>(4,991)</u></u>
Attributable to:				
Equity holders of the parent	(7,282)	2,291	-	(4,991)
Earnings per share (see note E)				
Basic	(10.49)	-	-	(7.19)
Diluted	(10.49)	-	-	(7.19)
Earnings per share for continuing operations				
Basic	(11.58)	-	-	(8.28)
Diluted	(11.58)	-	-	(8.28)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. RECONCILIATIONS FROM IRISH GAAP TO IFRS (Continued)

Consolidated balance sheet at 31 December 2006

	As previously measured under Irish GAAP US\$'000	IFRS presentation adjustments US\$'000	Under IFRS US\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	9,725	-	9,725
Intangible exploration and evaluation assets	-	3,506	3,506
Intangible assets (see note A)	3,506	(3,506)	-
	<u>13,231</u>	<u>-</u>	<u>13,231</u>
Current assets			
Available-for-sale investments	14,693	-	14,693
Inventories	1,017	-	1,017
Trade and other receivables	1,456	-	1,456
Cash and cash equivalents	3,068	-	3,068
	<u>20,234</u>	<u>-</u>	<u>20,234</u>
TOTAL ASSETS	33,465	-	33,465
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Issued capital	18,522	-	18,522
Share premium	37,584	-	37,584
Other reserves (see notes B and C)	8,209	215	8,424
Retained earnings (see notes B and C)	(39,026)	(215)	(39,241)
Total equity	25,289	-	25,289
Non-current liabilities			
Provisions	1,895	-	1,895
Current liabilities			
Trade and other payables	6,281	-	6,281
Total liabilities	8,176	-	8,176
TOTAL EQUITY AND LIABILITIES	33,465	-	33,465

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. RECONCILIATIONS FROM IRISH GAAP TO IFRS (Continued)

Consolidated cash flow statement for the year ended 31 December 2006

	As previously measured under Irish GAAP US\$'000	IFRS presentation adjustments US\$'000	IFRS discontinued operations US\$'000	Under IFRS US\$'000
Operating activities (see note F)				
Loss before tax from continuing operations	(7,282)	2,291	(759)	(5,750)
Profit before tax from discontinued operations	-	-	759	759
Profit/(Loss) before tax	(7,282)	2,291	-	(4,991)
Adjustments to reconcile loss before tax to net cash flows				
Non cash:				
Depreciation	635	-	-	635
Share-based payment expense	212	-	-	212
Gain on disposal of tangible assets	(795)	-	-	(795)
Gain on disposal of investments	-	(2,291)	-	(2,291)
Amortisation and impairment of intangibles	5,771	-	-	5,771
Interest income	-	(107)	-	(107)
Movement in provisions	-	255	-	255
Translation adjustment	3,453	(3,453)	-	-
Working capital adjustments:				
Decrease in trade receivables	385	-	-	385
Increase in inventories	(173)	-	-	(173)
Decrease in payables	4,618	(255)	-	4,363
Income tax paid	-	-	-	-
Net cash flows from operating activities	6,824	(3,560)	-	3,264
Investing activities				
Purchase of property, plant and equipment	(4,412)	-	-	(4,412)
Purchase of available-for-sale investments	(5,480)	-	-	(5,480)
Proceeds from available-for-sale investments	1,228	-	-	1,228
Purchase of intangibles assets	(246)	-	-	(246)
Interest received	-	107	-	107
Net cash flows used in investing activities	(8,910)	107	-	(8,803)
Net increase in cash and cash equivalents	(2,086)	-	-	(5,539)
Net foreign exchange difference	-	3,453	-	3,453
Cash and cash equivalents at 1 January	5,154	-	-	5,154
Cash and cash equivalents at 31 December	3,068	-	-	3,068

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. RECONCILIATIONS FROM IRISH GAAP TO IFRS (Continued)

Reconciliation of Equity 1 January 2006

	As previously measured under Irish GAAP US\$'000	IFRS presentation adjustments US\$'000	Under IFRS US\$'000
Equity attributable to equity holders of the parent			
Issued capital	18,369	-	18,369
Share premium	37,537	-	37,537
Other reserves (see note B)	460	79	539
Retained earnings (see note B)	(34,171)	(79)	(34,250)
Total Equity	22,195	-	22,195

Note on Reconciliation from Irish GAAP to IFRS

The Irish GAAP Group Consolidated Income Statement, Balance Sheet, Cash Flow and Equity Reconciliation are derived from the Irish GAAP Group Financial Statement as reported in the prior year financial statements. They have however been amended to an IFRS presentation and the main adjustments are as follows:

A. Intangible Exploration and Evaluation Assets

The adoption of IFRS has resulted in the requirement to reclassify an amount of US\$3.506 million from “Intangible Assets” to “Intangible Exploration and Evaluation Assets” in accordance with IFRS 6.

B. Equity Reconciliation

A reconciliation of total equity under Irish GAAP to total equity under IFRS has been provided, which illustrates the net impact on equity of each of the IFRS adjustments.

C. Foreign Currency Translation Reserve

The foreign currency translation reserve has been transferred to other reserves in order to satisfy IAS 21's requirement to separately track translation adjustments in equity. On disposal of a foreign entity, the cumulative translation difference relating to the entity is transferred to the income statement and included in the gain or loss on sale.

D. Discontinued Operations

The IFRS disclosures for the year ended 31 December 2006 are presented on the basis that they would appear as comparatives in the Group financial statements for the year ended 31 December 2007. As a result, the disposal of the subsidiary, Björkdalsgruvan AB, during 2007 has been shown as a discontinued operation even though it did not qualify as a discontinued operation under IFRS as at 31 December 2006.

E. Earnings Per Share

Adjusted earnings per share, which excludes the impact of discontinued operations, is provided on the face of the Income Statement in order to better reflect the underlying performance of the Group's continuing operations. The earnings per share associated with discontinued operations are disclosed as part of note 11 “Earning per Share”.

F. Cash Flow Statement

The presentation of certain items in the cash flow statement prepared under IAS 7 “Cash Flow Statements” differs to the previous presentation under Irish GAAP. Under IAS 7, the cash flow statement is presented to show movements in cash and cash equivalents, whilst under Irish GAAP, the cash flow statement is prepared to show movements in cash only. Under IFRS, cash flows are segregated into three categories: operating, investing and financing. This differs from Irish GAAP which requires additional sub categories.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. RECONCILIATIONS FROM IRISH GAAP TO IFRS (Continued)

G. Available-for-sale Investments

An adjustment of US\$2,291,000 has been made in respect of the valuation of available-for-sale investments which was recognised in the prior year financial statements as part of the “Statement of Recognised Gain and Losses” under Irish GAAP. This has been reflected in the Income Statement under IFRS.

32. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 26 June 2008.

MINMET PLC

**COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2007**

		2007	2006
	<i>Notes</i>	US\$'000	US\$'000
Fixed Assets			
Intangibles assets	2	-	-
Tangibles assets	3	10	8
Investment in subsidiaries	4	10,114	15,692
		10,124	15,700
Current Assets			
Debtors – due within one year	5	11,055	9,402
Cash at bank and on hand		80	132
		11,135	9,534
Creditors: (amount due within 1 year)	6	(455)	(451)
		10,680	9,083
Net Current Assets		10,680	9,083
Net Assets		20,804	24,783
Capital and Reserves			
Called-up share capital	7	18,821	18,522
Share premium account	7	43,276	37,584
Capital conversion reserve fund	8	87	87
Profit and loss account – (deficit)	8	(42,223)	(31,995)
Share-based payments reserve	8	843	585
Shareholders' Funds		20,804	24,783

The financial statements were approved by the Board of Directors on 26 June 2008 and signed on its behalf by:

Peter Maddocks
Chairman

Jon King
Chief Executive Officer

NOTES TO THE COMPANY BALANCE SHEET

1. ACCOUNTING POLICIES

The significant accounting policies of the company are as follows:

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with the Companies Acts, 1963 to 2006 and Generally Accepted Accounting Practices in the Republic of Ireland (Irish GAAP). The following paragraphs describe the principle accounting policies under Irish GAAP, which have been applied consistently.

Tangible fixed assets

Tangible fixed assets are shown at cost less accumulated depreciation. Depreciation is provided on the cost of assets in equal annual instalments over their estimated useful lives at the following annual rates:

Office equipment	20 - 33 ¹ / ₃ %
------------------	---------------------------------------

Investments

Fixed asset investments, including investments in subsidiaries, are stated at cost and are reviewed for impairment if there are indications that the carrying value may not be recoverable.

Foreign Currency

The reporting currency of the Company is US Dollars. Transactions in foreign currencies (currencies other than US Dollars) are recorded at exchange rates ruling on the date of those transactions. Assets and liabilities denominated in foreign currencies are translated into US Dollars at rates of exchange ruling at the balance sheet date. The results of undertakings denominated in foreign currencies are translated into US Dollars at average rates of exchange. The adjustment to year-end rates is taken to reserves. Exchange differences that arise on the retranslation of balance sheets of such undertakings at the beginning of the year, and equity additions and withdrawals during the financial year, are dealt with as a movement in reserves. Other translation differences are dealt with in the profit and loss account.

Share-based-payment

The Company has applied the requirements of FRS 20 "Share-Based Payment". The accounting policy applicable to share-based payments is consistent with that applied under IFRS and is accordingly addressed in detail on pages 51-52 of the group financial statements.

NOTES TO THE COMPANY BALANCE SHEET (CONTINUED)

2. INTANGIBLE FIXED ASSETS

	Deferred Development Expenditure US\$'000
Cost	
At 1 January 2007	38
Additions	-
At 31 December 2007	<u>38</u>
Amortisation	
At 1 January 2007	38
Amortisation charge	-
At 31 December 2007	<u>38</u>
Net book value	
31 December 2007	<u>-</u>
31 December 2006	<u>-</u>

3. TANGIBLE FIXED ASSETS

	Office Equipment US\$'000
Cost	
At 1 January 2007	77
Exchange movement	8
Additions	2
At 31 December 2007	<u>87</u>
Depreciation	
At 1 January 2007	69
Exchange movement	8
Charge for the year	-
At 31 December 2007	<u>77</u>
Net book value	
31 December 2007	<u>10</u>
31 December 2006	<u>8</u>

NOTES TO THE COMPANY BALANCE SHEET (CONTINUED)

4. INVESTMENT IN SUBSIDIARIES

	2007 US\$'000	2006 US\$'000
Unquoted shares at cost and net book value		
At 1 January	31,828	28,703
Exchange movements	3,401	3,125
Additions	-	-
Disposals	(950)	-
At 31 December	<u>34,279</u>	<u>31,828</u>
Impairment		
At 1 January	16,136	14,551
Exchange movements	1,724	1,585
Charge for the year	6,305	-
At 31 December	<u>24,165</u>	<u>16,136</u>
Net book value		
Opening balance	<u>15,692</u>	<u>14,152</u>
Closing balance	<u><u>10,114</u></u>	<u><u>15,692</u></u>

Details of the Company's wholly owned subsidiaries are set out at note 15 to the consolidated financial statements. In the opinion of the Directors, at 31 December 2007, the value of the above investments are not less than their carrying value.

5. DEBTORS

	2007 US\$'000	2006 US\$'000
Amounts falling due within one year:		
Amounts owed by Group undertakings	11,043	9,319
Trade debtors	-	43
Other debtors	12	39
Prepayments and accrued income	-	1
	<u>11,055</u>	<u>9,402</u>

The value of the amounts owed by Group undertakings to the Company is dependent on the successful discovery and development of mineral reserves. In the opinion of the Directors, at 31 December 2007, the value of the above receivables are not less than their carrying value.

6. CREDITORS: (Amounts due within 1 year)

	2007 US\$'000	2006 US\$'000
Amounts falling due within one year:		
Trade creditors and accruals	448	446
Payroll taxes	7	5
	<u>455</u>	<u>451</u>

NOTES TO THE COMPANY BALANCE SHEET (CONTINUED)**7. ISSUED CAPITAL**

Details in respect of called-up share capital are presented in the share capital note (note 20) to the Group financial statements.

8. MOVEMENT ON SHAREHOLDERS' FUNDS

	Called-up Share Capital US\$'000	Share premium US\$'000	Capital conversion reserve fund US\$'000	Profit and loss account US\$'000	Share- based payments reserve US\$'000	Total US\$'000
At 1 January 2006	18,369	37,537	87	(34,206)	373	22,160
Issue of shares	153	47	-	-	-	200
Retained loss for the year	-	-	-	(5)	-	(5)
Translation adjustment	-	-	-	2,428	-	2,428
Share-based payments	-	-	-	(212)	212	-
At 31 December 2006	18,522	37,584	87	(31,995)	585	24,783

	Called-up Share Capital US\$'000	Share premium US\$'000	Capital conversion reserve fund US\$'000	Profit and loss account US\$'000	Share- based payments reserve US\$'000	Total US\$'000
At 1 January 2007	18,522	37,584	87	(31,995)	585	24,783
Issue of shares	299	5,692	-	-	-	5,991
Retained loss for the year	-	-	-	(13,402)	-	(13,402)
Translation adjustment	-	-	-	3,432	-	3,432
Share-based payments	-	-	-	(258)	258	-
At 31 December 2007	18,821	43,276	87	(42,223)	843	20,804

In accordance with Section 148(8) of the Companies Act, 1963 and Section 7(1A) of the Companies (Amendment) Act, 1986, the Company is availing of the exemption from presenting its individual profit and loss account to the Annual General Meeting and from filing it with the Registrar of Companies. The loss retained for the year dealt with in the financial statements of the Company was US\$7,902,000 (2006: loss of US\$5,000).

9. FINANCIAL RISK MANAGEMENT

The Company is exempt from the requirements of this standard as the parent company's financial statements are presented together with the parent's consolidated financial statements.

10. DEFERRED TAXATION

No deferred tax asset has been recognised on accumulated tax losses as the recoverability of any assets is not likely in the foreseeable future. The amounts not recognised are US\$1,301,234 (2006: US\$1,055,345).

11. RELATED PARTY TRANSACTIONS

All related party transactions have been disclosed in the consolidated financial statements.

12. APPROVAL OF ACCOUNTS

The Board of Directors approved and authorised for issue the Company financial statements in respect of the year ended 31st December 2007 on 26 June 2008.

MINMET PLC

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Minmet plc will be held at The Burlington, Upper Leeson Street, Dublin 4, Ireland on Friday 29 August 2008 at 12:00 noon, for the purposes of considering and, if thought fit, passing, the following Resolutions of which Resolutions numbered 1, 2, 3, 4, 5, 6, 7 and 10 will be proposed as Ordinary Resolutions and Resolutions numbered 8, 9, 11 and 12 will be proposed as Special Resolutions.

Ordinary Business

1. To receive, consider and adopt the accounts for the year ended 31st December 2007 together with the Directors' and Auditors' reports thereon.
2. To re-elect, as a Director, Mr. P. Maddocks, who retires in accordance with Article 104 of the Articles of Association of the Company.
3. To re-elect, as a Director, Mr. J King, who retires in accordance with Article 104 of the Articles of Association of the Company.
4. To re-elect, as a Director, Mr. D Barrett, who retires in accordance with Article 104 of the Articles of Association of the Company.
5. To re-elect, as a Director, Mr. P Gardener, who retires in accordance with Article 104 of the Articles of Association of the Company.
6. To re-appoint Deloitte & Touche as auditors and authorise the Directors to fix the remuneration of the Auditors.

Special Business

7. That the Company and/or any subsidiary (as such expression is defined by Section 155 of the Companies Act 1963) of the Company be and is hereby generally authorised to make market purchases as defined by Section 212 of the Companies Act 1990 (the "1990 Act") of Ordinary Shares ("treasury shares"), on such terms and conditions and in such manner as the Directors or, as in the case may be, the Directors of such subsidiary, may from time to time determine, but subject to the provisions of the 1990 Act and to the following restrictions:
 - a) The maximum number of shares so authorised to be acquired shall be 20% of the Ordinary Shares, in issue from time to time, as the case may be;
 - b) The minimum price (exclusive of expenses) which may be paid for an Ordinary Share shall not be less than 15% below the average of the mid-closing price for an Ordinary Share as quoted on the AIM market of London Stock Exchange plc ("AIM"), for the ten business days immediately preceding the day on which the treasury share is purchased; and
 - c) The maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall not be more than 5% above the average of the bid and offer price for such share quoted on the AIM, for the ten business days immediately preceding the day on which such share is purchased.

The authority hereby conferred shall expire at the close of business on the earlier of the date of the next Annual General Meeting following the passing of this Resolution, or on 28 August 2009, unless previously varied, revoked or renewed in accordance with the provisions of Section 215 of the 1990 Act. The Company, or any such subsidiary, may, before such expiry, enter into a contract for the purpose of acquiring Ordinary Shares, as the case may be, which would or might be wholly or partly executed after such expiry and may complete any such contract as if the authority conferred hereby had not expired.

8. Subject to the passing of Resolution number 7, that for the purposes of Section 209 of the Companies Act 1990 (the "1990 Act"), the price at which a treasury share may be re-issued off-market shall be as follows:
 - a) The maximum price at which a treasury share may be re-issued off-market shall not be more than 5% above the average of the mid-closing price for an Ordinary Share quoted on the AIM, for the ten business days immediately preceding the day on which the treasury share is re-issued;
 - b) The minimum price at which a treasury share may be re-issued off-market shall not be less than its nominal value.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

9. Subject to the passing of Resolution 7, that the Directors of the Company be and are hereby authorised to cancel such Ordinary Shares purchased in accordance with Resolution 7, in such numbers as the Directors may from time to time determine.
10. That the Directors be and are hereby generally and unconditionally authorised pursuant to Section 20 of the Companies (Amendment) Act, 1983 (“the Act”) to exercise all powers of the Company to allot relevant securities (as defined by Section 20 of the Act) up to an amount equal to the authorised but as yet unissued share capital of the Company from time to time. The authority hereby conferred shall expire on the earlier of the date of the next annual general meeting of the Company held after the date of passing of this Resolution and at the close of business on 28 August 2009, unless previously renewed, varied or revoked by the Company save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired.
11. Subject to the passing of Resolution number 10 above, that the Directors be and are hereby empowered pursuant to Sections 23 and 24 (1) of the Act to allot equity securities (within the meaning of the said Section 23) for cash pursuant to the authority conferred by Resolution Number 10 above as if the said Section 23 does not apply to any such allotment provided that this power shall be limited to the allotment of equity securities;
 - a) In connection with the exercise of any options or warrants to subscribe granted by the Company; and
 - b) In addition to the authority conferred by paragraph (a) of this Resolution, up to an aggregate nominal value equal to the nominal value of 50% of the issued share capital of the Company at the date of passing of this Resolution which authority shall expire on the earlier of the date of the next annual general meeting of the Company held after the date of passing of this Resolution and at the close of business on 28 August 2009, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.
12. That the name of the Company continues to be Minmet plc.

By order of the Board;

Denis Barrett
Secretary

Registered Office: 18 Fitzwilliam Place,
Dublin 2.

Date: 30 June 2008

Note: A member entitled to attend and vote at the above meeting is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak and vote instead of him. Forms of proxy, to be valid, must be lodged with the Company’s Registrars, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland, no later than 48 hours before the time appointed for the meeting. Completion and return of the Form of proxy will not preclude ordinary shareholders from attending and voting at the meeting should they wish to do so. The Company, pursuant to Regulation 14 of the Companies Act, 1990 (Uncertificated Securities) Regulations 1996, specifies that only those shareholders registered in the register of members of the Company at close of business on the day which is two days before the date of the meeting (or in the case of an adjournment as at 48 hours before the time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at the time. Changes to entries in the register after that time will be disregarded in determining the right of any person to attend and/or vote at the meeting.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Explanatory Notes

Ordinary Business

Resolution 1 - Annual Report and Accounts

The Directors will present to the shareholders at the Annual General Meeting, the Directors' and Auditors' reports and the audited accounts for the year ended 31 December 2007. The meeting will then receive and consider these reports.

Resolutions 2, 3, 4 and 5 – Re-election of Directors

Mr. P Maddocks, Mr. J King, Mr. D Barrett and Mr. P Gardener, having been co-opted to the Board since the last annual general meeting of shareholders, must retire in accordance with the Articles of Association and are seeking re-election. The Board recommends the re-election of each of these Directors. Biographical details in respect of all existing Directors are included in the Directors' Report section of the annual report.

Resolution 6 - Re-appointment of Auditors and Authority to fix the remuneration of Auditors

Resolution 6 re-appoints Deloitte & Touche as Auditors and authorises the Directors to fix the Auditors' remuneration.

Special Business

Resolutions 7

This is an Ordinary Resolution to authorise the Company to purchase its own shares, up to a maximum of 20% of the Ordinary Shares in issue, as treasury shares. The resolution also sets the minimum and maximum prices that the Company may pay to purchase treasury shares at respectively 15% below and 5% above the prevailing mid market price quoted on AIM.

Resolution 8

This is a Special Resolution which sets the price range for the re-issue of treasury shares which shall not be more than 5% above the average of the mid-closing price for an Ordinary Share quoted on AIM for the ten business days immediately preceding the day of re-issue and shall not be less than the nominal value of such Ordinary Shares.

Resolution 9

This is a Special Resolution which will enable the Directors to cancel any Ordinary Shares which the Company purchases in the future.

Resolution 10

This is an Ordinary Resolution authorising the Directors to allot relevant securities up to the existing authorised but unissued share capital. This authority will expire on the earlier date of the next annual general meeting and the close of business on 28 August 2009.

Resolution 11

Resolution 11 is a Special Resolution authorising the Directors to issue equity securities for cash on a non pre-emptive basis up to an aggregate nominal value equal to 50% of the issued share capital of the Company at the date of the passing of the Resolution. This will allow the Board to allot shares from time to time in respect of options and warrants and also, as it deems appropriate, without recourse to the shareholders so that it can move quickly to conclude transactions and take advantage of any improved share prices. This authority will expire on the earlier date of the next annual general meeting and the close of business on 28 August 2009.

Resolution 12

At the last Annual General Meeting the Company passed a resolution to change the Company's name to Achill Resources Public Limited Company, subject to consent of the Minister. The Directors reconsidered the appropriateness of the name change and decided not to seek the Ministerial consent required to make the change effective. This resolution is to maintain the existing name of the Company.

Voting recommendation

Members of the Board recommend to vote in favour of all resolutions.

MINMET PLC

CORPORATE INFORMATION

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Reddy Charlton McKnight
Solicitors
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Dublin 2

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www.minmet.ie

ELECTRONIC COMMUNICATIONS

Shareholders are invited to opt to receive shareholder communications electronically. To register your e-mail address please go to www.computershare.com/register/ie ; click on "Select company from list" and select Minmet plc; then click on "Submit" and enter your shareholder details and follow registration instructions.