

MINMET PLC
INTERIM REPORT
SIX MONTHS ENDED
30 JUNE 2004

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FOR SIX MONTHS ENDED 30 JUNE 2004

Chairman's Statement

This has been an extremely busy period for your Company with the management focussing on increasing the value of both its production and exploration portfolio and laying the foundations to return value to shareholders. During the first six months of 2004 we have continued our development plans at the Björkdal mine, securing and agreeing a number of key milestones that will enhance the economics of the project going forward. We have been active in advancing our other Swedish interests through a combination of organic exploration, joint venture participation and supporting our connected companies. We have also finalised the creation of two new public entities in GoldQuest Mining Corp ("GoldQuest") and Lapp Plats plc ("Lapp Plats") enabling them to advance their own projects, whilst allowing Minmet to participate in the upside potential. Both of these are already delivering value. Our bio-technology business, EMMML, is preparing the balance of Phase 1 and new Phase 2 material for treatment and processing later this year at the Suior Project in Baia Mare, Romania.

Financial Results

Group net loss on ordinary activities after tax for the six months ended 30 June 2004 totalled US\$1.7m (2003: Loss US\$0.9m). Operating expenses increased to US\$2.4m (2003: US\$0.7m).

The increase in the loss before tax and in operating expenses reflects the inclusion of 100% of Björkdalsgruvan AB as a wholly owned subsidiary during the current period. Björkdalsgruvan AB incurred a gross loss of US\$0.5m and operating expenses of US\$1.1m in the period. The balance of the operating expenses relates to head office costs in Minmet, GoldQuest and other companies in the Group.

In accordance with Financial Reporting Standard 2 we have consolidated GoldQuest, our new 58% owned subsidiary listed on the Toronto Stock Exchange, and Lapp Plats, also a 58% owned subsidiary which is listed on the Ofex market in London. We have accounted for these companies as subsidiary undertakings.

The successful listing of our interests into GoldQuest and Lapp Plats has resulted in an investment gain of US\$0.7m on disposing of part of these interests from 100%.

Cash balances at 30 June 2004 amounted to US\$3.0m (30 June 2003: US\$6.6m; 31 December 2003: US\$5.7m.). Deposit interest income was US\$19k (30 June 2003: US\$51k).

Summary

Sweden - Operations

Gold production totalled 13,865 ozs (2003: 18,068 ozs), resulting in revenues of US\$5.2m. Production was derived from 598,070 tonnes of ore at an average grade of 0.85g/t and with an average recovery of 84.7%. The mining operations produced a loss of US\$1.7m for the period. The lower production and consequent losses were caused principally by a higher reliance during

the period on stockpiled material than budgeted, allied to lower grade from these stockpiles than expected. In accordance with our mine plan, we had planned to increase production by using higher grade in-pit ore, but this was delayed until late summer, as access to the pit was hampered in May and June following flooding due to heavy rains. This projected increase in production will now be reflected in the third quarter.

However, ongoing work at Björkdal has been highly successful in a number of areas. When Minmet acquired Björkdal the SRK audited mineral resource estimate was 610,000 oz. We have increased this resource base at Bjorkdal by 48% to 902,804 ozs. Exploration activities are being targeted to identify additional mineralisation in the immediate vicinity of, and close to, the existing mine, with the prospect of adding further resources and conversion of resources to reserves is extremely likely.

One cannot over-emphasise that the value of any discovery is greatly enhanced by the presence of an operating mill and the entire infrastructure to bring any new mineralisation quickly into production. We finalised the purchase in April 2004 of the Crusher facility at a cost of SEK12m (US\$1.6m). This acquisition has substantially reduced our processing costs and will allow greater flexibility in the conduct of our operations and future mine planning. We have also secured a new mining contract in conjunction with the implementation of the New Mining Plan which targets the mining of in-pit ore from the Eastern Extension, South Wall and North Wall over the next two years with production of a projected 100,000 oz Au expected, at total cash costs in the lower quartile of industry production over the period.

Shareholders must be conscious that Björkdal had suffered during the closure in 1999 - 2001 in terms of resource modelling, mine planning and adherence to optimisation of the mine. Minmet acquired the resource base at an approximate cost of less than US\$20 per resource ounce, well below industry average. It takes time to reverse and positively address a project after a period of under capitalisation and lack of development. Although some of the initiatives we have undertaken such as the acquisition of the Crusher and the implementation of the New Mining Plan have taken longer than initially planned, these initiatives, that are now completed, were critical to the future development of the mine.

In the meantime we have continued to add value to Björkdal by increasing the resource base and defining new areas for resource development in and around the pit. We are well positioned and confident that our work has created value and will continue to add value for Minmet shareholders.

Sweden - Exploration

Barsele

The earn-in and joint venture with North American Gold Inc (“NAU”) on the Barsele and Norra projects is developing impressively. Recent drilling in the Central Zone confirmed earlier results of gold mineralisation and excitingly, identified for the first time, higher gold grades to the north-east of this property. This project continues to show potential to be a significant new gold deposit in Sweden. Recent exploration highlights from drilling include intercepts of 22 metres grading 2.2 g/t Au; 42 metres grading 1.7 g/t Au; 95 metres grading 1.0 g/t Au; and 11.5 metres grading 7.4 g/t Au.

A significant drilling campaign is also being conducted on the Norra Zone where NAU has already completed 10 holes in recent weeks and they continue to drill. This work is focused along strike from the earlier drill intersection of 8 metres grading 11.0 g/t Au, 91 g/t Ag, 3% Cu and 3.7% Zn. The Norra mineralization is similar in style and, most importantly, gold grade to the nearby, world class gold rich massive sulphide Boliden deposit (4.9Moz Au). We await the drill results and anticipate fast tracking this project with our partners.

Alum Shales

Minmet announced in August 2004 that it is leading a consortium in the staking of a number of areas of oil shales and mineral targets in central Sweden totalling 7,075 hectares. The area was exploited for its kerogen content between 1942 and 1966 with some 50 million tonnes mined in this period. The oil shales are part of the so-called Alum Shale Formation which comprise Sweden's main source of fossil energy. In addition this formation contains variously highly elevated contents of aluminium, vanadium, molybdenum, nickel and rare earth elements. This development is potentially very significant in that it leverages Minmet's Swedish operational presence and access to proprietary data to a project that displays significant opportunity in today's era of high oil and metal prices.

A report in 1985 by the Sveriges Geologiska Undersökning, the Swedish Geological Survey, described the alum shales as one of Sweden's most important natural resources. The value of this resource to Sweden is recognised by the Minmet Group. Minmet also recognises the requirement to have a "social licence" to explore and possibly develop this resource. The Company intends to have a well defined environmental programme from the outset, to communicate to local communities the importance of sustainable development; and to prepare the project for optimum development in terms of the value of the resource for Sweden. The project presents a timely opportunity as there is a renewed interest in alternative petroleum resources, given the growing demand and rising prices for petroleum products, the depletion of conventional petroleum deposits and global security of supply issues. In the past, conventional petroleum deposits were far less expensive to produce than alternative sources, which as a result led to these alternative sources being largely ignored.

However, as energy prices have risen, a great deal of research has been devoted to improved production technologies with corresponding cost savings for tar sands, heavy oil and oil shales. In addition the recognition of these oil shales as hosts to large metal budgets has been recognised and this has brought a new momentum into the research of extracting these metals.

Minmet feels the time is right to realize the full economic potential of the 500 million plus barrel oil resource and the substantial aluminium and other metal potential of the Narke project. The Company will focus and evaluate new technologies that will reduce operating and capital costs for this exciting project and rapidly take it forward.

Other

Minmet, through its shareholdings in both Lapp Plats and Ovoca Resources plc, is participating in work directed at producing new gold, nickel and PGM (platinum group metal) targets in both

Sweden and Finland. These companies are making significant investment in exploration with their field teams and they provide MinMet with substantial equity involvement in any new discovery they make.

We are also continuing to use our proprietary database and the recognition and staking of gold targets has led to a new joint venture in Finland with North American Gold. This further adds to our “stratlet” policy of growth and shareholders should expect further developments on this front, as well as the many others outlined.

Romania - Operations

By the end of March 2004 our subsidiary company EMMML had prepared 15,000 tonnes of the Suior gold concentrates for processing through the Transgold CIL plant at Baia Mare. Since that date a further 100,000 tonnes of material, comprising the balance of Phase 1 and the first batch of Phase 2 material, has been laid down and deliveries to the processing plant have commenced in September 2004. We are also currently engaged with our partners Transgold SA and Eurogold Limited to maximise the collective benefit from the Suior project and all alternatives to achieve shareholder value are being considered.

We are conscious that we need to expand the application of the EMMML bio-technology away from the current Romania research and test facility. We have targeted a number of priority targets and we have commenced discussions with one mining entity based in Africa in this regard.

Dominican Republic - Exploration

In June 2004 we finalised the takeover of our Dominican Republic (“DR”) exploration assets by GoldQuest, a Canadian listed company, through a reverse takeover (“RTO”) of an existing TSX company. In conjunction with the RTO, GoldQuest raised total funds of US\$2.54m through a share placement with management and private investors and the signing of placement agreements with Placer Dome Inc and Goldfields International Limited, each with contemporaneous back-in rights. These funds are being invested in the drilling of defined targets for gold mineralisation in the DR. Initial drill targets, currently being tested include the Celestina project in Western DR and the Piedra Iman target adjacent to Pueblo Viejo. The latter is located 3,000 metres west of the Pueblo Viejo pits and results are keenly awaited. Minmet retains a 58% interest in GoldQuest.

A dedicated board of directors and management team have been assembled in GoldQuest. They are focussed both on developing the existing DR targets and pursuing other opportunities in the region principally for gold exploration.

Brazil & Peru – Exploration

In April 2004 we signed a Letter of Intent with Mineração Vale dos Reis Limitada (“MVR”), a private Brazilian company, to merge some of our projects in Brazil and Peru with their existing Brazilian portfolio.

It is proposed that Minmet will contribute projects at Goias Velho, Goias State; the Sungem zinc project at Coromandel and the Coromandel diamond project in Minas Gerais State; and the

Peruvian El Aguila silver project into a new listed company. MVR is contributing a strategic portfolio of exploration projects covering greenstone belts in the world class Carajas Mineral Province, which contains major deposits of gold, copper, nickel and iron ore. These developments are currently being progressed and evaluated and measured against a number of corporate approaches which may be followed up in the coming months.

We are finalising negotiations on an earn-in and joint venture arrangement with a third party on our Cuiabá ground holding of approx. 120,000 ha. The successful completion of this will be a reward for the re-structuring efforts of the management in Brazil.

Outlook

The New Mining Plan at the Björkdal mine, which has been implemented, will see a substantial increase in the mining activity at the project, including the stripping of approximately 6 million tonnes of waste material to gain access to the new reserve areas in the Eastern Extension and the North Wall. Although this New Mining Plan is being executed over a 22 month period and will exploit some 1.75 million tonnes of ore, we are confident that once accessed, we can bring known resource ounces adjacent and below the new pit outline into the proven reserve category and expand this time horizon significantly. This extended plan is further supported by drilling that has already defined additional resources in the South Wall and Quartz Mountain areas.

The re-structuring of the cost base at the Björkdal mine, including that of crushing and mining, has yielded positive results and we will continue to optimise all cost areas.

I am excited by the prospects of the Alum Shale Formation oil shales and minerals project in Central Sweden. Given the level of interest I have received from the industry since this project was announced I am confident that Minmet is in a position to profit significantly from our involvement here.

I look forward with great interest to the results of the current drilling programmes by both North American Gold on the Barsele projects in Sweden and by GoldQuest on the gold targets in the Dominican Republic. Both these locations have the ability to produce a development project in the near future and identify a potential gold deposit in which Minmet can have a substantial involvement.

We remain committed to generating good returns for our shareholders and are very excited about the future of the Company. I would like to take this opportunity to thank our staff and shareholders for their continued support and we expect to report further progress soon.

Rolf L Nordström
Chairman

20th September 2004

Minmet plc Consolidated Profit and Loss Account For the six months ended 30 June 2004	Unaudited 6 months to 30 June 2004 US\$'000	Unaudited 6 months to 30 June 2003 US\$'000	Audited Year ended 31 December 2003 US\$'000
Turnover	5,220	-	6,813
Cost of sales	(5,684)	-	(5,482)
Gross (loss) / profit	(464)	-	1,331
Operating expenses			
Continuing operations	(2,364)	(709)	(854)
Acquisitions	-	-	(1,260)
Discontinued operations	-	-	79
	(2,364)	(709)	(2,035)
Operating (loss) / profit			
Continuing operations	(2,828)	(709)	(854)
Acquisitions	-	-	71
Discontinued operations	-	-	79
Group operating loss	(2,828)	(709)	(704)
Share of associated company (loss)/profit before tax	(6)	(134)	664
	(2,834)	(843)	(40)
Profit on disposal of assets	733	-	581
Amounts written off intangible fixed assets	-	(99)	(99)
Goodwill amortisation	-	(18)	-
(Loss) / Profit on ordinary activities before interest	(2,101)	(960)	442
Interest receivable	19	51	102
(Loss) / Profit on ordinary activities before tax	(2,082)	(909)	544
Tax on (loss) / profit on ordinary activities	366	-	(366)
Retained (loss) / profit on ordinary activities after tax	(1,716)	(909)	178
(Loss) / Profit per ordinary share (cents) - basic	(0.19) c	(0.15) c	0.03 c

Minmet plc Consolidated Balance Sheet As at 30 June 2004	Unaudited 30 June 2004 US\$'000	Unaudited 30 June 2003 US\$'000	Audited 31 December 2003 US\$'000
Fixed Assets			
Intangible assets	15,922	6,235	14,612
Tangible assets	9,186	285	7,761
Financial investments	31	-	-
Investment in associates	1,238	5,356	1,256
	<u>26,377</u>	<u>11,876</u>	<u>23,629</u>
Current Assets			
Stocks	916	153	1,140
Debtors	1,703	1,204	2,647
Cash at bank and on hand	3,018	6,582	5,731
	<u>5,637</u>	<u>7,939</u>	<u>9,518</u>
Creditors (amounts falling due within one year)	<u>(2,497)</u>	<u>(532)</u>	<u>(3,807)</u>
Net Current Assets	<u>3,140</u>	<u>7,407</u>	<u>5,711</u>
Total Assets Less Current Liabilities	29,517	19,283	29,340
Provision for Liabilities and Charges	<u>(2,649)</u>	<u>-</u>	<u>(3,134)</u>
Total Assets Less Total Liabilities	<u>26,868</u>	<u>19,283</u>	<u>26,206</u>
Capital and Reserves			
Called-up share capital	11,011	8,291	10,895
Share premium account	36,135	32,725	35,692
Capital conversion reserve fund	87	87	87
Profit and Loss account – (deficit)	<u>(22,053)</u>	<u>(21,820)</u>	<u>(20,468)</u>
Shareholders' Funds – Equity interests	25,180	19,283	26,206
Minority shareholders' equity interests	<u>1,688</u>	<u>-</u>	<u>-</u>
Total Equity	<u>26,868</u>	<u>19,283</u>	<u>26,206</u>

Minmet plc
Consolidated Statement of Total Recognised Gains and Losses
For the six months ended 30 June 2004

	Unaudited 6 months to 30 June 2004 US\$'000	Unaudited 6 months to 30 June 2003 US\$'000	Audited Year ended 31 December 2003 US\$'000
Retained (loss) / profit on ordinary activities after tax	(1,716)	(909)	178
Translation adjustments	131	140	405
Total recognised gains and losses for the year	(1,585)	(769)	583

Notes:

1. This Interim Report for the six months ended 30 June 2004 is unaudited and was approved by the directors on 17 September 2004. The financial information set out herein does not constitute statutory accounts within the meaning of section 149 of the Companies Act 1963. The information as at 31 December 2003 has been extracted without material adjustment from the statutory accounts relating to the year ended 31 December 2003, which have been filed with the Companies Registration Office.
2. No dividends were proposed or paid in the 6 months ended 30 June 2004.
3. The accounting policies remain as stated in the Annual Report for the year ended 31 December 2003.
4. Copies of this Interim Report are available to the public free of charge at 10 Fitzwilliam Square, Dublin 2, during normal office hours. A copy has been posted on MinMet's web site at www.minmet.ie.