



MINMET PLC

INTERIM REPORT
SIX MONTHS ENDED
30 JUNE 2008

INTERIM REPORT FOR SIX MONTHS ENDED 30 JUNE 2008

CHAIRMAN'S STATEMENT

John Liwosz and I were appointed to the Board of Minmet in July 2008. Our appointment followed a protracted period of unrest and dissatisfaction by a number of shareholders who were clearly unhappy with the strategy being implemented by the former Board.

Shareholders had questioned investments made by the Company in the Tucumcari Project ("Tucumcari") in New Mexico and in an oil and gas exploration project in Alaska ("Alaska"). A series of extraordinary general meetings ("EGMs") during the first half of 2008 did not resolve the problems and all the previous Directors resigned on 16 July 2008 following the appointment of John Liwosz and myself as directors of the Company. Our appointments were subsequently ratified by the members of the Company at the Annual General Meeting held in Dublin on 29 August 2008.

We are, as a Board, committed to developing Minmet and taking it forward with a sensible strategy that will accrete the most value for shareholders from what has been a complicated and difficult situation. Since taking office we have reviewed the Company's strategy, including the investments that Minmet holds, the majority of which relate to the Tucumcari Project, and to a lesser extent, to Alaska and to other assets which are in the form of tradable equities in quoted companies. However, following the well publicised dissatisfaction and issues between shareholders and the former Board of the Company, our view is that it is neither prudent nor sensible that Minmet continues to try to finance and develop these projects, given the risks to which Minmet would be exposed. In addition, the difficulties in the capital markets have seen the value of the listed tradable equities that Minmet holds decline significantly both during the interim period and over the last two to three months. Accordingly, we have concluded that the best way forward is that Minmet disengages from these investments and realises as much value as possible from them in the circumstances.

We have also held discussions with several third parties interested in making a bid for the Company and on 29 August 2008 we announced that NRG Holdings International Limited ("NRG") had made an approach to the Company regarding a possible offer at 10 pence per share for the whole of the ordinary issued share capital of the Company. The possible offer is conditional on due diligence, now in progress, being conducted on the Company to the satisfaction of NRG.

Both John Liwosz and I would be happy to support any offer of 10p a share to shareholders, which would represent a premium of 154% to the closing price on 18 August 2008, the day before the possible offer was announced by the Company. We would support such an offer on the basis that it would be a pure cash offer and we would point out that while there is significant potential value in Minmet's assets, it will take considerable time, effort and resources with associated risks to develop these. We expect to update shareholders and the market in general as we proceed, but would reconfirm our intention to deliver maximum value to all Minmet shareholders by adopting a flexible and transparent approach to all our activities.

For the half year ended 30 June 2008, we are reporting a loss after tax of US\$5.6 million (2007: profit US\$12.1 million). This incorporates a write down of available for-sale investments of US\$2.5 million (2007: nil) and of intangible assets of US\$0.5 (2007: nil). The write down in available-for-sale investments reflects the significant fall in market prices on our investment holdings. The write down on intangible assets relates to exploration assets in Brazil where we have discontinued our operations.

INTERIM REPORT FOR SIX MONTHS ENDED 30 JUNE 2008

CHAIRMAN'S STATEMENT (continued)

During the first half year 2008, the Company had no operational activity having sold the Björkdal gold mine in Sweden at the end of 2007. We have however recorded income relating to our net sales royalty interest in gold production at Björkdal of US\$97,000, during the period. Administrative expenses were US\$2,634,000 (2007: US\$1,471,000) reflecting increased costs associated with a series of EGMs convened by the Company at the request of a number of dissentient shareholders, referred to above and to increased costs associated with a much larger executive board, and also some devaluation of the US Dollar relative to Euro and Sterling. In the period to 30 June 2008 we reported interest earnings of US\$45,000 (2007: US\$209,000) and a loss on disposal of investments of US\$87,000 (2007: profit US\$13,096,000).

At 30 June 2008, intangible assets totalled US\$23.5 million, an increase of US\$2.1 million over the value at 31 December 2007. The increase in value relates to expenditure on the Tucumcari Project less the write down of the Brazilian exploration assets.

Available-for-sale investments decreased in value during the period to US\$2.2 million from US\$8.9 million. This reflects disposal of shares valued at US\$1.5million (at 31 December 2007) in Gold-Ore Resources Limited and in Horizonte Minerals plc together with the write down of the value of our remaining investment holdings to current stock market prices.

Since 30 June 2008, we have sold our remaining investment in Horizonte Minerals plc in order to generate cash to meet working capital requirements. Cash balances at 30 June 2008 stood at USD0.8 million and further sales of investments will be required to meet working capital needs. We continue to hold investments in Gold-Ore Resources Limited and in GoldQuest Mining Corp. and will consider disposing of these holdings pending receipt of suitable offers.

The directors of the Company also announce that Nabarro Wells & Co. Limited, the Company's Nominated Adviser for the purposes of the AIM Rules for Companies ("AIM Rules"), has tendered its resignation as the Company's Nominated Adviser, which will take effect from 20 October 2008.

The Directors believe that they are making good progress towards appointing a new Nomad, and will update the market and shareholders in due course

Mike Neville
Executive Chairman and CEO

26 September 2008

MINMET PLC

CONSOLIDATED INCOME STATEMENT

FOR THE HALF YEAR ENDED 30 JUNE 2008

	Unaudited half year to 30 June 2008	Unaudited half year to 30 June 2007	Audited year ended 31 December 2007
	US\$ '000	US\$ '000	US\$ '000
Continuing Operations			
Revenue	97	6	11
Cost of sales	<u>-</u>	<u>-</u>	<u>-</u>
Gross profit	97	6	11
Investment revenue	45	209	405
Impairment of exploration and evaluation assets	(504)	-	(1,428)
Impairment of available-for-sale investments	(2,500)	-	-
Other gains and losses	(87)	13,095	12,103
Administration expenses	<u>(2,634)</u>	<u>(1,471)</u>	<u>(3,534)</u>
Profit/ (Loss) before tax	(5,583)	11,839	7,557
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>
Profit/ (Loss) for the year from continuing operations	(5,583)	11,839	7,557
Discontinued operation			
(Loss)/ Profit after tax for the period from a discontinued operation	<u>-</u>	<u>308</u>	<u>(1,636)</u>
PROFIT/ (LOSS) FOR THE PERIOD	<u>(5,583)</u>	<u>12,147</u>	<u>5,921</u>
Attributable to:			
Equity holders of the parent	(5,583)	12,147	5,921
Earnings per share			
Basic, for profit/(loss) for the year attributable to ordinary equity holders of the parent (cents per share)	(6.05)	13.67	6.70
Diluted for profit/(loss) for the year attributable to ordinary equity holders of the parent (cents per share)	(5.80)	13.53	6.38
Earnings per share for continuing operations			
Basic, for profit/(loss) for the year attributable to ordinary equity holders of the parent (cents per share)	(6.05)	13.67	8.55
Diluted for profit/(loss) for the year attributable to ordinary equity holders of the parent (cents per share)	(5.80)	13.53	8.15



MINMET PLC

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2008

	Unaudited 30 June 2008	Unaudited 30 June 2007	Audited 31 December 2007
	US\$ '000	US\$ '000	US\$ '000
ASSETS			
Non-current assets			
Property, plant and equipment	5	4,800	10
Intangible assets	<u>23,469</u>	<u>12,612</u>	<u>21,305</u>
	<u>23,474</u>	<u>17,412</u>	<u>21,315</u>
Current Assets			
Available-for-sale investments	2,217	15,106	8,998
Inventories	-	1,107	-
Trade and other receivables	143	1,415	12
Cash and cash equivalents	<u>779</u>	<u>16,158</u>	<u>3,626</u>
	<u>3,139</u>	<u>33,786</u>	<u>12,636</u>
TOTAL ASSETS	<u><u>26,613</u></u>	<u><u>51,198</u></u>	<u><u>33,951</u></u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Issued capital	18,821	18,821	18,821
Share premium	43,276	43,276	43,276
Other reserves	1,848	6,444	4,622
Retained earnings	<u>(38,902)</u>	<u>(26,512)</u>	<u>(33,320)</u>
Total equity	<u>25,043</u>	<u>42,029</u>	<u>33,399</u>
Non-current liabilities			
Provisions	<u>-</u>	<u>1,927</u>	<u>-</u>
	<u>-</u>	<u>1,927</u>	<u>-</u>
Current liabilities			
Trade and other payables	<u>1,570</u>	<u>7,242</u>	<u>552</u>
	<u>1,570</u>	<u>7,242</u>	<u>552</u>
TOTAL EQUITY AND LIABILITIES	<u><u>26,613</u></u>	<u><u>51,198</u></u>	<u><u>33,951</u></u>



MINMET PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30 JUNE 2008

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 2007 – audited	18,522	37,584	8,424	-39241	25,289
Changes in equity half year ended 30 June 2007 - unaudited					
Issue of shares	299	5,692	-	-	5,991
Retained loss for the year	-	-	-	12,147	12,147
Unrealised gains on investments	-	-	-	-	-
Gain transferred to the income statement on sale of investment	-	-	(2,024)	-	(2,024)
Translation adjustment	-	-	367	-	367
Share based payments	-	-	259	-	259
Balance at 30 June 2007 – unaudited	<u>18,821</u>	<u>43,276</u>	<u>7,026</u>	<u>(27,094)</u>	<u>42,029</u>
Balance at 1 January 2008 – audited	18,821	43,276	4,622	(33,320)	33,399
Changes in equity half year ended 30 June 2008 - unaudited					
Issue of shares	-	-	-	-	-
Retained loss for the period	-	-	-	(5,583)	(5,583)
Gain transferred to the income statement on sale of investment	-	-	-	-	-
Unrealised losses on investments	-	-	(2,812)	-	(2,812)
Translation adjustment	-	-	39	-	39
Share based payments	-	-	-	-	-
Balance at 30 June 2008 – unaudited	<u>18,821</u>	<u>43,276</u>	<u>1,849</u>	<u>(38,903)</u>	<u>25,043</u>



MINMET PLC

CONSOLIDATED CASH FLOW STATEMENT

FOR THE HALF YEAR ENDED 30 JUNE 2008

	Unaudited half year to 30 June 2008	Unaudited half year to 30 June 2007	Audited year ended 31 December 2007
	US\$ '000	US\$ '000	US\$ '000
Operating activities			
Profit/ (Loss) before tax from continuing operations	(5,583)	11,839	7,557
Loss/ (Profit) before tax from discontinued operations	-	308	(1,636)
Profit/ (Loss) before tax from continuing operations	(5,583)	12,147	5,921
Adjustment to reconcile profit/ (loss) before tax to net cash flows			
Depreciation	5	389	806
Share-based payment expense	-	259	284
Loss on discontinued operations	-	-	3,009
Loss /(gain) on disposal of investments	85	(13,095)	(11,939)
Net foreign exchange gain	12	-	168
Amortisation and impairment of intangible fixed assets	504	44	1,522
Impairment of available-for-sale investments	2,500	-	-
Interest income	(45)	(209)	(405)
Interest expense	-	91	205
Working capital adjustments:			
Increase in trade and other receivables	(131)	41	(1,444)
Increase in inventories	-	(91)	(1,017)
Decrease in trade and other payables	1,018	993	5,729
Income tax paid	-	-	-
Net cash flows from operating activities	(1,635)	569	2,839
Investing activities			
Purchase of property, plant and equipment	-	(2,117)	(1,339)
Purchase of available-for-sale investments	-	(3,392)	(4,931)
Proceeds from available-for-sale investments	1,155	20,043	20,773
Purchase of intangibles assets	(2,400)	(2,727)	(17,522)
Proceeds from disposal of business	-	-	(265)
Interest paid	-	(91)	(205)
Interest received	45	209	405
Net cash flows used in investing activities	(1,200)	11,925	(3,084)
Net increase	(2,835)	12,494	(245)
Effect of exchange rate changes on cash held in foreign currencies	(12)	596	803
Cash and cash equivalents at beginning of period	3,626	3,068	3,068
Cash and cash equivalents at end of period	779	16,158	3,626



MINMET PLC

NOTES TO INTERIM REPORT

1. Note of preparation

The interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting and the accounting policies and methods of computation used in the interim financial statements are consistent with those used in the Group 2007 Annual Report, which is available on the Minmet plc website at www.minmet.ie

The interim financial statements have not been audited or reviewed by the auditors of the Group pursuant to Auditing Practices board guidance on Review of Interim Financial Information.

The Interim Report for the six months ended 30 June 2008 is unaudited and was approved by the directors on 26 September 2008. The financial information set out herein does not constitute statutory accounts within the meaning of section 149 of the Companies Act 1963.

Copies of this Interim Report are available to the public free of charge at 18 Fitzwilliam Place, Dublin 2, during normal office hours. A copy has also been posted on the Company's web site at www.minmet.ie

2. Intangible assets

	Brazil US\$'000	USA US\$'000	Total US\$'000
Exploration and evaluation assets			
At 1 January 2007	1,660	-	1,660
Exchange movements	(43)	-	(43)
Transfers in	-	3,350	3,350
Additions	55	17,467	17,522
Impairment	(1,184)	-	(1,184)
At 1 January 2008 2007	488	20,817	21,305
Additions	16	2,653	2,669
Impairment	(504)	-	-
At 30 June 2008	-	23,469	23,469

3. Available-for-sale investments

	US\$'000
Quoted investments	
At 1 January 2007	11,067
Revaluation	1,834
Additions	4,931
Disposals	(8,834)
At 1 January 2008	8,998
Revaluation	(2,775)
Additions	-
Disposals	(1,506)
Impairment	(2,500)
At 30 June 2008	2,217

The fair value of the quoted investments is determined by reference to the 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. Disposals during the period comprise sale of 1,575,000 shares in Gold-Ore Resources Limited and 1,000,000 shares in Horizonte Minerals Limited.



4. Earnings per share and dividends

Basic earnings per ordinary share is calculated by dividing the Profit / (loss) on ordinary activities after tax by the weighted average number of shares in issue during the period. The dilution effect of outstanding share options is taken into account in calculating the diluted earnings per ordinary share.

No dividends were proposed or paid in the 6 months ended 30 June 2008.

MINMET PLC

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