



MINMET PLC

**ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

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CHAIRMAN'S STATEMENT

In reporting to shareholders this year I am mindful of the fact that, after a number of years in which we have encountered difficulties, Minmet is now presented in a financially strong position. This strong financial position, as a foundation, gives the Company the ability to move forward carefully and methodically in managing our core portfolio of projects and investments and also to pursue a number of new resource opportunities that the Board and management team are developing. Acquiring and developing these new opportunities into projects of merit will rely heavily on the negotiation skills of Minmet's representatives and the careful application of Minmet's now considerable cash resources.

The last few years has been punctuated by some well documented disappointments at the Björkdal mine in Northern Sweden. However, on the positive side, the structuring and sale of a large proportion of the Minmet exploration portfolio, which have been reinvested into listed and tradable equity investments ("Listed Equity Portfolio") has enabled value to be extracted from some long terms projects.

Operational & Financial Highlights

- Finalisation of 2 year sale option on Björkdal mine with Gold-Ore Resources Ltd in January 2006.
- Finalisation of the sale of Barsele Gold project joint venture interest to Northland Resources Inc. for equity in May 2006
- Sale of certain Brazil and Peru assets to Horizonte Minerals plc for equity, also in May 2006
- Joint venture of Cuiaba project in Brazil with Ashburton Minerals Ltd.
- Rationalisation of share capital arising from share consolidation in December 2006
- Strategic partnership on oil and gas projects agreed with Gold Oil plc in February 2007
- Active negotiations on oil and gas projects in Latin America
- Current cash balances in Group exceed US\$14.1M
- The current value of our Listed Equity Portfolio is now in excess of US\$10.6M

Strategy and Investment and Operational Review

In February 2007 we 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.

The strategic purpose of this transaction was to use the perceived political advantage of Minmet's Irish status as an investment focus aimed at oil and gas projects in a number of countries, principally in Central and South America. In addition, through this arrangement, Minmet acquired the oil and gas expertise of GOLD OIL directors, Gary Moore and Mike Burchell.

Since concluding the arrangements with GOLD OIL we have been diligently pursuing a specific opportunity in Cuba, and we have conducted a visit to and opened negotiations on projects in Venezuela. We have also researched and opened discussions in other Latin American countries.

We have evaluated that production sharing agreement terms and exploration costs in these targeted countries are attractive and in addition, through the skill base in the Minmet Board and working with our consultants and partners, it is our aim to negotiate, structure and deliver innovative opportunities in these markets through our awareness of market needs and our ability to bring diverse parties together. It is the Board's view that this strategy will allow us to take significant stakes in the identified opportunities and to use our financial resources carefully to retain these significant stakes through the exploration phase. Our ability to negotiate attractive deals is strengthened as a result of our financial strength and in due course farm-out deals and joint ventures will also be considered.

Work towards monetising the longer standing projects in the Minmet portfolio continued during the year and we have concluded arrangements on the Björkdal Gold Mine and the Barsele Gold Project in Northern Sweden with Gold-Ore Resources Ltd ("GOLD-ORE") and Northland Resources Ltd ("NORTHLAND") respectively, the Cuiaba Project in Brazil with Ashburton Minerals Ltd and the El Aguila Project in Peru and other Brazil projects through a sale to Horizonte Minerals plc ("HORIZONTE").

GoldQuest Mining Corp ("GOLDQUEST"), a business we floated out from Minmet in 2004 announced a positive drilling success on 6 June 2007 which caused a significant upward movement in its share price and we continue to hold a near 10% interest in that business.

MINMET PLC

CHAIRMAN'S STATEMENT (Continued)

The following paragraphs give more specific detail on the principal investments and projects in the Company:

GOLD-ORE (TSX: GOZ) and Björkdal Option

A decision from our partners GOLD-ORE is expected after October 2007 as to whether they will exercise the option to acquire the Björkdal mine (the "Björkdal Option"). GOLD-ORE has provided encouraging reports to its shareholders over the past 12 months concerning their exploration and development work in the mine. Under the terms of the Björkdal Option, GOLD-ORE has until 31 December 2007 to exercise the Björkdal Option. Assuming the Björkdal Option is exercised, Minmet stands to receive additional shares and cash, with an approximate value of US\$ 6.5M, from this transaction.

The vast majority of GOLD-ORE shares acquired as part of the Björkdal Option consideration have been sold at this stage. Minmet has realised CAN\$ 4.4M to date from the sale of this investment.

NORTHLAND (TSX: NAU)

We have now disposed of all the NORTHLAND shares acquired in the sale of the Barsele Gold Project in May 2006. We have realised a total of CAN\$ 11.6M and NORK 6.0M from the sale of this investment.

GOLDQUEST (TSX: GOC)

On 6 June 2007, GOLDQUEST announced a significant mineral discovery at the Las Animas project in the Dominican Republic ("DR"). GOLDQUEST revealed results from drill holes LA-07, LA-08, LA-09 and LA-10, all holes showed anomalous mineral grades, however a highly significant intersection was reported in hole LA-10 which encountered a 142M intersection returning 2.59% Copper, 2.5 g/t Gold, 36.58 g/t Silver and 1.91% Zinc. Minmet currently holds 5.56M shares in GOLDQUEST and given the prospectivity of Las Animas together with their strategic relationship in the DR with Goldfields Limited, Minmet has resolved to be a long term holder in GOLDQUEST, as that company's share price may continue to increase as a result of further positive drilling from the Las Animas project.

HORIZONTE (AIM: HML)

Minmet received 5M HORIZONTE shares following the sale of certain Latin American assets. HORIZONTE was admitted to trading on AIM on May 2006. It has gold and base metal interests in Brazil and a silver, lead and zinc project in Peru.

GOLD OIL (AIM: GOO)

Further to the signing of the strategic investment agreement with GOLD OIL in February 2007, Minmet holds 22.95M GOLD OIL shares representing an interest of just under 5%. GOLD OIL is a UK oil and gas exploration company. The company has oil production in Spain and Colombia and significant exploration acreage and licence applications, onshore and offshore, in both Colombia and Peru.

Tucumcari Investments LLC

During 2006, Minmet participated in a consortium which gained control of an oil and gas opportunity near Tucumcari, New Mexico, USA. The consortium proposed a Plan of Reorganisation for the project which was approved on 21 August 2006. After much negotiation, it has been agreed with the other consortium members that Minmet will recover its loans to this project and also allow the balance of the funds advanced to be allocated as equity in a proposed IPO of the Tucumcari project in either the USA or on AIM later in 2007.

Impairment of Intangible Assets

During 2006 the Board has reduced the carrying value of a number of projects. Investments in the Barnett Shale were written off as the Board resolved that ongoing participation was not in the best interests of the Company. The investment in Romania in the gold leaching process was written off due to the failure of Transgold SA, our joint venture partner. This company lost the support of its main shareholder, Eurogold Limited, and went into bankruptcy. Due to disposal realisations on the sale of certain Brazilian assets we decided to reduce the value of these holdings as we failed to achieve the full carrying value of these assets in the sales' process. The total cost to Minmet of the impairment charge in respect of these various assets amounted to US \$5.6M.

MINMET PLC

CHAIRMAN'S STATEMENT (Continued)

An up to date statement of the Listed Equity Portfolio, as of 15 June 2007 is provided below:

	Market	% Holding	Shares	Share Price	Fx rate US\$	Value in US\$
Shareholdings						
Gold-Ore Resources Ltd	TSX	n/a	150,300	CAD 0.78	0.937	109,848
Gold Oil plc	AIM	4.67%	22,950,000	GBP 0.065	1.972	2,941,731
GoldQuest Mining Corp	TSX	10.6%	5,594,857	CAD 1.05	0.937	5,507,452
Horizonte Minerals plc	AIM	16.9%	5,000,000	GBP 0.21	1.972	2,070,600
Ashburton Minerals Ltd (Options @ AU\$0.15)	ASX	1.15%	1,609,332	AUD 0.044	0.842 0.842	59,596 <hr/> -
						<hr/> 10,689,227 <hr/>

2006 Financial Review and Results

Total recognised gains for 2006 amount to US\$ 2.3M (2005: loss US\$ 2.8M). This performance reflects strong investments gains made in our Listed Equity Portfolio, offset against a significant write down of the value of our intangible assets.

During the year we have concluded a number of corporate transactions which have sold projects and assets in exchange for shareholdings in mainly AIM or TSX listed vehicles. In finalising these financial arrangements we have incurred a substantial restructuring of our balance sheet and as discussed above we have, where needed, provided an impairment charge against the value of those assets where activities have been sold or discontinued.

Therefore as a result of the impairment charges we report a realised loss of US\$ 7.3M (2005: loss US\$ 2.4M as restated) for the year through the profit and loss account. Unrealised gains during 2006, principally in our Listed Equity Portfolio amounted to US\$ 7.5M (2005: US\$ Nil).

This overall performance, combined with other factors, enabled our net asset value to increase to US\$ 25.289M (2005: US\$ 22.195M).

Cash at bank as of 15 June 2007 amounts to, in excess of, US\$ 14.1million.

Although our principal subsidiary Björkdalsgruvan AB is under a sale option to GOLD-ORE, we continue to fully consolidate its results and its balance sheet in the Group accounts. Should the Björkdal Option be exercised by GOLD-ORE prior to 31 December 2007, Björkdalsgruvan AB will cease to be a subsidiary of the Company.

Corporate Developments

The share capital consolidation that was effected on 28 December 2006 was an effort to simplify the share register and to correct the large number of shareholders who held uneconomic holdings of the Company's shares. As a result we consolidated 20 old shares for 1 new share and also reduced the share register from 26,000 to less than 6,500 shareholders.

CHAIRMAN'S STATEMENT (Continued)

In addition, permission was obtained to apply to the High Court of Ireland to set off the deficit on the Company's profit and loss account against the credit standing to the share premium account. The Company is seeking to get this application heard before the High Court before the end of 2007.

As we change the direction of the Company to include a focussed oil and gas strategy and management competence to the Group along with our historic core mineral activities, the Board has decided to ask shareholders to consider that the name of the Company be changed to Achill Resources plc, a name that reflects our continued Irish registration.

Outlook

I have proposed to the Board that with the finalisation of a restructuring of the Group (which I commenced in June 2005) significantly completed, I would like to take steps to hand over the Chairmanship to a successor. Discussions are taking place and I am hopeful that my successor may be in place by the time of the Annual General Meeting in August.

I am personally pleased that the Company is now well financed and has a business plan in place that has identified and is focused on high value enhancing opportunities, which now require advancement and completion.

I would like to thank my colleagues on the Board of Minmet and the management team for their support and diligence over the past two years and I wish them and my successor, when appointed, all my best wishes for the future.

Michael P Neville
Chairman

15 June 2007

DIRECTORS' REPORT

GROUP ACTIVITIES

The directors of Minmet plc present their annual report, together with the audited financial statements, for the year ended 31 December 2006. Minmet plc ("Minmet" or the "Company") and its subsidiary undertakings (the "Group") are involved as an incubator of mining and mineral and oil & gas exploration and development projects. A review of the development of the business, of recent events and likely future developments is contained in the Chairman's Statement. Details of the Company's principal subsidiary undertakings can be found in Note 13 to the financial statements.

GROUP RESULTS AND DIVIDENDS

Results for the year attributable to the shareholders of Minmet plc are as follows:

	2006	2005 (As restated)
	<i>US\$ '000</i>	<i>US\$ '000</i>
Retained loss on ordinary activities	(7,282)	(2,369)
Translation adjustment	2,427	(432)
Unrealised gain on investments	<u>7,537</u>	<u>-</u>
Total recognized gains and (losses) for the year	2,682	(2,801)
Prior year adjustment – Adoption of FRS 20 Share-based payments	<u>(373)</u>	<u>-</u>
Total recognized gains and (losses) since last Annual Report	<u><u>2,309</u></u>	<u><u>(2,801)</u></u>

Björkdalsgruvan AB ("Björkdal"), the Group's fully owned subsidiary that owns and operates the Björkdal Gold mine in Northern Sweden, has been consolidated in the Group Accounts for the year. As highlighted in the Chairman's statement, the Company has completed the sale of an exclusive option over Björkdal that is exercisable up to 31 December 2007. The exclusive option may lead to the sale of Björkdal by the Company.

The directors do not propose payment of a dividend (2005: US\$ Nil).

FUTURE DEVELOPMENTS

The Group intends to continue to explore and mine for commercial deposits of precious and base metals, diamonds, oil and gas and other minerals. The Group will pursue corporate actions to achieve growth and scale and to adopt a number of project investment strategies. These will involve investing in projects by:

- 1) Working with Joint Venture ("JV") partners;
- 2) Strategic investments in publicly quoted exploration companies; and
- 3) Direct investment in exploration and mining, oil and gas and resource exploitation projects.

RISKS AND UNCERTAINTIES

The realisation of expenditure incurred on mineral 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 minerals, foreign exchange risks, and political and legal risks.

DIRECTORS' REPORT (Continued)

DIRECTORS AND SECRETARY

The present directors and secretary are as set out below:

M P Neville (U.K.), Non-executive Chairman
M H Nolan, Chief Executive Officer
D J Hall (U.K.), Non-executive Director
M N Burchell (U.K.), Non-executive Director
J G Moore (U.K.), Non-executive Director

A D Mooney, Company Secretary

On 9 February 2007, M N Burchell and J.G. Moore were appointed as non-executive directors of the Company and are offering themselves for re-election at the 2007 Annual General Meeting. On 9 February 2007, M P 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 F Liwosz and M S Johnson resigned as directors of the Company.

BOARD OF DIRECTORS - EXECUTIVE DIRECTORS

Michael Neville - Non-executive Chairman

Mr. Neville has and continues to hold directorships on several boards, where he advises on corporate finance, mergers and acquisitions and corporate strategy. He is currently Non-executive Chairman of Felix Group plc and of World Television Group plc, both of which are AIM listed companies.

Michael H Nolan - Chief Executive Officer

Aged 45, Mr. Nolan has been a Director of the Company since 1994. He is a Fellow of the Institute of Chartered Accountants in Ireland, having qualified as a chartered accountant in 1985. He was appointed Chief Executive Officer in November 1999, having held the position of finance director since 1994. Previously he worked with Deloitte & Touche Chartered Accountants in Dublin and was an executive director of Equity and Corporate Finance plc the London based corporate finance and investment house.

David J Hall - Non-executive Director

Aged 48, Mr. Hall was appointed Director of the Company in 2001. Prior to forming Exploration and Discovery Latin America (Panama) Limited, he was Regional Exploration Manager and Divisional Director for AngloGold, the world's largest gold mining company, and was based in Sao Paulo, Brazil. Mr. Hall is a graduate in Geology of Trinity College Dublin and holds a Masters Degree in Mineral Exploration from Queens University, Kingston, Ontario. He is currently CEO of the TSX.V listed GoldQuest Mining Corp and Chairman of Stratex International plc and Horizonte Minerals plc both traded on AIM. He is a Fellow of the Society of Economic Geologists.

Michael N Burchell - Non-executive Director

Mr. Burchell (aged 66) has worked in the oil and gas industry for over 44 years. He has had extensive international experience at PLC main Board level of oil and gas development, oil and gas sales, production sharing agreements and transportation and acquisitions and finance. He is Chairman of Gold Oil plc and is a director of CBM Oil plc and is the Consultant Adviser to the Ministry of Oil in Bahrain and Bapco, Bahrain's state oil company.

John G Moore - Non-executive Director

John Gary Moore (aged 56) has worked in the oil and gas industry for 34 years. In 1985 he joined Texaco as a negotiator and then Commercial Manager before establishing his own consulting business in 1990. He founded Sunningdale Oils (Ireland) Limited which has gas production in Ireland. He spends a significant amount of his working life in Peru as Managing Director of Gold Oil plc since he first went there, with Shell as a consultant, in 1996.

DIRECTORS' REPORT (Continued)**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:

	-----Options-----				Exercise Price
	Ord. shares of €0.01 each 31 Dec 2006	Ord. shares of €0.0125 each 31 Dec 2005*	Ord. shares of €0.01 each 31 Dec 2006	Ord. shares of €0.0125 each 31 Dec 2005*	
M P Neville	Nil	Nil	1,500,000	25,000,000	2006: €0.10 2005*: €0.0145 and €0.019
M H Nolan	194,500	1,308,333	2,000,000	22,166,667	2006: €0.10 2005*: €0.0145 - €0.0413 and Stg 1.6p – Stg 4.8p
D J Hall	25,000	500,000	250,000	10,500,000	2006: €0.10 2005*: €0.0145, €0.019, Stg 1.75p and Stg 4.8p
M N Burchell **	-	-	-	-	
J G Moore **	-	-	-	-	
A D Mooney	25,000	500,000	500,000	4,050,000	2006: €0.10 2005*: €0.0145, €0.019, Stg 1.6p and Stg 4.85p

*Prior to share consolidation approved by shareholders on 28 December 2006.

** M.N. Burchell and J.G. Moore are directors of Gold Oil plc which had an interest in 22,750,000 on 16 June 2007.

Directors' and Secretary's Ordinary shareholdings at 15 June 2007 were the same as at 31 December 2006. None of the directors or secretary exercised any share options during the year and their share options held at 31 December 2005 were replaced upon the issue of share options in the new ordinary shares of €0.01 each as detailed above.

The total number of options exercisable at 31 December 2006 was 3,308,011 (2005: 2,424,927 restated for options on new ordinary shares of €0.01 each). These options expire on 22 May 2013. A further 2,164,823 (2005: 1,680,000 restated) options are in issue of which 1,502,323 become exercisable in 2007 and 662,500 in 2008 (2005: 840,000 restated exercisable in 2006 and 840,000 in 2007). The expiry date of the options is 30 March 2008.

The market price of the Company's shares at 31 December 2006 was €0.12 per share. and ranged from a low of €0.10 to a high of €0.28 (prices restated to reflect the share capital reorganisation of 1 for 20 completed on 28 December 2006 – see Note 19 to the financial statements).

CORPORATE GOVERNANCE**The Combined Code**

This report has been prepared by reference to The Combined Code on Corporate Governance 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.

DIRECTORS' REPORT (Continued)

Remuneration Committee

In determining the remuneration of the executive directors, the Board considers Section B of the Best Practice Provisions annexed to the Listing Rules of the Irish Stock Exchange. During 2006 the Remuneration Committee comprised M S Johnson, and J P Liwosz, whom upon their retirement from the Board in February 2007, were replaced by M N Burchell and J G Moore. All members of the Remuneration Committee are non-executive directors. 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.

Performance review and key performance indicators

The performance review of the Group's various activities and projects is dealt with Chairman's Statement.

At year end the Group had net Current Assets of US\$13,953,000 (2005 US\$ 5,921,000), which includes cash balances of US\$3,068,000 (2005 US\$5,154,000). Administrative expenses for the year were US\$4,729,000 (2005 US\$ 4,395,000 as restated to reflect implementation of FRS 20 – Share-based payments). The Group held quoted investments of US\$11,067,000 (2005 US\$1,350,000). Substantial sales of investment holdings have been made subsequent to the year end, as discussed in the Chairman's Statement and in Note 29 to the financial statements – subsequent events.

The Board reviews a large number of projects and potential 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.

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

Risk Management

The Board of Minmet plc reviews the effectiveness of the system of internal control incorporating financial, operational, compliance and risk management, at least annually.

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.

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.

SUBSTANTIAL SHAREHOLDERS

The directors have been notified that the following shareholders hold 3% or more of the issued share capital of the Company:

	15 June 2007	31 Dec 2006
Gold Oil plc Group	24.7%	-
The Bank of New York (Nominees) Limited	-	13.7%
HSBC Global Custody Nominee (UK) Limited <813259>	4.5%	7.8%
International Gold Exploration IGE AB	5.0%	7.3%

POLITICAL CONTRIBUTIONS

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

DIRECTORS' REPORT (Continued)

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 29 to the financial statements - subsequent events.

Minmet's strategy is to focus the Group as an incubator for resource based projects, including oil & gas, gold and other minerals.

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

Certain listed companies including companies on AIM will adopt International Financial Reporting Standards (IFRS), formerly known as International Accounting Standards, from January 2007. The Group is preparing for the conversion and will report its financial statements for the year ended 31 December 2007 under IFRS.

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:

Michael P Neville
Chairman

Michael H Nolan
Chief Executive Officer

Date: 15 June 2007

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 or loss of the Group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies 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 accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts, 1963 to 2006 and the European Communities (Companies: Group Accounts) Regulations, 1992. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MINMET PLC

We have audited the financial statements of Minmet Plc for the year ended 31 December 2006 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement, the Statement of Accounting Policies and the related notes 1 to 32. These financial statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

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 financial statements, as set out in the Statement of Directors' Responsibilities, 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 financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2006, and the European Communities (Companies: Group Accounts) Regulations, 1992. 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 Directors' Report. Our responsibilities do not extend to other information.

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*Member of
Deloitte Touche Tohmatsu*

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 the 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.

Fundamental uncertainty

In forming our opinion we have considered the adequacy of the disclosures made in Notes 1,10, 11, 12, 13, and 15 to the financial statements concerning the valuation of; intangible assets, tangible assets investments, investment in subsidiaries and amounts owed by group undertakings. The realisation of the intangible assets of US\$3,506,000 (2005: US\$11,095,000), tangible assets of US\$7,214,000 (2005:US\$2,945,000) and non-quoted investments of US\$3,626,000 (2005: US\$Nil) included in the consolidated balance sheet and of, investment in subsidiaries of US\$15,692,000 (2005: US\$14,152,000) and amounts owed by group undertakings of US\$9,319,000 (2005: US\$9,420,000) included in the company balance sheet is dependent on the successful development of economic reserves including the ability of the group to raise sufficient finance to develop the projects.

In view of the significance of these uncertainties we consider that they should be drawn to your attention. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the affairs of the company and the group as at 31 December 2006 and of the loss of the group for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2006 and the European Communities (Companies: Group Accounts) Regulations, 1992.

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 2006 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

15 June 2007

STATEMENT OF ACCOUNTING POLICIES

The significant accounting policies adopted by the Group are as follows:

BASIS OF PREPARATION

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2006 and the European Communities (Companies: Group Accounts) Regulations, 1992.

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention modified by the inclusion of quoted investments at valuation.

BASIS OF CONSOLIDATION

The Group's financial statements include the results of the Company, all of its operating subsidiaries, and associate companies from the date of acquisition or up to the date of disposal. The financial statements incorporate the results of Björkdalsgruvan AB which is subject to sale under an exclusive option agreement with Gold-Ore Resources Ltd (see Note 13 to the financial statements).

Investments that are held exclusively for resale are excluded from consolidation and are carried as current asset investments. Associate companies are consolidated according to the equity method as defined in FRS 9 "Associates and Joint Ventures".

TURNOVER

Turnover comprises the invoiced value of goods supplied and services rendered to external customers, and excludes intercompany sales and value added tax.

FIXED ASSETS

Deferred development expenditure

Development costs are capitalised until the results of the development is known. Related overheads such as general and administrative expenses are also capitalised to the extent it is considered that they can be recovered against future revenue. Amortisation will be provided over a period from commencement of commercial revenue generation. If a project is judged to be unsuccessful, the costs associated with the project are written off immediately.

Costs incurred in connection with potential projects, including management costs and professional fees, are treated as intangible fixed assets and are amortised in line with other exploration costs. In the case where a project is abandoned, the costs are written off to the profit and loss account.

Tangible fixes assets

Tangible fixed assets comprise mainly mining assets including mineral properties and rights, mine development expenditure, land, buildings, plant, equipment and vehicles. Tangible fixed assets are shown at cost less accumulated depreciation.

Land and buildings, machinery and equipment

Depreciation is provided on the cost of assets in equal annual instalments over their estimated useful lives at the following annual rates:

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

STATEMENT OF ACCOUNTING POLICIES (Continued)

Mineral properties and mine development expenditure

Once a mining project has been established as commercially viable, development expenditure is capitalised under mineral properties and mine development expenditures.

Mineral properties and mine development expenditures are, upon commencement of production, amortised using the unit of production basis over the life of the mine. Where a mine project is terminated or impairment in value has occurred, related costs are written off immediately.

STOCKS

Stocks 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.

INVESTMENTS

Quoted investments are carried at market value. For available-for-sale investments, gains and losses arising from changes in fair value are recognised through the statement of total recognised gains and losses until disposed of, at which time the cumulative gain or loss previously recognised through the statement of total recognised gains and losses shall be recognised in the profit and loss account. Other investments are carried at cost less provision for impairment.

FOREIGN CURRENCY

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 PAYMENTS

The Group has applied the requirements of FRS 20 "Share-Based Payment". In accordance with the transitional provisions, FRS 20 has been applied to all equity instruments granted after 7 November 2002.

The Group issues equity-settled share based payments to certain employees and directors. 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 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.

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

TAXATION

Current tax represents the amount of tax that is expected to be paid or recovered in respect of taxable profit for the year.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when the timing differences reverse. Tax rates used to calculate deferred tax are based on tax rates and law enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised to the extent it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

MINMET PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

		2006	2005
	<i>Notes</i>	<i>US\$'000</i>	<i>(as restated) US\$'000</i>
Turnover - continuing operations	2	11,776	10,216
Cost of sales		<u>(9,656)</u>	<u>(9,004)</u>
Gross Profit		<u>2,120</u>	<u>1,212</u>
Administrative expenses			
- continuing operations		(4,729)	(4,054)
- discontinued operations		<u>-</u>	<u>(341)</u>
		(4,729)	(4,395)
Impairment of deferred development expenditure	10	<u>(5,575)</u>	<u>-</u>
Operating Loss			
Continuing operations		(8,184)	(2,842)
Discontinued operations		<u>-</u>	<u>(341)</u>
		(8,184)	(3,183)
Other operating income - continuing operations		<u>-</u>	<u>50</u>
		(8,184)	(3,133)
Profit on disposal of assets	4	795	343
Share of associate company profit before tax		<u>-</u>	<u>173</u>
Loss on Ordinary Activities Before Interest		(7,389)	(2,617)
Interest receivable		<u>107</u>	<u>101</u>
Loss on Ordinary Activities Before Tax	5	(7,282)	(2,516)
Tax on ordinary activities	6	-	-
Minority interest in operating loss		<u>-</u>	<u>147</u>
Retained Loss on Ordinary Activities After Tax and Minority Interest		<u>(7,282)</u>	<u>(2,369)</u>
Loss per ordinary share (cents) – basic	8	(10.49) <i>c</i>	(0.21) <i>c</i>
Diluted loss per share (cents)	8	(10.49) <i>c</i>	(0.20) <i>c</i>

The financial statements were approved by the Board of Directors on 15 June 2007 and signed on its behalf by:

Michael P Neville
Chairman

Michael H Nolan
Chief Executive Officer

MINMET PLC

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
	<i>US\$'000</i>	<i>(as restated)</i>
<i>Notes</i>	<i>US\$'000</i>	<i>US\$'000</i>
Retained loss on ordinary activities after tax	(7,282)	(2,369)
Translation adjustment	2,427	(432)
Unrealised gain on investments	<u>7,537</u>	<u>-</u>
Total recognised gains and (losses) for the year	2,682	(2,801)
Prior year adjustment	9 <u>(373)</u>	<u>-</u>
Total recognised gains and losses since last annual report and financial statements	<u><u>2,309</u></u>	<u><u>(2,801)</u></u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
	<i>US\$'000</i>	<i>(as restated)</i>
	<i>US\$'000</i>	<i>US\$'000</i>
Reported profit / (loss on ordinary activities before taxation)	<u>(7,282)</u>	<u>(2,369)</u>
Historical value of (loss) on ordinary activities before taxation	(7,282)	(2,369)
Taxation	<u>-</u>	<u>-</u>
Historical value of (loss) after taxation retained for the year	<u><u>(7,282)</u></u>	<u><u>(2,369)</u></u>

MINMET PLC

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2006

		2006	2005
	<i>Notes</i>	<i>US\$'000</i>	<i>(as restated)</i> <i>US\$'000</i>
Fixed Assets			
Intangible assets	10	3,506	11,095
Tangible assets	11	9,725	5,469
Long-term investments	12	-	1,350
		<u>13,231</u>	<u>17,914</u>
Current Assets			
Stocks	14	1,017	844
Investments	12	14,693	-
Debtors - due within one year	15	1,456	1,841
Cash at bank and on hand	16	3,068	5,154
		20,234	7,839
Creditors: (Amounts falling due within one year)	17	<u>(6,281)</u>	<u>(1,918)</u>
Net Current Assets		<u>13,953</u>	<u>5,921</u>
Total Assets Less Current Liabilities		27,184	23,835
Provision for Liabilities and Charges	18	<u>(1,895)</u>	<u>(1,640)</u>
Net Assets		<u>25,289</u>	<u>22,195</u>
Capital and Reserves			
Called-up share capital	19	18,522	18,369
Share premium account	20	37,584	37,537
Capital conversion reserve fund	20	87	87
Profit and loss account - (deficit)	20	(39,026)	(34,171)
Investment Revaluation Reserve	20	7,537	-
Share-based payment reserve	20	585	373
Shareholders' Funds - Equity Interests	21	<u>25,289</u>	<u>22,195</u>

The financial statements were approved by the Board of Directors on 15 June 2007 and signed on its behalf by:

Michael P Neville
Chairman

Michael H Nolan
Chief Executive Officer

MINMET PLC

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2006

		2006	2005
	<i>Notes</i>	<i>US\$'000</i>	<i>(as restated)</i> <i>US\$'000</i>
Fixed Assets			
Intangible assets	10	-	38
Tangible assets	11	8	10
Investment in subsidiaries	13	<u>15,692</u>	<u>14,152</u>
		<u>15,700</u>	<u>14,200</u>
Current Assets			
Debtors – due within one year	15	9,402	9,510
Cash at bank and on hand	16	<u>132</u>	<u>283</u>
		9,534	9,793
Creditors: (Amounts falling due within one year)	17	<u>(451)</u>	<u>(1,833)</u>
Net Current Assets		<u>9,083</u>	<u>7,960</u>
Net Assets		<u>24,783</u>	<u>22,160</u>
Capital and Reserves			
Called-up share capital	19	18,522	18,369
Share premium account	20	37,584	37,537
Capital conversion reserve fund	20	87	87
Profit and loss account - (deficit)		(39,532)	(34,206)
Investment Revaluation Reserve	20	7,537	-
Share based payments reserve	20	<u>585</u>	<u>373</u>
Shareholders' Funds - Equity Interests		<u>24,783</u>	<u>22,160</u>

The financial statements were approved by the Board of Directors on 15 June 2007 and signed on its behalf by:

Michael P Neville
Chairman

Michael H Nolan
Chief Executive Officer

MINMET PLC

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

		2006	2005
	<i>Notes</i>	<i>US\$'000</i>	<i>(as restated)</i> <i>US\$'000</i>
Net operating cash inflow / (outflow)	23	6,717	(2,961)
Return on Investments and Servicing of Finance			
Interest received and similar income		<u>107</u>	<u>101</u>
		107	101
Taxation paid		<u>-</u>	<u>-</u>
Capital Expenditure and Financial Investment			
Payments to develop intangible fixed assets		(246)	(407)
Payments to acquire tangible fixed assets		(4,412)	(134)
Payments to acquire Investments		(5,480)	-
Proceeds from sale of investments		<u>1,228</u>	<u>1,600</u>
		<u>(8,910)</u>	<u>1,059</u>
Net Cash Outflow Before Financing		(2,086)	(1,801)
Financing			
Issue of ordinary share capital		-	5,701
Expenses paid in connection with share issues		<u>-</u>	<u>(345)</u>
		<u>-</u>	<u>5,356</u>
Change in cash	24	<u>(2,086)</u>	<u>3,555</u>

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Group is involved in gold mining and refining of mined ore and in a range of development stage projects. Further details on the development stage projects are set out in Note 10. In respect of these projects the directors are confident that the values ascribed to them in these financial statements are reasonable and that additional working capital required by the Group will be available through a combination of cash resources, sale of projects, new equity from joint ventures and management fees from the projects. The Group's interests in these projects are included in the consolidated balance sheet under intangible assets. The Company's interests in the above projects are included in the balance sheet of the Company under investments in subsidiaries and amounts receivable from Group undertakings.

In addition the Group holds several investments in publicly traded exploration and mining companies as detailed in Notes 12 and 29.

The financial statements incorporate the results and assets of Björkdalsgruvan AB, which is subject to sale under an exclusive option agreement signed by the Company (see Note 13).

The financial statements do not include any adjustments to reduce the value of assets to their recoverable amounts and to provide for future liabilities that may arise should the above projects prove to be unsuccessful.

2. SEGMENTAL ANALYSIS

	2006 Turnover (third parties) <i>US\$'000</i>	2006 Loss Before Interest (as restated) <i>US\$'000</i>	2005 Turnover (third parties) <i>US\$'000</i>	2005 Loss before interest (as restated) <i>US\$'000</i>
By geographical market				
Europe	11,776	(1,949)	10,216	(1,992)
Rest of the world	-	(5,440)	-	(478)
Total	<u>11,776</u>	<u>(7,389)</u>	<u>10,216</u>	<u>(2,470)</u>
By activity				
Mining and exploration	11,776	(6,648)	10,216	(2,439)
Biotechnology gold leaching process	-	(624)	-	(31)
	<u>11,776</u>	<u>(7,389)</u>	<u>10,216</u>	<u>(2,470)</u>

Turnover in 2006 relates to Swedish operations that are subject to an exclusive option agreement explained in Note 13.

	2006 Net assets <i>US\$'000</i>	2005 Net Assets <i>US\$'000</i>
By geographical market		
Europe	15,726	16,704
Rest of the world	9,563	5,491
	<u>25,289</u>	<u>22,195</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SEGMENTAL ANALYSIS (Continued)

	2006	2005
	Net	Net
	Assets	assets
	US\$'000	US\$'000
By activity		
Mining and exploration	25,057	20,116
Oil & gas exploration	-	1,895
Biotechnology gold leaching process	<u>232</u>	<u>184</u>
	<u>25,289</u>	<u>22,195</u>

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.

Analysis by Group activities falls into two segments, the exploration and mining segment, which is engaged in mineral exploration and in the mining and production of gold, and the marketing and development of biotechnology gold and precious metals leaching process, which is available for licensing to customers on a commercial basis.

3. EMPLOYEES

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

	2006	2005
Management	3	7
Field and administration	<u>41</u>	<u>50</u>
	<u>44</u>	<u>57</u>

The aggregate payroll costs of these persons were as follows:

	US\$'000	US\$'000
Wages and salaries	1,999	2,974
Social welfare costs	<u>714</u>	<u>683</u>
	<u>2,713</u>	<u>3,657</u>

Of the above payroll costs US\$ Nil (2005 US\$ 164,000) was capitalised.

4. PROFIT ON DISPOSAL OF ASSETS

	2006	2005
	US\$ '000	US\$ '000
The net profit on the disposal of assets arises as follows:		
Gain / (Loss) on sale of investments	795	(64)
Gain on disposal of investments in subsidiaries	-	218
Gain on disposal of intangible assets	<u>-</u>	<u>189</u>
	<u>795</u>	<u>343</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. PROFIT ON DISPOSAL OF ASSETS (Continued)

The gain on sale of investments in 2006 relates to gains on disposals of shares in Gold-Ore Resources Ltd., GoldQuest Mining Corp. and in Northland Resources Inc. The prior year disposal relates to the disposal of shares in GoldQuest Mining Corp, the disposal of the investment in the Barsele Gold project in Sweden and the sale of interests in other projects.

5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2006			2005		
	Continuing	Discontinued	Total	Continuing (as restated)	Discontinued	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The (loss) on ordinary activities before taxation is stated after charging (crediting):						
Depreciation of tangible fixed assets	635	-	635	473	-	473
- capitalized	-	-	-	(154)	-	(154)
- dealt with in the Profit & Loss account	635	-	635	319	-	319
Amounts written off intangible fixed assets	8,184	-	8,184	199	-	199
Foreign exchange loss	768	-	768	304	-	304
Directors' emoluments:						
- Directors' fees	39	-	39	7	-	7
- Remuneration / management services	919	-	919	801	-	801
- Share based payments	209	-	209	199	-	199
	1,167	-	1,167	1,007	-	1,007
- capitalized	-	-	-	(6)	-	(6)
- dealt with in the Profit and Loss account	1,052	-	1,052	1,001	-	1,001
Auditors' remuneration						
- audit related	80	-	80	76	-	76
- non-audit related	14	-	14	71	-	71
- dealt with in the Profit and Loss account	94	-	94	147	-	147

The operating loss of US\$ 341,000 from discontinued operations in 2005 represents operating losses in Lapp Plats plc up to date of disposal of shares in Lapp Plats and in GoldQuest Mining Corp. From 30 June 2005, the Group no longer consolidated GoldQuest Mining Corp. on the basis that the Group no longer controlled this company.

6. TAXATION - Group

No charge to corporation tax arises in the current year or in 2005 as the Group has incurred losses in both years.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TAXATION - Group (Continued)

	2006	2005 (as restated)
	<i>US\$'000</i>	<i>US\$'000</i>
Loss on ordinary activities before taxation	(7,282)	(2,516)
Corporation tax at standard rate 12.5%	(910)	(314)
Effects of:		
Operating losses	<u>910</u>	<u>314</u>
Total charge for the year	<u><u>-</u></u>	<u><u>-</u></u>

In accordance with Financial Reporting Standard 19, the Company has not recognised deferred tax assets in respect of unrelieved losses. At 31 December 2006 these deferred tax assets amounted to approximately US\$1,100,000 (2005: US\$990,000).

Deferred tax assets in other countries of operation are unlikely to be utilised in the foreseeable future and have therefore not been recognised in the Consolidated Balance Sheet.

7. LOSS FOR THE YEAR

As permitted by Section 3(2) of the Companies (Amendment) Act, 1986 the profit and loss account of the holding Company is not presented as part of these financial statements. The loss dealt with in the financial statements of the Company before taxation adjustment was US\$ 218,000 (2005: loss of US\$ 2,064,000).

8. EARNINGS PER SHARE

The computation of loss / profit per ordinary share, basic and diluted earnings per share, is as follows:

	2006	Restated to reflect share capital reorgan- isation in 2006 2005 (as restated)	2005 (as restated)
<i>Numerator for basic and diluted earnings per share</i>			
Retained Loss on ordinary activities after tax (US\$'000)	(7,282)	(2,369)	(2,369)
<i>Denominator for Loss per ordinary share – basic</i>			
Weighted average number of shares in issue for the year (millions)	69.42	55.6	1,112.00
Effect of dilutive potential ordinary shares (share options and warrants) (millions)	-	2.65	53.00
Denominator for diluted earnings per share (millions)	<u>69.42</u>	<u>58.25</u>	<u>1,165.00</u>
Loss per ordinary share - basic (US\$ cents)	(10.49) c	(4.26) c	(0.21) c
Diluted Loss per share (US\$ cents)	(10.49) c	(4.07) c	(0.20) c
Average share price during the year in (US\$ cents)	<u>25.00 c</u>	<u>47.6 c</u>	<u>2.38 c</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. PRIOR YEAR ADJUSTMENT

The prior year adjustment arises from the adoption of FRS 20: "Share-Based Payments" during the year ended 31 December 2006. In order to present the prior year's results on a comparable basis, the profit and loss account and balance sheet for 2005 have been restated as set out below:

	Group 2005 US\$'000
Profit and loss account	
Loss for the year as previously stated	(2,146)
Prior year adjustment	<u>(223)</u>
Loss for the year as restated	<u>(2,369)</u>
Balance sheet	
Profit and loss account opening balance as previously reported	(33,798)
Prior year adjustment	<u>(150)</u>
Profit and loss opening balance as restated	(33,948)
2005 change as above	<u>(223)</u>
Profit and loss closing balance as restated	<u>(34,171)</u>
Share based payments reserve as previously reported	-
Prior year adjustment	<u>373</u>
As restated	<u>373</u>

10. INTANGIBLE FIXED ASSETS

	Group		Company	
	2006	2005	2006	2005
	US\$'000	US\$'000	US\$'000	US\$'000
Deferred development expenditure				
Cost				
Opening balance	34,561	34,699	38	-
Additions during year	446	574	-	38
Arising on acquisition	-	1,899	-	-
Disposals	(2,305)	(2,457)	-	-
Exchange movements	81	(154)	-	-
Closing balance	<u>32,783</u>	<u>34,561</u>	<u>38</u>	<u>38</u>
Impairment / amortization				
Opening balance	23,466	23,632	-	-
Amortization charge	196	199	38	-
Disposals	-	(331)	-	-
Exchange movements	40	(34)	-	-
Impairment charge	<u>5,575</u>	<u>-</u>	<u>-</u>	<u>-</u>
Closing balance	<u>29,277</u>	<u>23,466</u>	<u>-</u>	<u>-</u>
Net book value				
Opening balance	<u>11,095</u>	<u>11,067</u>	<u>38</u>	<u>-</u>
Closing balance	<u>3,506</u>	<u>11,095</u>	<u>-</u>	<u>38</u>

The Group's activities include prospecting for, mining and production of gold and other minerals and oil and gas in Sweden, Brazil, and USA etc. (see analysis below). The recovery of deferred development expenditure is dependent on the successful discovery and development of mineral 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. INTANGIBLE FIXED ASSETS (Continued)

The directors are aware by its nature that there is an inherent uncertainty in such development expenditure as to the value of the asset. Having reviewed the deferred development expenditure at 31 December 2006 the directors are satisfied that the fair value is not less than the net book value and that the exploration projects have potential to achieve mine production and positive cash flows.

Regional Analysis - Group:

	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)
Amortization / 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>

11. TANGIBLE FIXED ASSETS

(a) Tangible Fixed Assets - Group	Mineral Properties & Mine Development	Land & Buildings	Vehicles Plant & Machinery	Office Equipment	Total
<i>US\$'000</i>					
Cost					
At 1 January 2006	3,624	3,098	3,162	174	10,058
Exchange movements	(239)	793	468	21	1,043
Additions	3,466	871	71	4	4,412
Disposals	-	(9)	(179)	(19)	(207)
At 31 December 2006	<u>6,851</u>	<u>4,753</u>	<u>3,522</u>	<u>180</u>	<u>15,306</u>
Depreciation					
At 1 January 2006	1,981	1,796	702	110	4,589
Exchange movements	113	281	113	13	520
Charge for year	181	38	389	27	635
Disposals	-	-	(145)	(18)	(163)
At 31 December 2006	<u>2,275</u>	<u>2,115</u>	<u>1,059</u>	<u>132</u>	<u>5,581</u>
Net book value					
31 December 2006	<u>4,576</u>	<u>2,638</u>	<u>2,463</u>	<u>48</u>	<u>9,725</u>
31 December 2005	<u>1,643</u>	<u>1,302</u>	<u>2,460</u>	<u>64</u>	<u>5,469</u>

The mineral properties, mine development and land and buildings relate solely to the existing mine at Björkdal, Sweden, which is operational and hence is included in tangible fixed assets. In November 2005 the Group agreed to grant Gold- Ore Resources Ltd (a TSX listed company) a 2 year exclusive option to purchase 100% of Björkdalsgruvan AB – see Note 13. In view of this, the directors do not believe these assets are impaired. Mineral Property & Mine Development asset of US\$4,576,000 (2005: US\$1,643,000) and land and building of US\$2,638,000 (2005: US\$1,302,000), are dependent on the ability to recover mineral reserves at the Björkdal mine in economic quantities:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. TANGIBLE FIXED ASSETS (Continued)

(b) Tangible Fixed Assets - Company		Office Equipment US\$'000
Cost		
At 1 January 2006		66
Exchange movements		7
Additions		4
At 31 December 2006		<u>77</u>
Depreciation		
At 1 January 2006		56
Exchange movements		6
Additions		7
At 31 December 2006		<u>69</u>
Net book value		
31 December 2006		<u>8</u>
31 December 2005		<u>10</u>

12. INVESTMENTS

	2006 US\$'000	2005 US\$'000
Quoted Investments - Group		
At 1 January 2006	1,350	580
Revaluation and exchange movements	8,296	155
Additions	1,854	1,144
Disposals	<u>(433)</u>	<u>(529)</u>
At 31 December 2006	<u>11,067</u>	<u>1,350</u>
Non-quoted Investments - Group		
Opening balance 1 January	-	-
Additions	<u>3,626</u>	<u>-</u>
Closing balance 31 December	<u>3,626</u>	<u>-</u>
Total Investments - Group	<u>14,693</u>	<u>1,350</u>

Investments have been reclassified from long-term investments to current assets in the current year.

In the opinion of the directors, at 31 December 2006, the value of the investments are not less than their carrying value.

Non-quoted investments at 31 December represent investment in Oil and Gas projects in the USA.

The amount of US\$3,626,000 was advanced to Tucumcari Investments LLC, a Turks and Caicos Islands company, in the form of loan and equity investment, to redevelop the Tucumcari Gas Project, located close to the town of Tucumcari, New Mexico. The recoverability of the loan and equity investment is dependent on the Tucumcari Gas Project being successfully refinanced to enable the Plan of Reorganisation of Tucumcari Investments LLC, as approved on 21 August 2006, to be implemented.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. INVESTMENT IN SUBSIDIARIES – Company

	2006 US\$'000	2005 US\$'000
Unquoted shares at cost and net book value		
Cost		
Opening balance	28,703	28,966
Exchange movements	3,125	(2,130)
Additions	-	1,867
Closing balance	<u>31,828</u>	<u>28,703</u>
Impairment		
Opening balance	14,551	12,851
Exchange movement	1,585	-
Charge for the year	-	1,700
Closing balance	<u>16,136</u>	<u>14,551</u>
Net book value		
Opening balance	<u>14,152</u>	<u>16,115</u>
Closing balance	<u>15,692</u>	<u>14,152</u>

As outlined in Note 10, the value of investments in subsidiaries is dependent on the development of mineral reserves.

The Company's principal subsidiaries are:

Subsidiary	Activity	Country of Incorporation and Registered Office	Percentage Ownership	
			2006	2005
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	100%	100%
European Minerals and Metals Limited (formerly Connary Technology plc)	Development of a non-toxic leaching process	10 Fitzwilliam Square 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%

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. INVESTMENT IN SUBSIDIARIES – Company (Continued)

The Company's principal subsidiaries (continued):

Subsidiary	Activity	Country of Incorporation and Registered Office	Percentage Ownership	
			2006	2005
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 2006 the Company disposed of the 100% interest in Barsele Guld AB, a wholly owned subsidiary of Minmet (Isle of Man) Limited, held at 31 December 2005.

Sale of option in 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 gives 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 would 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 the date of the Minmet plc Annual Report 2006 the Company has received no indication from Gold-Ore regarding exercise of the option and the Björkdalsgruvan AB accounts for 2006 have been fully consolidated in the Minmet plc Group accounts.

14. STOCKS - Group

	2006 US\$'000	2005 US\$'000
Finished Goods	1,017	844

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

15. DEBTORS

	Group		Company	
	2006 US\$'000	2005 US\$'000	2006 US\$'000	2005 US\$'000
<i>Amounts falling due within one year:</i>				
Amounts owed by Group undertakings	-	-	9,319	9,420
Trade debtors	877	358	43	-
Other debtors	192	846	39	78
Prepayments and accrued income	387	637	1	12
	<u>1,456</u>	<u>1,841</u>	<u>9,402</u>	<u>9,510</u>

As outlined in Note 10 the value of the amounts owed by Group undertakings to the Company of US\$ 9,319,000 (2005: US\$ 9,420,000) is dependent on the successful discovery and development of mineral reserves.

There were no write offs in either 2006 or 2005.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. CASH AT BANK AND IN HAND

	Group		Company	
	2006	2005	2006	2005
	US\$'000	US\$'000	US\$'000	US\$'000
Cash at bank and in hand	3,068	5,154	132	283

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

17. CREDITORS: (Amounts falling due within one year)

	Group		Company	
	2006	2005	2006	2005
	US\$'000	US\$'000	US\$'000	US\$'000
Trade creditors and accruals	6,220 *	1,863	446	1,820
Payroll taxes	61	55	5	13
	<u>6,281</u>	<u>1,918</u>	<u>451</u>	<u>1,833</u>

* Trade Creditors Group 2006 includes an amount of SEK 19,966,758 (US\$ 2,910,182) due to Gold-Ore Resources Ltd. in respect of advances to Björkdalsgruvan AB. Should Gold-Ore not exercise the Björkdal option advances from Gold-Ore will be credited as contributed capital in Björkdalsgruvan AB.

18. PROVISIONS FOR LIABILITIES AND CHARGES - Group

	2006	2005
	US\$'000	US\$'000
Opening balance 1 January	1,640	1,966
Exchange movements	<u>255</u>	<u>(326)</u>
Closing balance 31 December	<u>1,895</u>	<u>1,640</u>

The year end provision relates to estimated future costs of environmental reinstatement work at the Björkdal gold mine in Sweden. After a review of the provision and taking into account appropriate expert advice, the directors deemed it appropriate to maintain the provision at the US dollar equivalent of SEK 13 million. The provision will be utilised upon closure of the mine at Björkdal.

19. SHARE CAPITAL

	2006	2005
	US \$'000	US \$'000
Authorised:		
180,000,000 ordinary shares of € 0.01 each	2,372	-
69,458,000 deferred shares of € 0.24 each	21,970	-
3,600,000,000 ordinary shares of € 0.0125 each	-	59,300
	<u>24,342</u>	<u>59,300</u>
Ordinary shares allotted, called-up and fully paid:		
Opening balance 1,379,157,308 (2005: 926,157,308) ordinary shares of € 0.0125 each	18,369	11,561
Issued during the year 10,002,692 (2005: 453,000,000) ordinary shares of € 0.0125 each	<u>153</u>	<u>6,808</u>
Balance before conversion at extraordinary general meeting of members 28 December 2006	<u>18,522</u>	18,369
Share capital conversion at extraordinary general meeting of members 28 December 2006		
69,458,000 ordinary shares of € 0.01 each	741	-
69,458,000 deferred shares of € 0.24 each	<u>17,781</u>	<u>-</u>
Total closing issued share capital	<u>18,522</u>	<u>18,369</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. SHARE CAPITAL (Continued)

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 Company'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.

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.

Warrants

At the balance sheet date no warrants are outstanding. During the year 2006 warrants over 2,666,667 ordinary shares of €0.0125 each were not exercised by their expiry date and accordingly lapsed.

20. RESERVES

	Group and Company Share premium account <i>US\$'000</i>	Capital conversion Reserve fund <i>US\$'000</i>	Group Profit and loss account (as restated) <i>US\$'000</i>	Share-based payments Reserve (as restated) <i>US\$'000</i>	Investment Revaluation Reserve
At 1 January 2006 as previously reported	37,537	87	(33,798)	-	-
Prior year adjustment	-	-	(373)	373	-
At 1 January 2006 as restated	37,537	87	(34,171)	373	-
Issue of shares	47	-	-	-	-
Retained loss for the year	-	-	(7,282)	-	-
Translation adjustment	-	-	2,427	-	-
Unrealised gain on investments	-	-	-	-	7,537
Movement in year	-	-	-	212	-
At 31 December 2006	37,584	87	(39,026)	585	7,537

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 <i>US\$'000</i>	2005 (as restated) <i>US\$'000</i>
Total recognised profits / (losses) for the year	2,682	(2,801)
Proceeds from issue of shares	200	7,614
Share issue costs	-	(345)
Share based payments	212	223
Net increase in shareholders' funds	3,094	4,691
Balance at beginning of year	22,195	17,504
Balance at end of year	25,289	22,195

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. MINORITY INTERESTS

Group	2006 <i>US\$'000</i>	2005 <i>US\$'000</i>
At 1 January	-	1,828
De-consolidation of minority interests arising on disposal of shares in subsidiaries	<u>-</u>	<u>(1,828)</u>
At 31 December	<u><u>-</u></u>	<u><u>-</u></u>

The reduction in Minority Interests follows disposals of shares in former subsidiaries Goldquest Mining Corp. and Lapp Plats plc during 2005, which were fully consolidated in the Group Balance Sheet at 31 December 2004 and were no longer consolidated in the Group balance sheet at 31 December 2005. Shares in GoldQuest Mining Corp have been treated as an Investment and included in the Group's investment portfolio – see Note 12.

23. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2006 <i>US\$'000</i>	2005 <i>(as restated)</i> <i>US\$'000</i>
Loss on ordinary activities before interest	(7,389)	(2,617)
Depreciation	635	319
Share-based payments	212	223
Amortization and impairment of intangible fixed assets	5,771	199
Profit on disposal of assets	(795)	(343)
(Increase) / decrease in stock	(173)	109
Decrease in debtors	385	1,055
Increase / (Decrease) in creditors and provisions	4,618	(1,831)
Translation adjustments	<u>3,453</u>	<u>(75)</u>
Net operating cash inflow / (outflow)	<u>6,717</u>	<u>(2,961)</u>

24. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS

Group	2006 <i>US\$'000</i>	2005 <i>US\$'000</i>
Net funds at 1 January	5,154	2,795
Funds in de-consolidated operations and operations disposed of	-	(1,196)
Group cash (outflow)/inflow for the year	<u>(2,086)</u>	<u>3,555</u>
Net funds 31 December	<u><u>3,068</u></u>	<u><u>5,154</u></u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. ANALYSIS OF NET FUNDS – Group

	31 December 2005 US\$'000	Cash flow for year US\$'000	31 December 2006 US\$'000
Cash at bank and in hand	<u>5,154</u>	<u>(2,086)</u>	<u>3,068</u>

26. SHARE-BASED PAYMENTS

The Group has applied the requirements of FRS 20 'Share-Based Payment'. In accordance with the transitional provisions, FRS 20 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 binomial 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 vesting period for the options granted in 2006 is ten years.

	Options	2006 Weighted average exercise price Euro cent
Outstanding at beginning of year	65,616,667	22.0
Granted during the year	<u>39,750,000</u>	<u>14.5</u>
Outstanding and exercisable at end of year	<u>105,366,667</u>	<u>19.2</u>

The options outstanding at 31 December 2006 had a weighted average exercise price of € 0.192, and a weighted average remaining contractual life of 8 years.

During 2006, 39,750,000 options were granted with a stated fair value of US\$ 195,149. These fair values were calculated using the Black-Scholes model.

The inputs into the Black Scholes model are as follows:

	2006
Weighted average share price at date of grant	€ 0.20
Weighted average exercise price	€ 0.19
Expected volatility	40%
Expected life	3 years
Risk free rate	3.95%
Expected dividends	None

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

The terms of the options granted do not contain any market conditions within the meaning of FRS 20.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

27. RELATED PARTY TRANSACTIONS

There were no material related party transactions during 2006.

28. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and short-term deposits, trade debtors and trade creditors. 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:

	2006 <i>US\$'000</i>	2005 <i>US\$'000</i>
Cash at bank		
Pounds sterling	231	3,233
Euro	574	941
Swedish Kronor	914	173
Canadian dollars	1,327	522
Other currencies	<u>8</u>	<u>57</u>
Total	<u><u>3,054</u></u>	<u><u>4,926</u></u>

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

	2006 <i>US\$'000</i>	2005 <i>US\$'000</i>
Debtors		
Pounds sterling	7	497
Euro	82	90
Swedish Kronor	<u>1,367</u>	<u>1,254</u>
Total	<u><u>1,456</u></u>	<u><u>1,841</u></u>
Creditors		
Pounds sterling	385	6
Euro	327	750
Swedish Kronor	5,563	1,123
Norwegian Kronor	<u>6</u>	<u>-</u>
Total	<u><u>6,281</u></u>	<u><u>1,879</u></u>
Provision for liabilities and charges		
Swedish Kronor	<u><u>1,895</u></u>	<u><u>1,640</u></u>

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

29. SUBSEQUENT EVENTS

Issue of share options

On 5 January 2007, the Company issued share options under the Minmet plc 2003 Share Option Scheme over 4,475,000 ordinary shares of € 0.01 each at an exercise price of € 0.10 each. In addition all prior options held by the directors and secretary were modified.

Sale of shares in quoted investments

During the first four months of 2007 the Group sold a significant majority of its investments in Gold-Ore Resources Limited and in Northland Resources Inc. In addition 2,797,428 shares in GoldQuest Mining Corp were sold.

Strategic partnership with Gold Oil plc

In February 2007, Minmet acquired the existing oil and gas database and work in progress of Gold Oil plc ("Gold") in a number of Gold's non-core South and Central American countries together with Gold's interest in a royalty liability agreement, relating to an active production sharing agreement ("PSA") application, for a total consideration of STG£1.35 million payable in cash. The Agreement was entered into on 9 February 2007 between Gold's wholly owned subsidiary, Gold Oil Caribbean Ltd ("Gold Caribbean") and Minmet's wholly owned subsidiary, Minmet (Isle of Man) Limited. This cash was immediately applied by Gold Caribbean towards a subscription for 10 million new ordinary shares of €0.01 each in Minmet that were issued at Stg 13.5p per share.

In addition Gold subscribed for a total of 12.75 million new ordinary shares of €0.01 each in Minmet issued at Stg 13.5p per share in exchange for a subscription by Minmet in Gold for 22.95 million new ordinary shares at a price of Stg 7.5p per share.

As a result Gold is interested in 24.67% of the enlarged issued share capital of Minmet, with Minmet holding 4.99% of the enlarged issued share capital of Gold. Minmet and Gold have agreed to a mutual lock in of 1 year in respect of their respective shareholdings.

A total of 22,750,000 new ordinary shares were issued in the Company and were admitted to trading on the AIM and IEX markets. Following this Minmet had a total of 92,208,000 ordinary shares of € 0.01 in issue.

Following the acquisition from Gold Oil plc, Michael Burchell and Gary Moore of Gold joined the Minmet Board as non-executive Directors and Professor Michael Johnson and John Liwosz retired from the Minmet Board. In addition Michael Neville who had been serving as Minmet's Executive Chairman became the Company's non-executive Chairman.

30. CAPITAL COMMITMENTS

The Group had no capital commitments at the balance sheet date.

31. MATERIAL NON-CASH TRANSACTIONS

All material non-cash transactions are described in Note 19 - Share Capital.

32. COMPARATIVES

Comparative amounts have been regrouped, where necessary, on the same basis as those for the current year.

MINMET PLC

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Minmet Public Limited Company will be held at The Grand Hotel, Grand Canal Street Upper, Ballsbridge, Dublin 4 on 14 August 2007 at 11:30 a.m., for the purposes of considering and, if thought fit, passing, the following Resolutions of which Resolutions numbered 1, 2, 3, 4, 5 and 6 will be proposed as Ordinary Resolutions and Resolutions numbered 7 and 8 will be proposed as Special Resolutions.

Ordinary Business

1. To receive, consider and adopt the accounts for the year ended 31st December 2006 together with the Directors' and Auditors' reports thereon.
2. To re-elect Mr. D.J. Hall as a director, who retires by rotation in accordance with Article 98 of the Articles of Association of the Company.
3. To re-elect, as a director, Mr. M N Burchell, who retires in accordance with Article 104 of the Articles of Association of the Company.
4. To re-elect, as a director, Mr. J G Moore, who retires in accordance with Article 104 of the Articles of Association of the Company.
5. To re-appoint Deloitte & Touche as auditors and to authorise the Directors to fix the remuneration of the Auditors.

Special Business

6. 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 14 November 2008, 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.
7. Subject to the passing of Resolution number 6 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 5 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 14 November 2008, 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.
8. That, subject to the consent of the Minister, the name of the Company be and is hereby changed to Achill Resources Public Limited Company.

By order of the Board;

Alan Mooney
Secretary

Registered Office: 10 Fitzwilliam Square,
Dublin 2.

25 June 2007

NOTICE OF ANNUAL GENERAL MEETING (Continued)

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, 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. Pursuant to Regulation 14 of the Companies Act, 1990 (Uncertificated Securities) Regulations 1996, only those shareholders on the Register of Shareholders at 11:30 a.m. on 12 August 2007 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. If the meeting is adjourned by more than 48 hours, then to be so entitled, shareholders must be entered on the Company's Register of Shareholders at the time, which is 48 hours before the time appointed for holding the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.

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 2006. The meeting will then receive and consider these reports.

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

Mr. D.J. Hall is required to retire by rotation in accordance with the Articles of Association and is seeking re-election. Mr. M N Burchell and Mr. J G Moore, having been co-opted to the Board since the last 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 5 - Re-appointment of Directors and Authority to fix the remuneration of Auditors

Resolution 5 re-appointed Deloitte & Touche as auditors and authorises the Directors to fix the auditors' remuneration.

Special Business

Resolution 6

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 14 November 2008.

Resolution 7

Resolution 7 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 14 November 2008.

Resolution 8

Resolution 8 is a Special Resolution to change the name of the Company to Achill Resources plc. The directors consider that the proposed new name is appropriate to reflect changes in the direction of the Company and to reflect the Company's continued Irish registration.

Voting recommendation

Members of the Board and the Company Secretary have confirmed that they intend to vote in favour of all resolutions in respect of their shareholdings, which in total amount to 244,500 ordinary shares of €0.01 each.

MINMET PLC

CORPORATE INFORMATION

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BANKERS

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Dublin 2

NOMINATED ADVISER & BROKER (AIM)

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40 Marsh Wall
Docklands
London E14 9TP

CORPORATE ADVISER (IEX)

Davy Stockbrokers
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REGISTRARS

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SOLICITORS

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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.

