



MINMET PLC

INTERIM REPORT
SIX MONTHS ENDED

30 JUNE 2006

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Highlights

- Profit on ordinary activities for 6 months to 30 June 2006 US\$601k (2005: loss US\$3,090k)
- Rationalisation of diversified mining portfolio into a Listed Equity Portfolio is now complete
- Management investigating a number of possible Corporate transactions in order to position the company for the future and accrete value for shareholders
- Listed Equity Portfolio currently valued at approx. US\$11 million
- Good progress reported by Gold-Ore on Björkdal gold mine, underground exploration project continues in option phase
- Launch of Horizonte Minerals plc on AIM incorporating spin-off of certain of Minmet's historic Brazilian and Peruvian exploration assets

Chairman's Interim Statement 2006

Overall Review

Minmet has continued to make good progress in its strategy during the six months under review and in the period subsequent to 30 June 2006. The task of spinning off a large proportion of the company's projects into a portfolio of separately identifiable and listed companies ("Listed Equity Portfolio") is almost complete. We are also actively taking advantage of market strength to sell down some shares within the Listed Equity Portfolio when deemed appropriate, to strengthen our balance sheet.

During the first six months of 2006 we have established the substantial and valuable Listed Equity Portfolio, currently valued at approximately US\$11 million. In achieving this we have realised value from our main operating and exploration assets by vending interests in these in exchange for shareholdings in quoted companies. In this way we have continued to de-risk Minmet's exploration and production portfolio, whilst at the same time maintaining considerable upside potential, through the equity interests. Also through this strategy we have substantially reduced the funding demands on the Minmet Group as a whole, as the Group's projects are now funded through cash raised from third parties in the respective companies. Furthermore we are pleased with the progress made by our new partners in developing these investments, in which we maintain both direct and indirect interests.

With our cash, investments and other receivables we now have a substantial liquid asset base from which to develop Minmet, and to seek to build value for shareholders. We have worked through a significant number of new corporate opportunities, both sector and non-sector related, with the aim of injecting one or more opportunities into Minmet that can offer the possibility to build sustainable value from this strong financial base. Our primary focus is to make solid and realisable progress in this regard at the nearest opportunity. We have identified a number of appropriate opportunities and we will be working to take at least one of these to completion in the next few months. We are confident that we can secure a project that fits our investment criteria and that will allow us to build on the recent restructuring process and also which enables the Company to move forward in a material and substantial way.

Investing Activities

Sale of option in Björkdalsgruvan AB to Gold-Ore Resources Ltd.

In January 2006 the Company formalised an exclusive option ("Option") over Björkdalsgruvan AB to Vancouver based Gold-Ore Resources Ltd ("Gold-Ore") which was based on the revised Heads of Agreement agreed by Minmet and Gold-Ore in November 2005. The agreement gives Gold-Ore the right to purchase, at any time prior to 31 December 2007, Minmet's 100% interest in Björkdalsgruvan AB the owner of the Björkdal mine in Northern Sweden. As consideration for the Option, Gold-Ore has delivered to Minmet 5.84 million new ordinary shares representing approximately 11.8% of the enlarged issued share capital of Gold-Ore. To exercise the Option Gold-Ore are required to pay US\$2 million in cash, to deliver to Minmet a minimum of US\$2 million cash equivalent in Gold-Ore shares and to grant Minmet a net smelter return over future gold production. At 21 September 2006 Gold-Ore ordinary shares were quoted at C\$0.58 valuing Minmet's holding in Gold-Ore at C\$3.4 million.

Sale of interest in Barsele and Norra gold projects to Northland Resources Inc.

Also in January 2006 Minmet agreed terms with Northland Resources Inc ("Northland"), of Vancouver Canada, to exchange Minmet's remaining 40% interest in the Barsele and Norra gold projects in Northern Sweden for a direct equity stake in Northland. Under the terms of the

agreement Minmet received 3 million shares in Northland then valued at C\$2.61 million and warrants to purchase up to 1.5 million shares in Northland at C\$0.80 per share within two years. The current Northland share price is C\$1.30 which values Minmet's present holding (shares and warrants) at C\$4.65 million. Following the transaction and before exercising the warrant, the Group held approximately a 6% interest in the equity of Northland.

Sale of shares in GoldQuest Mining Corp.

In April 2006 the Group completed the sale of 2.8 million shares in GoldQuest Mining Corp ("GoldQuest") at C\$0.20 per share less costs. This sale reduced the Group's interest in the equity of GoldQuest from 26.2% to 19.7%. A further 2.8 million shares have been contracted for sale in October 2006 at C\$0.22 per share to realize C\$0.6 million, with the balance of the GoldQuest holding, 5.6m shares approximately, contracted for sale in January 2007 at an agreed price of C\$0.25 to realize C\$1.4 million. The proposed sale in January 2007 will conclude a gross realisation of approx. C\$3.3 million from this investment since flotation in 2004.

Spin off of certain Latin American exploration assets into Horizonte Minerals plc

Minmet has sold certain of its exploration assets in Brazil and in Peru to Horizonte Minerals plc ("Horizonte"). In exchange for these assets Minmet received 5 million shares in Horizonte representing 16.9% of Horizonte. Horizonte was admitted to trading on the AIM market of the London Stock Exchange on 8 May 2006. Minmet's shareholding is subject to lock up until May 2007. Horizonte's current share price is £0.24 valuing Minmet's holding at £1.2 million.

New Mexico Gas project

We announced in July 2006 that we had sold our interest in a secured loan of \$2.5m on this asset together with a 15% equity stake for \$3.075m. We have now amended that sale contract to dispose of the secured loan note, our entire shareholding of 25%, together with some other oil and gas assets for a total consideration of \$3.5m in cash payable on 31 October 2006.

Cuiabá Project joint venture agreement

In April 2006 Minmet signed an earn-in and joint venture agreement with Ashburton Minerals Ltd ("Ashburton"), an Australian quoted company concerning the Cuiabá project in Brazil. On signing this agreement Minmet received 1,609,332 fully paid ordinary shares in Ashburton and 500,000 unlisted share options in Ashburton exercisable at A\$0.15 by 30 June 2009. In order to earn their interest under the agreement Ashburton have to incur expenditures totaling A\$800,000 on the project. The agreement prescribes for the creation of a joint venture company, assuming the expenditure hurdles are reached, and gives Minmet certain back-in rights should gold deposits in excess of 300,000 ozs be discovered on the Cuiabá licenses and other adjoining areas covered by an airborne geophysical survey that was commissioned and flown by Minmet in 1999. Ashburton's current share price is A\$0.05 valuing Minmet's holding at A\$ 80,000.

Financial Results

Group net profit on ordinary activities after tax for the six months ended 30 June 2006 was US\$601k (2005: Loss US\$3,090k).

Björkdalsgruvan AB a wholly owned subsidiary (subject to purchase option as discussed above) made a gross profit of US\$187k (2005: Loss US\$805k). Administrative expenses for the Group totalled US\$785k (2005: US\$2,227k).

During the six months ended 30 June 2006 there was a net gain on disposal of assets of US\$598k (2005: Loss US\$85k). This reflects gains made on sale of operating and exploration assets for shares in quoted companies and on the sale of shares for cash in GoldQuest Mining Corp.

Deposit interest income in the 6 months to 30 June 2006 was US\$58k (2005 US\$27k).

Cash balances at 30 June 2006 amounted to US\$3,573k (2005 US\$1,644k).

Outlook

We have been extremely successful in de-risking the Minmet business operations and have built up a valuable and liquid Listed Equity Portfolio. The restructuring and stabilisation of the business is now completed.

The outlook for our various quoted investment holdings is in my view positive. We do however intend to reduce our exposure levels on individual stock holdings and we will consider trading our shareholdings as opportunities arise.

Our normal business involves review and consideration of many projects from which only a small number eventually meet our criteria for investment. We currently have a number of new investment opportunities under review and we will invest our resources in selected projects as appropriate.

Finally, I would like to take this opportunity to thank all my colleagues at Minmet for their hard work and diligence over the last 6 months, and especially Michael Nolan and Alan Mooney who have played a vital role in helping to stabilise the business, build a valuable Equity portfolio and position Minmet so strongly for the future.

Mike Neville
Chairman

22 September 2006

Minmet plc

Consolidated Balance Sheet 30 June
2006

	Unaudited 30 June 2006	Unaudited 30 June 2005	Audited 31 December 2005
	<i>US\$'000</i>		
Fixed Assets			
Intangible fixed assets	2,560	11,070	11,095
Tangible fixed assets	5,523	5,801	5,469
Investments	<u>10,732</u>	<u>48</u>	<u>1,350</u>
	<u>18,815</u>	<u>16,919</u>	<u>17,914</u>
Current Assets			
Stocks	1,077	642	844
Debtors due within one year	4,562	947	1,841
Cash at bank	<u>3,573</u>	<u>1,644</u>	<u>5,154</u>
	<u>9,212</u>	<u>3,233</u>	<u>7,839</u>
Creditors - due within one year	(3,036)	(1,956)	(1,918)
Provision for Liabilities and Charges	<u>(1,794)</u>	<u>(1,662)</u>	<u>(1,640)</u>
	<u>23,197</u>	<u>16,534</u>	<u>22,195</u>
Capital and Reserves			
Called-up share capital	18,369	12,294	18,369
Share premium account	37,537	37,171	37,537
Capital conversion reserve fund	87	87	87
Profit and loss account	(32,796)	(34,488)	(33,798)
Minority interest	<u>-</u>	<u>1,470</u>	<u>-</u>
	<u>23,197</u>	<u>16,534</u>	<u>22,195</u>

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Consolidated Profit and Loss Account

	Unaudited 6 months to 30 June 2006	Unaudited 6 months to 30 June 2005	Audited Year ended 31 December 2005
	<i>US\$'000</i>		
Turnover	5,107	4,341	10,216
Cost of sales	(4,920)	(5,146)	(9,004)
Gross profit	187	(805)	1,212
Administrative expenses			
- Continuing operations	(785)	(2,227)	(3,831)
- Discontinued operations	-	-	(341)
	<u>(785)</u>	<u>(2,227)</u>	<u>(4,172)</u>
Group operating loss			
Continuing operations	(598)	(3,032)	(2,619)
Discontinued operations	-	-	(341)
	<u>(598)</u>	<u>(3,032)</u>	<u>(2,960)</u>
Other operating income - continuing operations	-	-	50
	<u>(598)</u>	<u>(3,032)</u>	<u>(2,910)</u>
Share of associate company profit / (loss) before tax	-	-	173
Net gain / (loss) on sale of assets	1,141	(85)	343
Profit / (loss) on ordinary activities before interest	543	(3,117)	(2,394)
Interest receivable	58	27	101
Profit / (loss) on ordinary activities before tax	601	(3,090)	(2,293)
Tax on profit on ordinary activities	-	-	-
Minority interest in operating loss	-	-	147
Retained profit / (loss) on ordinary activities after tax	601	(3,090)	(2,146)

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Consolidated Cash Flow Statement

	Unaudited 6 months to 30 June 2006	Unaudited 6 months to 30 June 2005	Audited Year ended 31 December 2005
<i>US\$'000</i>			
Cash from operating activities			
Profit / (Loss) on ordinary activities before interest	543	(3,091)	(2,247)
Depreciation	221	232	319
Amortisation of intangible fixed assets	42	39	199
Net gain / (loss) on sale of assets	(1,141)	85	(343)
Decrease / (increase in stock)	(233)	311	109
Decrease / (increase in debtors)	(2,721)	1,949	1,055
Increase / (decrease) in creditors	1,118	(1,918)	(1,978)
Translation adjustments	196	(163)	(75)
Net operating cash (outflow) / inflow	(1,975)	(2,556)	(2,961)
Returns on investment and servicing of finance			
Interest received and similar income	58	27	101
	58	27	101
Taxation paid	-	-	-
Capital expenditure and financial investment			
Payments to develop intangible fixed assets	(105)	(529)	(407)
Payments to acquire tangible fixed assets	(1)	(125)	(134)
Proceeds from sale of investments	442	1,204	1,600
	336	550	1,059
Net cash outflow before financing	(1,581)	(1,979)	(1,801)
Financing			
Issue of ordinary share capital	-	828	5,701
Expenses paid in connection with share issue	-	-	(345)
Cash in deconsolidated operations disposed of	-	-	(1,196)
Increase / (decrease) in cash	(1,581)	(1,151)	2,359
Explained as follows:			
Opening cash at bank and on hand	5,154	2795	2795
Closing cash at bank and on hand	3,573	1644	5154
Change in cash at bank and on hand	(1,581)	(1,151)	2,359

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Consolidated Statement of Total Recognised Gains and Losses

	Unaudited 6 months to 30 June 2006	Unaudited 6 months to 30 June 2005	Audited Year ended 31 December 2005
<i>US\$'000</i>			
Retained profit / (loss) on ordinary activities after tax	601	(3,090)	(2,146)
Translation adjustments	<u>401</u>	<u>(178)</u>	<u>(432)</u>
Total recognised gains and (losses) for the period	<u><u>1,002</u></u>	<u><u>(3,268)</u></u>	<u><u>(2,578)</u></u>

Notes:

1. This Interim Report for the six months ended 30 June 2006 is unaudited and was approved by the directors on 22 September 2006. The financial information set out herein does not constitute statutory accounts within the meaning of section 149 of the Companies Act 1963. The information as at 31 December 2005 has been presented without material adjustment from the statutory accounts relating to the year ended 31 December 2005.
2. No dividends were proposed or paid in the 6 months ended 30 June 2006.
3. The accounting policies remain as stated in the Annual Report for the year ended 31 December 2005.
4. Copies of this Interim Report are available to the public free of charge at 10 Fitzwilliam Square, Dublin 2, during normal office hours. A copy has been posted on the Company's web site at www.minmet.ie.

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