



MinMet PLC

“There’s Gold, and it’s haunting;
it’s luring me on as of old.
But it’s not the Gold that I’m wanting,
so much as just finding the gold.”

Robert Service, 18th Century miner & poet



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CHAIRMAN'S STATEMENT

INTRODUCTION

To quote from a recent stockbroker's note: "To find an elephant - you have to explore in elephant country." For many of our shareholders the gestation period for MinMet to bring to fruition some or any of its many diverse exploration projects must seem elephantine indeed, yet the wait has certainly been worth it. This, my seventh report to shareholders will deal with an overview of the Group's activities. Group Technical Director, Gordon Riddler will deal in detail with our individual projects in the Technical Report which follows this report.

During the past year our Company has made steady progress on a number of fronts in a variety of geographic locations, with properties in Brazil, Portugal the Dominican Republic, Peru, Central America and the United Kingdom. The very detailed work, often in hostile environments, carried out during this period has been an enormous undertaking as will become apparent when you read Gordon Riddler's technical review. However, as well as our many successes, particularly in Brazil, we have also had some disappointments, the main one being in Portugal which I will deal with later in this statement.

The Company's focus remains the evaluation of exploration properties, but significantly, we have commenced gold trial mining production in Brazil, which is a major milestone in MinMet's history. We have also recently announced a zinc discovery, which could prove extremely significant, and bulk testing for diamond production has also been added to the group's activities in 2002.

MinMet has a strong balance sheet. Our current suite of projects can be funded without the need for an equity raising, or bank debt. We are fully financed to enter the production phase of gold mining whilst continuing our exploration programmes.

CUIABÁ BASIN - BRAZIL

Having taken on over 1.2million hectares, which by any count is an enormous area to explore and reduce that by half following the airborne geophysical survey, we have successfully reduced this down again to 270,000 hectares and we will be reducing the area even further as we hone in on the most productive gold targets. This reduction in total area has resulted in a considerable saving in land taxes.

During the last three years we have been able to complete the bulk of the exploration programme we originally set and are confident that we now understand the geology and controls that have lead to the discovery of a large number of gold targets, which it is our intention to exploit. The rising price of gold and the very low costs for us to mine and process it should enable us to achieve a wide margin of profit.

Our first processing plant is now fully functional and will be processing some 1,200 tons of feedstock per day. Some fine-tuning during the next few months will increase its productivity and profitability. In the meantime, our mobile bulk sampling plant is busy identifying new feedstock panels and assessing resources so that, in time, it should be possible to steadily increase the number of processing plants throughout our licence area.

COROMANDEL DIAMONDS - BRAZIL

During last year a number of important gem quality diamonds, in excess of 20 carats each, along with many more of lesser size, have been recovered from our property by local garimpieros. The authorities have now banned all unlicensed dredging and mechanised garimpiero activity in the Coromandel District, which we regard as a very positive move for those of us with legitimate claims over defined exploitation areas.

If, as is expected, our bulk-sampling programme proves to be a success we will seek to expand our activities through the introduction of our own dredging equipment and go forward as a properly permitted, full-scale diamond mining operation. In the meantime, we await the necessary permits to enable our bulk sampling programme to get under way. These permits have taken an inordinately long time to come through but I am confident they will be granted shortly and indeed can see no reason, other than pure bureaucracy, to delay them much longer.

SUNGEM - BRAZIL

From small beginnings..... Our zinc, lead and silver discovery near Coromandel, named Sungem after a humming bird seen at the site, has certainly caught the imagination. Since the initial discovery of gossans at the surface a vigorous exploration programme has been launched and a number of drill holes have been completed. It would appear from the results to date that Sungem has the potential to turn into a major zinc deposit. More work needs to be done but the surface expression of the visible gossans indicates that we have a deposit of almost 3 kms in length by 600m in width. By any standards, this is large indeed. Economic intervals in drill core have already been established. Further work planned at Sungem is aimed at establishing an inferred mineral resource which in due course it is hoped will lead to a proven mineral reserve.

It is true to say that several major mining houses have approached us but, until we have gathered more data and know precisely what we are talking about we will hold off entering into any sort of commercial arrangements with them.



CHAIRMAN'S STATEMENT (CONTINUED)

MINMET DISCOVERY GROUP

Under the leadership of Dr Tony Gallon, and with the assistance of Dr Hazel Prichard, well in excess of 120 prospects have been assessed and some examined in detail in the search for platinum elements and base metals with emphasis on the less remote areas of Brazil. From this vast amount of data two prospects, including an under explored greenstone belt, have already emerged as being highly prospective and will be taken forward to the next stage. Again, I must stress that the gestation period from discovery to commercial success can be a matter of years and no excessive expectation of instant rewards should be contemplated.

STRATEGIC ALLIANCES

Throughout the year we have received approaches from a number of Major Mining Houses - some for the second or third time. Our mining peers are gradually viewing us as a Group that has something of value to offer. This is very encouraging not only because it is true but also, because we have been able to build solid relationships - some of which are already evolving into joint ventures and earn-ins.

Our joint venture with Barrick Mineração Ltda in Brazil is forging ahead and some excellent results have already been obtained from the Mara Rosa polymetallic project located some 500kms to the north of Brasilia. Drilling has already commenced. To date stringers in the core above the target zone show zinc and lead sulphides.

A six-month detailed prospectivity review of Central America was completed by the Company's wholly owned subsidiary, Exploration & Discovery Latin America (Panama) Inc ("E&D"), headed up by David Hall and Dr Stewart Redwood in December 2001. This initial study was carried out under a letter of intent with a major mining company with a view to forming a joint venture to explore for one or more large copper, gold and zinc deposits in the countries that make up Central America. The scope of the initial programme consisted of field evaluation of areas of potential interest and the preparation of a GIS database. The emphasis was on a hands-on field evaluation of the potential of each country by visits to prospects and mines, and the results were produced as hard copy and in digital form on CD-ROM.

Following from the above, E&D has signed an option with Canadian junior exploration company, Tombstone Explorations Co. Ltd of Vancouver, to acquire 80% of its 100% owned Minas de Oro copper-gold project in Honduras. The project has 9,555 hectares of concessions including five (1,830 hectares) with mining title, which cover the main part of the deposit. The Minas de Oro project was identified as an outstanding opportunity following the prospectivity review of Central

America. MinMet is currently completing due diligence and is compiling and integrating the extensive database for the project. Discussions have been held with the major mining company involved in the prospectivity review with a view to their participation in this prospect under a joint venture arrangement with MinMet.

In the Dominican Republic, Energold Mining Ltd. - Impact have entered into a strategic alliance with E&D whereby E&D has commenced serious exploration of a number of highly prospective gold and base metal targets in that country.

In Peru E&D recently has recently taken an option over a polymetallic target at El Aguila as an earn-in with Apex Silver Mining Limited.

There are a number of other joint ventures and strategic alliances in the pipeline, which it will be my pleasure to announce in due course.

CREDITON MINERALS LTD - UK

The residual exploration licence was transferred from Crediton Minerals PLC to Crediton Minerals Ltd following which the company was renamed Tiger Resource Finance PLC and metamorphosed into a Mining Finance House.

Due to the appallingly wet winter of 2001 and the foot and mouth epidemic which, in Devon, was centred on Thorverton - the epicentre of our study programme, we were unable to carry out our intended exploration programme. However, I am happy to report the restrictions have now been lifted and a new phase of stream sediment sampling was started in the middle of February. I hope to be able to publish the results from this phase of the programme shortly.

TIGER RESOURCE FINANCE PLC

Tiger was created to fulfil the role of a modern Mining Finance House. It was launched in early January 2001 with a total of STGE3.6million raised from both private and institutional investors and is listed on the Alternative Investment Market of the London Stock Exchange. From a slow and careful start the company now has some nine investments across a broad range of exploration and minerals producing businesses. While the investment portfolio took a substantial fall after the terrible events of September 11th, 2001 most of the investments made are now showing excellent growth. The company now has cash and unrealised assets of just over £4.0m, an increase of 20% since its launch.

Recently, your Board took a strategic decision to sell its 14.5% holding in Tiger to the Australian entrepreneur Bruce Rowan whose speciality is successfully investing in



CHAIRMAN'S STATEMENT (CONTINUED)

junior exploration and mining companies. This will release both management time and funds to support our core activities. I am delighted we are handing over investment control to Mr Rowan with such a strong portfolio and cash still to be invested.

PORTUGAL

In spite of some excellent results from our exploration programme especially in the Valongo and Gondomar region we are still frustrated by the Portuguese authorities in reaching a settlement with them by way of compensation for the loss of the Castromil exploitation licence. Even now, the whole matter is back in the Courts as we await a decision following the appeal by the Secretary of State in regard to an earlier decision by the Supreme Administrative Court to re-instate our exploitation licence.

Notwithstanding the Court's awaited decision we are moving ahead with a limited drilling programme at Valongo and Gondomar where we have already encountered exceptional gold values. I hope to be able to announce results from this intended programme before too long.

The political scene in Portugal is changing. Elections are due to be held in mid March and it is my hope that a less negatively minded government will be elected. A new administration will have an opportunity to revitalise the mining industry and create an atmosphere in which we, and others, can feel secure in carrying out our legitimate business.

GROUP STRATEGY

At the AGM last year I announced that we would be looking at the possibility of a full London listing, a consolidation of our shares and the buy back of shares from small holders on a voluntary basis.

With our Corporate Finance Advisors, Investec Henderson Crosthwaite, we continue to examine a number of possible routes to enable these objectives to be met in accordance with the exacting requirements of the LSE.

PERSONNEL

Following the sad and untimely death of Seamus Maher I am delighted that Alan Mooney has joined the group as Chief Financial Officer. I am also pleased that David Hall has been appointed to the Board. He will be able to provide a level of relief to Gordon Riddler. Our business is as much about people as the quality of the portfolio. We have been able to build a world-class knowledge base with experienced field teams led by both expatriate and national senior exploration staff of the highest quality. This talent is an invaluable asset of the Company.

FINANCIAL REVIEW

The Group reports a loss of IRE345,053 for the year 2001 (2000: IRE2,816 profit). The loss reflects increased administrative costs associated with substantially increased and more widespread levels of activity. An increased proportion of director's fees and costs have been expensed. Interest and similar income at IRE546,060 (2000: IRE627,819) is lower due to the lower interest rate environment in 2001.

In 2001 there were no profits on sale of subsidiary or minority interests (2000: IRE286,091 and IRE96,681 respectively). In addition there has been no write down of intangible fixed assets (2000: IRE311,074 write down of our Russian interests).

Net cash outflow before financing amounted to IRE3,553,642 (2000: IRE3,152,445) primarily reflecting exploration expenditures on our various projects less interest received and similar income. This also includes IRE77,174 (2000: IRENil) to acquire 100% of Exploration & Discovery Latin America (Panama) Inc.

During the year we raised IRE4,769,866 (2000: IRE836,079) through a share placing. This more than matched the cash outflow before financing resulting in increased bank and cash resources of IRE1,216,224 (2000: IRE2,316,376 decrease).

MinMet continues to show a healthy bank / cash position and the Company is well funded to meet exploration costs for the year 2002. However, with decreasing market interest rates the contribution from interest earned will be less in the current year. It is important that a strong financial position is maintained into the future so as to give management the flexibility needed to fully exploit the extensive resources under management.



CHAIRMAN'S STATEMENT (CONTINUED)

CONCLUSION

The long wait is over. Your Company has started to deliver on its promises. The minerals sector is, in my view, at the start of a renaissance. The gold price is making progress at last as are a number of other mineral commodities. These are exciting times and your Company is well placed to capitalise on the opportunities in front of it.

In Brazil we have started trial mining for gold and will shortly be bulk sampling for diamonds at Coromandel. The Sungem project has all the hallmarks of becoming a major zinc discovery. Through joint venture activities with major mining houses in Central and Latin America we are extremely well placed to develop several already identified mineral targets. Our progress to reach a solution to our problems in Portugal has been disappointing, nonetheless, I am confident that we will recover value from a difficult situation.

With these widespread activities and projects of high potential, MinMet is emerging with a dimension and scale that gives us significant standing within the mining and exploration industry. This will yield advantage in developing our potential and resources over the coming year.

I would like to thank all members of the Company for their hard and dedicated work throughout last year. A group such as ours is only as good as the people who work within it. I have been blessed with a very dedicated team of professionals and loyal staff whose talents cannot be equalled.

A final thank you to our professional advisors both in London and Dublin and a very special thanks to our stalwart investors whose patience, I am happy to say is on the point of being well and truly rewarded.

Jeremy P Metcalfe Chairman

6 March 2002



TECHNICAL REPORT

INTRODUCTION

Existing exploration projects for gold and diamonds have been advanced to the drilling, bulk sampling and trial mining stage. Considerable progress has been made on broadening the Company's portfolio of projects and target commodities in highly prospective areas of Brazil, Peru, Central America and the Dominican Republic. Operations management of MinMet plc (MinMet or the Company) has been focused through the Company's wholly owned subsidiaries Mineradora de Bauxita Ltda and Mearim Ltda (Brazil), Exploration & Discovery Latin America (Panama) Inc (Dominican Republic, Central America and Peru), Crediton Minerals Limited (UK) and Connary Minerals SP (Portugal).

The Company has set up a network of working bases at Cuiaba, Coromandel and Mara Rosa in Brazil, Santo Domingo in Dominican Republic, in Panama City, Lima and Porto, all administered through its head office in Dublin. A world-class knowledge base has also been built, with experienced field teams at each of these bases, led by both expatriate and country-national senior exploration staff with extensive experience in the mineral exploration business worldwide. All of these leaders are self-motivated and self-sufficient people who have worked on a wide range of mineralisation styles and commodities, and all have had experience with major mining companies at some stage in their careers.

EXPLORATION

Brazil - Mato Grosso

Cuiabá Basin - Gold

Land holdings have been kept under review and as prospective ground has been identified in more detail these have been reduced down to approximately 270,000 hectares and will be reduced further as the most productive gold targets are identified. This reduction in total area is resulting in a considerable saving in land taxes and administration costs.

Gold exploration continued in the Cuiabá Basin during 2001 with the completion of the scout diamond drilling programme, geological mapping, trenching and bulk sampling in the Cangas District, south west of Cuiaba. Previous work last year had established structural and lithological controls to the mineralisation. The working model identified was of an extensive host lithology, an iron-rich meta-rythmite or banded iron formation (BIF), shallow dipping to the southeast, averaging 100m thickness called the Intermediate Sequence. Gold generally occurred within this sequence in vertical quartz vein sheets and the contiguous wallrock.

The targeting of the four remaining scout drill holes (totalling 944.13m) DDH-20 and DDH-21 at Piracicaba and DDH-22 and DDH-23 at Ourinhos was based on a

number of different anomalous combinations taking into account chargeability, resistivity, magnetics, geochemical anomalies (gold, silver), and previous "garimpeiro" workings. Geophysical "real section" IP surveys and gold MMI geochemistry were initially instrumental in the location of diamond drill holes with both these defining the target, and with IP "real sections" pinpointing target depth. At Piracicaba the two drillholes also targeted the recently identified BIF between holes DDH-2 and DDH-3 in order to establish continuity of this lithological unit and also of the mineralization it hosted. Nine mineralised intercepts were found, including two of 1m each grading 3.5 g/t gold. Drillholes DDH-22 and DDH-23 targeted the down dip extension of the Intermediate Sequence BIF to the south east in order to establish continuity of lithology and mineralization. This was established in that DDH-22 had 7 mineralised intercepts and DDH-23 encountered 3 mineralised zones including 13m containing gold values ranging from 0.17 g/t to 8.58 g/t gold, with an overall average of 1.06 g/t gold.

Geological mapping and sampling were carried out in the Cangas District based on a new understanding of the nature of the overlying saprolitic lithologies which became possible from studying the fresh rock obtained from diamond drilling. It was then clear that there were three main lithological sequences (Upper, Intermediate and Lower) and the gold mineralization was predominantly hosted by one of these, the Intermediate Sequence. This Intermediate Sequence is characterised by the presence predominantly of interbedded meta-rythmites and meta-siltstones. The meta-rythmites are typically interbedded thin layers of magnetite/hematite or ankerite and chert or microgranular quartz (after chert) best described as BIF. The relationship of the Intermediate Sequence to regional folding and fracturing structures with the gold largely associated with intense quartz veining trending mainly east-west and north 60° west became clear from this programme and formed the basis for the selection of the locations for trial mining.

Samples (218) collected from quartz veins at Piracicaba and Ourinhos, hosted by the Intermediate Sequence contained many high gold values, up to 9.3 g/t gold at Ourinhos and at Piracicaba up to 9.0 g/t gold.

Trenching was carried out at Piracicaba during 2001. Trench T2 was opened with the intention of cutting across the Intermediate Sequence, where more visible gold was observed in concentrates at the mobile bulk sampling plant (MBSP). Bulk samples were also excavated and stockpiled along an east to west trend of pits in Ourinhos, which completely traversed the Intermediate Sequence. When processing and analyses is complete these will give a more detailed idea of the distribution and controls of the gold deposition within the sequence. It was at this time that the metallurgical audit was carried out on the MBSP and as a result operations were suspended until necessary modifications were carried out and the ball mill replaced by a rod mill, to avoid gold lock up. It was only

TECHNICAL REPORT (CONTINUED)

in December 2001 that this plant was fully operational again and it is presently processing trench samples to identify feedstock for trial mining at Cotia, before returning to complete the sample processing on the Ourinhos pits.

Sampling was also undertaken at the large Sergio França open pit at Poconé, 20 km south of Cangas. A series of 20kg to 50 kg samples taken on 1m x 1m panels in the open pit at Poconé. The highest gold values from these panel samples were associated with a specific fracture filling quartz vein. The two panel samples collected from this vein, not considered by the owner as the best grade on the face, assayed 27.42 g/t and 12.87 g/t gold.

Derived values for various combinations of rock type and gold values are given in the table below. The average value for the high-grade quartz veins sampled was 20.15 g/t gold. The average value obtained for the best high-grade vein plus 1 meter of adjacent host rock was 7.86 g/t gold.

Pocone Open Pit - Preliminary Results

PANEL (1M X 1M) SAMPLE TYPE	AU g/t
High-grade fracture filling quartz veins only	20.15
All fracture filling quartz veins sampled	10.46
Quartz vein + adjacent host rock	7.86
Host rock (rhytmite + siltstone) without veins	0.54

These results were important as they provided first-hand guidance for the current work on the Company's claims to the north of Pocone and demonstrated the difficulty of quantifying mineral resources due to the poddy nature of the gold along the veins. This information was one of the factors which contributed to the decision to proceed with a trial mining programme and where that should be located. Another supporting factor was the outcome of technical visits by two specialists in mineralisation associated with BIF. The general conclusions from these visits served to underline the results that emerged from the Company's regional exploration to date and is summarised as follows:

- An iron-rich rock unit (BIF) with tens of kilometres of strike length, outcropping at surface, was defined by the magnetic survey and recognised to act as a host for much of the vein gold mineralization in the Cuiabá Basin belt. Ongoing exploration will be confined to this unit and conducted by means of backhoe trenching perpendicular to the dominant vein directions. A comparison will be made between bulk sampling using the backhoe and conventional channel sampling in order to determine the severity of the nugget effect at various locations.

- A realistic exploration target in the Cuiabá Basin gold belt will comprise sheets closely spaced, sub-vertical, narrow quartz veins combined with lower-grade disseminated gold in the host rock BIF alongside them. Such zones may attain widths of 4 m to 10 m in weathered rock. Deposits of 300,000 tonnes are likely and the existence of large tonnages of disseminated gold mineralization in the iron-rich rock unit (BIF) such as Pocone (estimated at 100 Mt) and Cangas elsewhere in the belt, given the geological data available, cannot be ruled out.

Cuiabá Basin - Massive Sulphide Exploration

As previously reported, during the course of gold exploration in 2000, very strong IP geophysical anomalies were detected down dip to the east of the "gold zone" traditionally mined by garimpeiros. The "gold zone" is in fact the surface outcrop of what is termed the Intermediate Sequence, which is a banded iron formation (BIF) intensely veined with quartz. These anomalies were tested by two diamond drillholes DDH 7 and DDH 11 and were proved to be caused by both carbonaceous material and strong sulphide mineralization (pyrite and pyrrhotite with traces of chalcopyrite, galena, sphalerite and gold). As a consequence, it was decided to pursue the possibility of massive sulphide mineralization being the downdip facies equivalent of the up-dip, near-surface gold bearing magnetite rich BIF.

The programme focused in the Cangas District to the south-west of Cuiaba, rather than a similar geophysical anomaly tested by DDH-19 which was also due to semi-massive sulphides to the south-east of Cuiaba. The programme consisted of stream sediment sampling, grid surveying, ground geophysics, soil geochemistry and drilling.

Previous regional work carried out by DNPM/CPRM had detected a series of stream sediment base metal and gold anomalies even before the resurgence of gold mining activity in the district started in the 1980s. A validation stream sediment (194 samples) and panned concentrate (180 samples) survey was carried out on this previous work and extended south west into the Cangas District where there was no previous coverage. This survey confirmed the existence of anomalous base metal values in the district, along the south westerly trend, but to the east of the outcropping Intermediate Sequence, and in line with the strong IP anomaly that was beginning to emerge.

Building on the IP real sections completed around the end of 2000 which had started detecting this zone of very high chargeability known to be due to sulphides from drill testing, the established association of BIF to massive sulphides in other deposits, and the presence of base metal stream sediment anomalies, it was decided to establish if the strong IP anomaly out to the east was

TECHNICAL REPORT (CONTINUED)

continuous, and if it had any specific mineralised centres. Six regional IP lines were completed proving beyond doubt that the IP anomaly was continuous over a strike length of around 24 Km. It also showed it to be very much wider (up to 3.7 Km) than expected. Three regional TEM lines were simultaneously carried out with the IP to determine how good a conductor it was and to indicate the possible source thickness and depth. A ground magnetic survey was also undertaken along these six lines.

The results of this reconnaissance phase showed that the anomaly was clearly a very good conductor. Two surface grids, Cangas North and Cangas South were surveyed in and a semi-detailed TEM survey completed on the Cangas North Grid with nine infill lines, 400 - 450 m apart.

Soil geochemistry (2491 samples) was also carried out on these grids over the IP anomalies using MMI and conventional analytical techniques. This survey detected anomalous coincident base metal values with MMI and gold with MMI and conventional soil sampling.

Two drill targets were identified on the basis of coincident geophysical and base metal - gold geochemical anomalies. DDH - 24 (451.70m) was completed and it intersected an alternating sequence of carbonaceous phyllite, black shale and meta-arenites. Fine grained and euhedral pyrite was pervasive throughout. This rock and mineralisation sequence was sufficient to explain the geophysical anomalies. The core was selectively sampled and quartz veinlets in meta-arenite ran gold values up to 1.5 g/t over 1m, but ran no significant values of base metals.

While the presence of significant accumulations of base metals cannot be ruled out, the pursuit of the massive sulphide prospect was considered to offer less value for money than a focus on the development of the gold prospects near surface to the west. Consequently, work on massive sulphide exploration has been halted pending the outcome of discussions being held with other interested parties.

Cuiabá Basin - Diamonds

Results from a limited reconnaissance programme of stream sediment and heavy mineral concentrate sampling, residual soil sampling, soil geochemistry (using MMI-Group D) technique and ground magnetics following up a few of the airborne survey anomalies were evaluated. It was clear from these data that much more extensive and detailed diamond exploration surveys would be required to get effective results and it was decided at this stage not to continue the programme and again to focus on the gold potential of the Cuiaba Basin.

Cuiabá Basin - Surface Tailings Resource Assessment - Gold

From April to June 2001 a total of 1512 tailings samples were collected from 25 tailings dumps in 14 different areas, this sampling broadly representing about 35% of the 21 Mt total estimated tailings in the Cuiabá Basin. The results obtained were lower than expectations, ranging between 0.12 g/t gold to 1.5 g/t gold. These back-calculated tailings grades were also much lower than mean laboratory grades indicating, despite bulk sampling, that there was still a lack of representativity and possibly a persistent nugget effect problem at the sampling density used. Part of the explanation also related to a result arising from a metallurgical audit of the mobile bulk sampling plant (MBSP) which identified a gold lock-up problem with the ball mill on the plant which has since been modified. A scoping study on the economics of gold production from the tailings completed by JMC y Asociados, Mining Engineers, Santiago, indicated that the tailings operations would be sensitive to tonnage throughput and the cost of transportation to a central processing plant. It was concluded that tailings dumps with larger tonnages could be economically processed if located close to a processing plant, exactly what garimpeiros do when short of better feedstock. It was decided therefore that tailings would be evaluated in more detail in due course when included in any feedstock resource assessment near proposed processing plant sites.

Brazil - Goiás
Mara Rosa - Gold and Base Metals

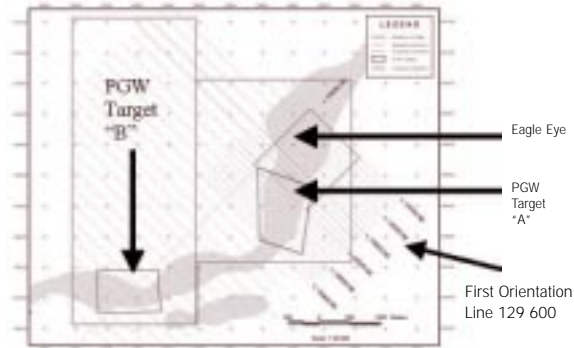
This prospect is being investigated under an exploration agreement with Barrick do Brazil Mineração Limitada to explore for gold and base metals over a 1,750-hectares licence area adjacent to the town of Mara Rosa.

In mid-August 2001, MinMet started a work programme which consisted of re-establishing old ground grids, reviewing previously acquired data, and setting up survey control points for the acquisition of IKONIS satellite photography. Orientation and grid geochemical soil sampling (200m by 20m) using conventional and MMI techniques was undertaken, as well as detailed mapping, ground IP and magnetic surveys over approximately half of the licence area to date. Rock sampling and trenching have been completed to characterise the lithology and the mineralisation signature.

A high resolution airborne magnetic and radiometric survey of the property comprising flight lines at 100m spacing and tie lines all totalling 900 line km was surveyed by FUGRO. The airborne magnetic data confirmed that strong regional features cross the licence area, which are known to carry mineralisation and host mines elsewhere along their length. Extensive linear

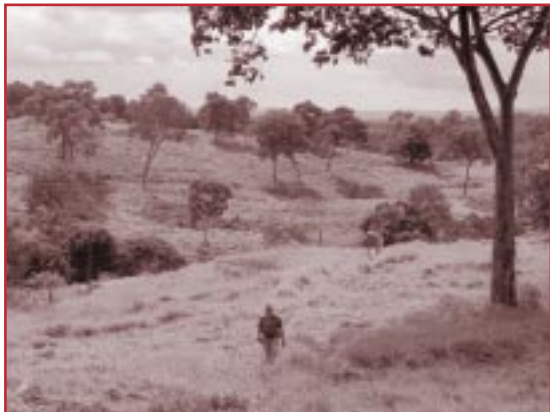
TECHNICAL REPORT (CONTINUED)

potassium channel airborne survey radiometric anomalies also cross the licence area these being often indicative of the bedrock alteration which accompanies mineralisation. More detailed airborne survey data interpretation by PGW in Canada identified two principal geophysical targets on the licence area selected on the basis of strong magnetic anomalies associated with strong potassium/thorium ratio (K/Th) anomalies. Geochemistry data (old and new) shows that gold and base metal anomalies have an almost continuous extension of around 6km and are closely associated with the strong potassium alteration mapped by the K/Th ratio obtained from the airborne survey.



Mara Rosa Location of Targets on the Licence Area (outlined in purple) and showing the 6km continuous interpreted potassium alteration zone (pink shading).

Combining the data from these various airborne and ground surveys, the first strong and well supported target emerged, and is called "Eagle Eye". It is located in the centre of the interpreted potassium alteration zone around 6 km long indicated by the airborne radiometric survey and only a short distance for one of the high priority targets (Target "A") identified by PGW. This target was chosen for fast-tracking to provide initial scout drilling targets as soon as possible. It is defined by low



Eagle Eye Locality, Mara Rosa

resistivity, strong chargeability with a coincident magnetic response, a signature indicative of sulphide mineralisation. The "Eagle Eye" target also has an impressive conventional soil geochemical anomaly (ranging between 0.1 ppm to 0.3 ppm gold) with high MMI response ratios peaking at greater than 80% (one of three discovered so far on the licence area).

Detailed follow up surveys on the "Eagle Eye" target included soil (1942 samples) and rock sampling, gradient array IP (15 line km) and high-resolution ground magnetics (52.5 line/km on a 50m by 5m grid). Visible gold was panned from soil over the 0.1ppm gold geochemistry anomaly, some grains approaching 1mm in size. Heavy mineral concentrates panned from the stream immediately west of "Eagle Eye" showed over 30 colours of native gold in 50 litres of sample, while up stream of "Eagle Eye" no gold was panned which tends to confirm that the provenance of the gold is directly from "Eagle Eye" itself. This target also has surface rock samples with very encouraging analytical results. One sample runs 4.2 g/t gold with 704ppm lead, 123ppm copper and 1.5g/t silver. Another, a whitish chert unit, contains 0.34 g/t gold, 1434ppm lead, 119ppm copper and 146ppm zinc.

By the end of February 2002, two drillholes MR1 (229.41m) and MR2 (211.9m) had been completed and pervasive pyrite mineralisation (3%) with some sphalerite bands (best is 3m @ 3% sphalerite) had been observed from surface down to 174m and 131m respectively. Results are awaited for the core sample analyses.

Integration of the field data from exploration to date opens up the possibility that the Mara Rosa belt is a series of metamorphosed exhalite vents and spreads and prospective for both distal as well as proximal volcanic massive sulphide (VMS) deposits as well as for gold.

After this encouraging start exploration continues to define other drill targets on the licence area.

Brazil - Minas Gerais

Coromandel - Diamonds

In preparation for the bulk testing of the gravels in one of several large alluvial flats in the Santo Inacio river valley near Coromandel, environmental baseline and impact studies were completed for submission to FEAM, the environmental agency and other documentation to the DNPM, to enable the granting of the necessary permits.

Pits were dug to characterise the overburden, the gravels, the contained heavy minerals, and to determine the bulk density of the gravels. Good thicknesses of gravel were found between 1.5m and 2.0m at shallow depth. 17.2 line km of magnetometry were completed to assist with the geological modelling of the alluvial flat. The

**TECHNICAL REPORT (CONTINUED)**

dimensions of the flat are estimated to be 1000m by 700m, which constitutes a fraction of the total area of alluvials available to the Company in the Santo Inacio river valley. The area has a history of producing large, high quality diamonds on a relatively regular basis. Check sampling was undertaken to ensure that the plant site would not sterilise any potentially mineralised productive ground.

Sungem - Base Metals

Following the discovery of gossan (weathered sulphide on the surface) at the Sungem prospect, on the Company's diamond licence area near Coromandel, samples collected and analysed during the year are summarised as follows:

SAMPLE TYPE	DESIGNATION	QUANTITY
Soils	Sungem Soil Grid	555
Trench	A/B/C/D	275
Rock	Gossans mainly	152

An initial soil geochemistry survey commenced mid-year over the discovery gossan at Sungem. A discrete and continuous anomaly of both lead and zinc extended throughout this grid over a strike length of 600m. This survey was subsequently extended to the east where a

further large geochemical anomaly and associated gossan was found. Thirteen line km of ground magnetic survey were completed before scout drilling began in August 2001. The scout drilling programme was designed to follow up a target determined by detailed mapping of extensive gossans, the soil geochemistry and ground magnetic surveys and trenching. The target area comprises at least two parallel north-north-east trends where surface gossans (one being 310m long) coincide with significant zinc (>500ppm) and lead (>200ppm) soil geochemistry anomalies. These trends have a strike length of over 2.75 km (open to the north and south) and a width of approximately 600m. By the year-end, 5 inclined, scout cored drillholes (SG1 to SG5) for a total of 1195.10m had been completed and drilling continues. These drillholes have confirmed an important new discovery of zinc mineralisation contained in several horizons within a dolomite host rock. Furthermore, soil geochemistry results just received covering the open northern end of the trend indicate a near doubling of the areal extent of this target at Sungem.

The holes were not drilled sequentially, and results for SG1 and SG5 are awaited. A total of 607 samples were taken for analyses from SG3, SG4 and SG5 and the more important intersections are as follows:

Drill Hole	Zone	From m	To m	Intersection m	Zn %	Pb%	Ag g/t
SG2		113.60	115.00	1.40	3.2	-	2.9
		115.00	1.00		2.7	-	3.6
		116.00	1.20		3.0	0.32	5.9
		117.20					
	Total	2	113.60	117.20	3.60	3.0	-
		149.20	0.80		13.6	0.07	22.0
		150.00	1.00		14.1	0.10	15.0
		151.00	1.00		14.9	0.07	17.0
		152.00	0.55		3.2	-	5.3
		152.55					
Total	3	149.20	152.55	3.35	12.4	-	15.7
SG3		82.00	83.00	1.00	13.3	0.6	18
		83.00	1.00		7.6	0.2	9
		84.00					
Total	1	80.00	84.00	4.00	6.0	>0.1	2 to 18
		137.00	1.00		18.20	-	14
		138.00					
	Total	2	135.80	140.70	4.90	4.80	0.02
SG4		40.15	42.10	1.95	11.0	0.15	10.0
Total	1	40.15	47.20	7.05	4.3	~0.1	2 to 11
		88.85	1.75		5.2	0.1	5.5
		90.60					
	2	175.00	176.00	1.00	4.5	1.4	15

with some intersections exceeding 3m carrying zinc values in excess of 4% zinc.

TECHNICAL REPORT (CONTINUED)



Drilling continues at Sungem to test the eastern soil geochemical anomaly and gossan zone at SG 6.



Mineralised core from Sungem Drillhole SG2 at 150m. Massive to semi-massive pyrite and sphalerite, with lesser galena hosted predominantly in dolomite rock and breccia.

The present interpretation of the mineralisation is of three major stratabound zones in dolomites dipping west-north-west at between 32° and 40°, and these are broken by north-west to south-east faults which themselves have been mineralised. The rocks were originally deposited on a shallow marine platform, deepening to the south-west, adjacent to the edge of the Sao Francisco Craton. Sungem is one of a series of gold and zinc deposits (from north to south - Paracatu, Morro Agudo, Masa and Vazante) found in the sequence of rocks known as the

Bambui Group. The Sungem mineralisation appears to have very close similarities to the Morro Agudo zinc deposit 150 km to the north rather to the closer Vazante mineralisation, 80 km to the north, this difference probably relating to the presence of granitic intrusion in the vicinity of Vazante. The largest zinc producer in Brazil operates both Morro Agudo and Vazante mines.

The results of the limited scout drilling programme completed to date indicate that Sungem has the potential to host economic mineralisation if the continuity and grade can be proved up along strike. In any case the Company is close to being in a position to calculate an inferred mineral resource. An intersection of over 3m at 12% zinc in drillhole SG2 compares favourably with horizons mined at Morro Agudo where most bodies are less than 4m thick with grades of about 5% zinc, and with silver values lower than those at Sungem which range between 5 g/t and 20 g/t silver.

Dominican Republic

The Company has been active in the Dominican Republic since May 2001. The Dominican Republic hosts Pueblo Viejo, the world's second largest high sulphidation gold deposit after Yanacocha in northern Peru. Past production, reserves and resources exceed 40 million ounces of gold. Placer Dome, the North American mining company is finalising the terms with the Dominican Government for exploitation of this huge gold resource.



Pueblo Viejo Mine Dominican Republic

Under an agreement with two Canadian juniors, Energold Mining Ltd and Impact Minerals Inc. who control a large land package, MinMet had a six month exclusive period to review their ground holdings and select 30,000 hectares. MinMet has completed the first systematic regional stream sediment programme in the belt of rocks that hosts the Pueblo Viejo deposit. In addition extensive



TECHNICAL REPORT (CONTINUED)

rock float sampling was undertaken, and working with a leading economic geological consultant, the Company has developed a new geological model for the Pueblo Viejo deposit. This has led to a major re-interpretation of the potential of this world-class belt.

Subsequent to the first six month programme, MinMet has selected 27,709 hectares, but also has in its own right staked a further 26,350 hectares over priority stream sediment gold anomalies defined on open ground.

El Brujo - Gold

The Company is now fast tracking the El Brujo concession under an option agreement with Impact. The El Brujo concession is located 100 km east of Pueblo Viejo. Previous work by BHP and Impact had outlined an area of copper-gold-arsenic in soils over what was termed the "Gossan Zone".

The Company has commenced re-sampling the area and has confirmed and expanded the area of mineralisation. In the Dos Brazos Zone 1 (formerly the "Gossan Zone") an 800m by 800m gold (>50 ppb), copper and molybdenum in soil anomaly has been defined with associated elevated arsenic-mercury-antimony. New geological observations show the anomaly to be possibly related to a porphyry copper-gold system with indications of potential for supergene copper enrichment. Porphyry copper - gold systems comprise some of the world's largest orebodies.

South of Zone 1, the Company has outlined another area of mineralisation termed Zone 2 (formerly the Vein Zone), 800m by 100m defined by >50 ppb gold with coincident arsenic and bismuth. The current view is that this is a structurally controlled zone to the south-east of the main Zone 1 anomaly. The mineralisation here is vein hosted with sub crop rock samples assaying up to 11 g/t gold. Additional gold in soil anomalies are present north of Zone 1.

This project is advancing rapidly with the extending and infilling of the soil grid and geological mapping to define drill sites for testing later this year. The target sought at El Brujo would be 100 million tonnes of 1% plus copper and greater than 1 g/t gold.

La Bruja - Gold

The adjacent La Bruja concession hosts Pueblo Viejo type mineralisation characterised by pyrophyllite alteration and replacement of favourable lithologies, in the case of La Bruja felsic tuffs. MinMet has recognised that this is part of a large Pueblo Viejo scale system (8km by 2 km) that includes El Brujo to the north west. The soil grid has been extended to cover this ground and define the area and scale of mineralisation more precisely.

Josefina - Polymetallic, Gold

The Josefina concession is located north west of Pueblo Viejo and was highlighted by extensive zinc and copper anomalies in the regional stream sediment programme. Previous work in the area had reported gossans and areas of copper and zinc in soil anomalies. Follow-up work by MinMet has located areas of extensive gossan float within the Josefina concession. A programme of ridge and spur soil sampling has been completed. Depending on results, this will be followed up by grid soil sampling and ultimately, if warranted, drilling.

Central America

Prospectivity Review

A six-month detailed prospectivity review of Central America was completed by the Company in December 2001. This initial study was carried out under a letter of intent with a major mining company with a view to forming a joint venture to explore for large copper, gold and zinc deposits in the countries that make up Central America. The scope of the initial programme consisted of field evaluation of areas of potential interest and the preparation of a GIS database. The emphasis was on a hands-on field evaluation of the potential of each country by visits to prospects and mines, and the results were produced as hard copy and in digital form on CD-ROM.

This programme demonstrates a very cost effective and credible service that MinMet is capable of providing to major companies as a contribution to a possible joint venture.

Honduras

Minas de Oro - Gold, Copper

MinMet has signed an option with Canadian junior company Tombstone Explorations Co. Ltd of Vancouver, to acquire 80% of its 100% owned Minas de Oro copper-gold project in Honduras. The project has 9,555 hectares of concessions including five (1,830 hectares) with mining title, which cover the main part of the deposit. The Minas de Oro project was identified as an outstanding opportunity following the prospectivity review of Central America.

TECHNICAL REPORT (CONTINUED)



Location of Minas de Oro, Honduras and the principal target areas

The project has potential for the discovery of one or more major copper-gold or gold-only deposits in a very large, zoned, intrusive-related hydrothermal system with multiple targets. Skarn deposits are attractive orebodies due to their high grades and simple metallurgy, and examples worldwide include Ertsberg (Indonesia) with 32.6 million tonnes at 2.3% copper and 0.8g/t gold; Big Gossan (Indonesia) with 37.5 million tonnes at 2.7% copper and 1.0 g/t gold; Kucing Liar (Indonesia) with 250 million tonnes of 2.0% copper-equivalent; and Tintaya (Peru) with 50 million tonnes of 1.5% copper and 0.22 g/t gold.

The Minas de Oro project is located in central Honduras some 80 km north of the capital Tegucigalpa and only 110 km from tidewater, and has excellent infrastructure. Honduras is a mining country with a new mining code. Three new open pit, heap leach gold mines have been opened in the past two years. The project lies between the famous El Mochito silver-lead-zinc mine, in production for the past 55 years, and the new San Martin gold mine opened in 2000.

The Minas de Oro project comprises a number of copper-gold skarn deposits formed in Mesozoic carbonates and related to stocks with sub-economic porphyry copper-gold style mineralization, which are peripheral to the Minas de Oro granodiorite pluton.

There is also a large, peripheral sediment-hosted gold target (San Antonio - Cerro Pirita), and distal silver-lead-zinc veins at Minas de Plata. The project has a long history of small-scale mining and exploration. Previous work identified a resource 12.4 million tonnes grading 0.88 g/t gold and 0.7% copper. There are three main exploration targets, two of which are almost ready to drill (Monteciello in the Central Zone and El Peñon), while the third requires drill target definition (San Antonio - Cerro Pirita).



Monteciello in the Central Zone, Minas de Oro Honduras

MinMet will define drill targets in each of these zones in 2002 ready for drill testing in the following year. There is upside potential in previously drilled areas, and in addition there are several other skarns and copper and gold anomalies that require follow up exploration. Previous channel sampling at Monteciello returned grades such as 2.66 g/t gold and 0.74% copper over 110 metres and 2.18 g/t gold and 0.56% copper over 106 metres, and a drill hole in this zone ran 0.84 g/t gold and 0.97% copper over 112 metres. Some significant trench results at El Peñon include: 4.92 g/t gold over 38 metres; 2.45 g/t gold over 40 metres; 1.93 g/t gold and 0.8% copper over 40 metres; 1.02 g/t gold and 0.7% copper over 23 metres. Earlier drilling at San Antonio returned 1.1 g/t gold over 158 metres including 2.45 g/t gold over 34 metres; and 1.03 g/t gold over 137 metres. Trench and outcrop samples 600 metres away from the drilled area gave results such as 7.53 g/t gold over 20 metres; 2.38 g/t gold over 7 metres; 1.42 g/t gold over 10 metres; and 11.6 g/t gold in a grab sample.

MinMet is currently completing due diligence and is compiling and integrating the extensive database for the project. Discussions have been held with a major mining company with a view to their possible participation in this prospect under a joint venture arrangement with MinMet.

Peru

El Aguila - Base Metals

The Company is about to start its first project in Peru, a country with exceptional geological potential and through favourable legal and fiscal regimes has been at the forefront of exploration expenditure in Latin America in recent years. MinMet has an option agreement with Apex Silver Mines Limited (ASC Peru LDC) on the El Aguila project. The El Aguila property comprises 1000 hectares and is located 17km north-west of the mining centre of Cerro de Pasco, Central Peru. El Aguila is in one of the

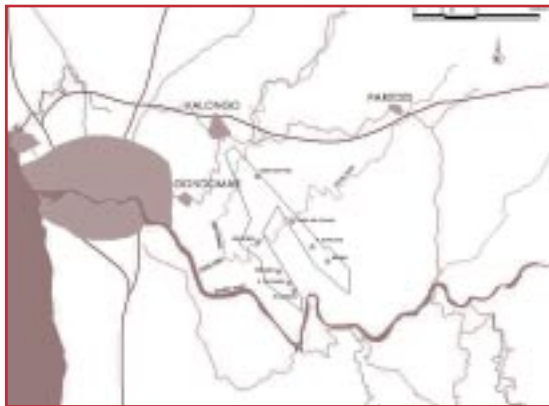
TECHNICAL REPORT (CONTINUED)

world's premier base metal-silver mining districts which includes the Cerro de Pasco mine itself (reserves and past production of 12Mt zinc, 4.3Mt lead and 888Moz silver), the Colquijirca (25 Mt @ 6% zinc, 2.5% lead, > 4oz/t silver) and San Gregorio (70 Mt @ 7.3 % zinc, 2.2 % lead) deposits and the Atacocha (past production and reserves of 2.1Mt zinc, 1.4 Mt lead and 378 Moz silver) and Milpo mining camp, and where exploration ground is heavily staked, principally by major mining companies. The property is astride a major fault (Cerro de Pasco Fault), which further south at Cerro de Pasco and Colquijirca, is known to be an important structural control on localization of middle to late Miocene volcanic centres and associated polymetallic mineralisation. Preliminary rock sampling by MinMet returned values up to 46 oz/t silver, 14.7% lead and 16.0% zinc.

Portugal

Valongo - Gondomar - Gold

The exploration programme at Valongo - Gondomar was completed in compliance with the exploration contract dated April 1998. The second one-year extension of the license was granted and the area reduced to 34.23 km², under the terms of the contract.



Valongo-Gondomar Location Map showing area covered by the Second Extension

Detailed geological mapping and channel sampling (199, over approximately 1m) were completed at Banjas, Poço Romano, Ribeiro de Serra, Tapada and Serra de Pias. An underground survey, a sampling programme and quartz geochemistry study were completed at Banjas mine and in the Ribeiro de Serra galleries. The soil geochemistry grid (228 samples) to the east of Poço Romano was completed, as well as detailed ground geophysical surveys at Banjas, Alto de Sobrido and Poço Romano.

An environmental baseline programme was set up for the Banjas and Poço Romano areas for future implementation. In order to ensure that appropriate data for future permitting was collected, such as

hydrogeological and geotechnical data from the environmental baseline study and the exploration drilling, conceptual plans were prepared by Knight Piésold in September 2001 for mines and infrastructure at two of the principal gold prospects, Banjas and Alto de Sobrido, and recommendations made concerning data collection for future input to the planning, environmental and costing exercises for the project.

Preliminary metallurgical testwork on samples from Banjas and Alto de Sobrido was completed by CSMA Consultants Limited. The objective of this testwork was to determine whether gravity and froth flotation techniques could produce an economically viable concentrate for subsequent cyanide extraction offsite.

The principal results of this work programme are as follows.

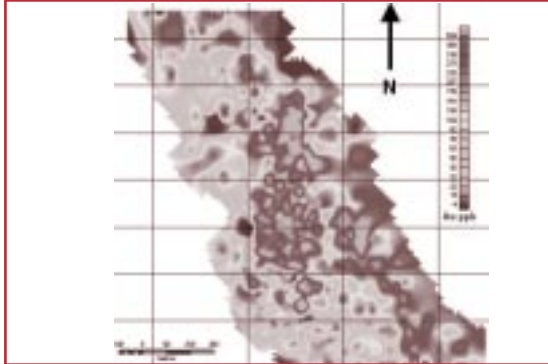
The geological mapping has led to the discovery of eight additional new occurrences of argillitic lodes (stratabound mineralization) with high gold grades between the Banjas and Poço Romano areas, and has established that these structures exist over a strike length of 6.0 km on the eastern limb of the Valongo - Gondomar anticline. The vertical and lateral continuity of those stratabound structures constitutes a promising regional drilling target.

The best results for the channel sampling (each approximately 1m long) at various locations on the prospect are as follows, and confirm previous results:

LOCATION	SAMPLE CODE	AU (g/t)
Banjas Mine	BJ 581	12.30
Banjas Mine	BJ 582	104.12
Banjas Mine	BJ 603	25.25
Banjas Mine	BJ 607	26.50
Banjas Mine	BJ 643	6.25
Banjas Mine	BJ 648	15.25
Banjas Mine	BJQ 592	39.00
Poço Romano	PR 92	8.15
Poço Romano	PR93	8.85
Poço Romano	PR119	10.60
Poço Romano	Pr 124	14.87
Ribeiro da Serra	RSQ 55	112.50
Tapada	TAQ 50	100.00

The quartz geochemistry study produced a regional geochemical signature for associated mineralisation for the Valongo - Gondomar prospect areas.

TECHNICAL REPORT (CONTINUED)



Valongo-Gondomar Gold in Soil Anomalies Completed Poço Romano Grid

The soil sampling to the east of Poço Romano extended the anomaly pattern from the previous survey and confirmed the continuity of the anomalous gold in soils 4.5km northwards from Banjas on the eastern limb of the regional Valongo - Gondomar anticline. The soil values range from 14ppb to 1350 ppb (1.35 g/t) gold and average 209 ppb gold.

The ground magnetic survey (27.5 line km) confirmed structure and lithology while the electromagnetic survey (26.5 line km) anomalies coincided with some of the gold in soil anomalies. The results obtained have been useful in assisting the selection of scout drillhole locations.

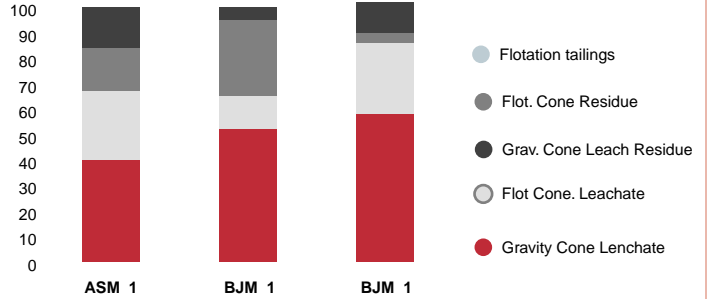
Three samples were submitted for the preliminary metallurgical testwork as follows:

	ASM 1	SAMPLES BJM 1	BJM 2
Element Head Grade			
Gold ppm (mean)	3.62	15.33	44.9
Arsenic %	0.02	0.23	0.25
Iron %	1.19	3.76	14.74
Sulphur %	0.10	<0.01	15.77
Antimony ppm	1412	19	74
Copper ppm	30	53	67
Sample Type	Siliceous Breccia	Quartz Vein	Argillite Lode
Location	Alto de Sobrido	Banjas Mine	Banjas Mine

Dr Hazel Prichard with a Stream Sediment Sampling Team in the Crediton Trough, Devon. Visible gold was detected in over half the panned concentrate samples .

From the preliminary test work the following overall gold distribution was determined:

Overall gold distribution



The metallurgical testwork programme has shown that there is considerable potential to recover the gold from the three different styles of mineralization present at Valongo - Gondomar prospect area using gravity and flotation methods. The gravity and flotation concentrates are highly amenable to cyanidation, a process which could be undertaken off-site. Gravity recoveries of gold ranged from 45.9% to 82.7% and the production of a saleable gravity concentrate would probably be feasible from these ore types.

United Kingdom - Devon

Crediton - Gold and Platinum

A regional stream sediment sampling programme has been completed in drainage crossing the edge of the Crediton Trough, major faults and areas where basalts and lamprophyres have been recorded. A total of 111 samples were obtained from 45 sites along the entire 45 km length of the trough to assess the distribution and concentration of gold and platinum group metals and associated pathfinder elements. Panned concentrates and a minus 100 mesh fine fraction were collected for geochemical analyses for gold, PGE and pathfinder elements. Panned concentrates were also collected for mineralogical analyses of heavy minerals. The results of sample analyses are awaited.



TECHNICAL REPORT (CONTINUED)

Gold grains were observed in panned concentrates at 25 of the 45 sites especially from smaller streams where bedrock was close to surface. The gold located was along the line of the Sticklepath Fault and along the basal contact of the Crediton Trough, where it is associated with both faulting and the presence of igneous rocks, basalt and lamprophyres. The gold is generally fine grained (less than 0.1mm), rounded and tarnished, but towards the east end of the trough, north of Thorverton, where the previous drilling campaign was focused, and south of Silverton, larger angular and hexagonal grains (0.5mm to 1mm) were found indicating proximity to source.

Based on visual inspection of the panned concentrates it is clear that gold is widely distributed along the edges of the Crediton Trough.

MinMet Discovery Group

The MinMet Discovery Group, based at Coromandel, Brazil, considered over 120 prospects in 2001, adopting both a re-active approach for projects brought to MinMet, and pro-active for projects generated in-house through literature search and conceptual thinking. The principal focus was on Brazil, and there, mainly on platinum and base metal prospects. This approach has proved successful in producing new prospects for the MinMet portfolio. The Group also provided technical support to existing projects.



Dr Tony Gallon with Manoel Villanova, Senior Project Geologist in the field near the discovery outcrop at Mara Rosa.

An exploration programme in search of platinoid elements in ultramafic settings was undertaken with emphasis on the less remote areas of Brazil, in Goias, Minas Gerais and Bahia states. Several ultramafic bodies were sampled as well as chromite occurrences and intrusives in greenstone belts. Two interesting properties have emerged, designated CMPP and PPPC.

At CMPP better results from rock geochemistry (ppm; and ppb for PGEs) on mineralised pyroxenite are as follows:

#	Type	Cu	Ni	Cr	Co	Ag	Pd (ppb)
683	Pyroxenite	556	525	254	27	<1	<2
811	Pyroxenite	910	803	176	36	18	11
686	Gossan ft	610	1537	3738	158	<1	13
687	Laterite	625	1348	>5000	147	<1	13

Interstitial pyrrhotite with pentlandite and chalcopyrite is a significant indicator for a stratiform mass somewhere in the ultramafic body. A combination of soil geochemistry, geophysical surveys and rock sampling would be necessary to define discrete anomalies with coincident copper and/or nickel for scout drilling.

At PPPC sampling of chromite occurrences in a greenstone belt have produced anomalous platinum and palladium values (ppb; and ppm for Cu, Ni, Cr):

#	Cu	Ni	Pt (ppb)	Pd (ppb)	Cr
914A	127	376	56	164	3984
915	669	946	83	219	2425

Such high values of platinum and palladium are of great interest, and the accompanying copper values suggest a sulphidic accumulation similar to that found at operating mines in Brazil.

On the base metal front, rock geochemical samples taken on the BMN prospect, part of a prospective zone with a 2.5 km strike length, gave anomalous base metal results (in ppm) and with cobalt (in %) as follows:

#	Cu	Pb	Zn	Ni	Cr	Co%
889C	4412	410	1426	3859	140	0.90
889E	2122	972	1115	2949	95	0.75

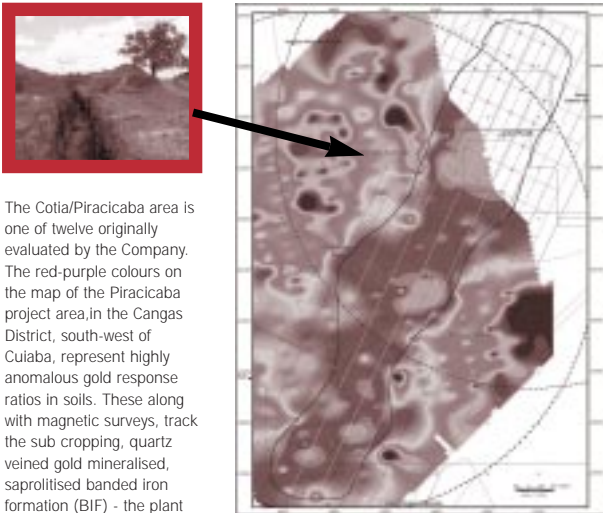
High manganese greater than 5% is also associated with both these samples, which may represent near surface weathering of a pyroxenite. With this assemblage of elements, this location is prospective for a cobalt-nickel open pit or a deeper copper-nickel massive sulphide deposit, and such highly anomalous base metal values will have to be followed up.

DEVELOPMENT
Brazil
Cuiabá Basin - Trial Mining - Cotia - Gold

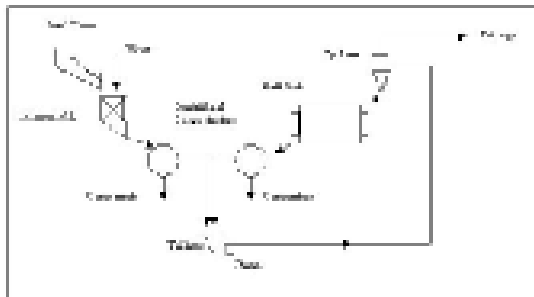
In October 2001 the Company began implementing a trial mining operation in the Cangas District. The programme involved determining an initial mining site, designing an appropriate plant, locating available equipment and contractors, preparing a cash flowchart for different

TECHNICAL REPORT (CONTINUED)

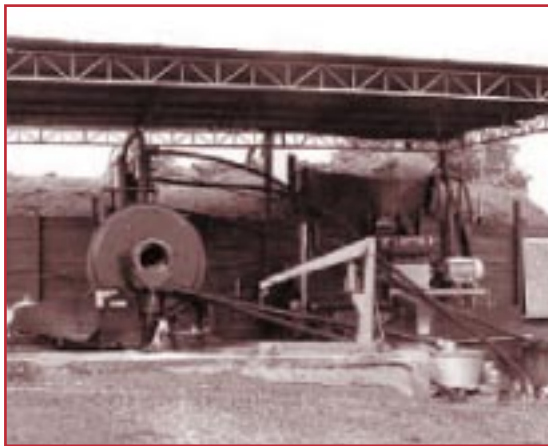
tonnage, grade and recovery scenarios, obtaining the necessary production and environmental permits, and utility connections. The Cotia/Piracicaba area was chosen for this trial mining operation.



The Cotia/Piracicaba area is one of twelve originally evaluated by the Company. The red-purple colours on the map of the Piracicaba project area, in the Cangas District, south-west of Cuiaba, represent highly anomalous gold response ratios in soils. These along with magnetic surveys, track the sub cropping, quartz veined gold mineralised, saproilitised banded iron formation (BIF) - the plant feed stock source - over 4.5 km of strike length in this case.

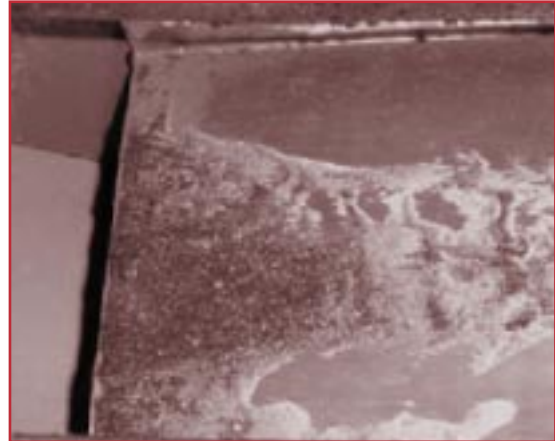


Flowsheet for the 1200 tonnes per day (tpd) processing plant was designed by CSMA Consultants Limited



The 1200 tpd processing plant at Cotia Farm, Cangas District ready to start running up to projected capacity

Trenching began in December 2001 generating samples for the Mobile Bulk Sampling Plant to locate and delineate panels for feedstock for the 1200 tpd processing.



Minus 10 mesh gold concentrate from an approximately 9 tonne bulk sample (equivalent to 1.5 g/t gold) from a resource assessment panel that will provide feedstock to the processing plant

Coromandel - Diamonds

The bulk sampling plant was designed and the principal components, including a washing screen and a jig were purchased for the gravel bulk sampling programme. The start up of the bulk sampling plant has been frustrated by a call from DNPM and FEAM for additional documentation following a pollution incident elsewhere in Minas Gerais state, as well as some retrospective regulation. The provision of the requested additional documentation has been completed and the arrival of the permits is imminent.

Portugal

Castromil - Gold

The Castromil mining licence was returned to the Company through a ruling by the Portuguese Supreme Administrative Court to reverse the decision by the Secretary of State for Economy who revoked the licence last year. This was followed by a subsequent bizarre appeal being lodged to the same Court on the same grounds by the Secretary of State for the Economy and Industry on the advice of the IGM, the organisation that promotes and licences exploration and mining projects, against the restoration of the Company's mining rights. This has resulted in a hiatus and as a result no further development work has been possible pending the outcome of the Appeal.



TECHNICAL REPORT (CONTINUED)

TECHNOLOGY

Thiourea Process

No further development of this process technology was undertaken this year but various options have been considered to scale up and commercialise the technology.

CONCLUSION AND FORWARD PROGRAMME

In Brazil, the Company is moving rapidly forward with its trial mining project near Cuiaba. Everything is in place for the bulk sampling of the alluvial flat at Coromandel to commence, following the receipt of the necessary permits. The Sungem prospect has been brought to the project stage during 2001 and the limited scout drilling programme to date has demonstrated that it has potential for economic mineralisation. Mara Rosa has and continues to produce promising results. In the Dominican Republic, the Company has in a short period established a strategic land holding position in the second largest high sulphidation gold belt in the world and the results to date allied with the greater understanding on the controls of mineralisation has put the Company in a unique position to exploit this. The Company believes that a major new gold and/or copper and/or zinc discovery will be made within the belt. The Company has been active in securing strategic and promising properties in highly prospective areas in Central America and Peru. In Europe, further work at Crediton (UK) and Valongo - Gondomar (Portugal) is under consideration.

An active programme is planned for the coming year:

- The 1200 tpd processing plant now commissioned for the trial mining at Cotia/Piracicaba in the Cargas District, south-west of Cuiaba will be run up to its projected capacity and feedstock panels will continue to be defined, leading to the production of gold concentrate. The commissioning of additional processing plants at other locations will be implemented incrementally.
- The bulk sample testing on the first targeted alluvial flat for diamonds at Coromandel will be completed over a six-month period. Given the overall grade and characteristics of the gravel a feasibility study will examine if the alluvial flat can be mined by bulk dredge methods. Adjacent alluvial flats within the exploration licence area will also be tested for diamonds.
- At Sungem, on completion of the current drilling campaign, further soil geochemistry and ground geophysics including induced polarisation surveys will be completed to delineate extensions to the mineralisation particularly to the north of the present target where six gossan samples and soil geochemistry sampling have returned very anomalous zinc, lead and silver values as strong

as those on the original Sungem target itself. Scout drilling will step out to determine the structural attitude and continuity of the zinc bodies along strike, followed by more detailed pattern drilling to search for, and define, a massive sulphide pod which would constitute a target for detailed follow up evaluation drilling to allow a tonnage and grade to be assigned.

- At Mara Rosa, work will continue in evaluating the "Eagle Eye" target as will exploration on the remainder of the licence area.
- In the Dominican Republic work will continue to identify drill targets at El Brujo, La Bruja and Josefina. Other areas of interest will be examined in a systematic manner to prioritise for further work.
- In Honduras, in the coming year the Company will carry out target generation by soil geochemistry grids, trenching, geological mapping, re-logging core and reprocessing of geophysical data in order to define targets for drill testing in the second year of the project.
- In Peru, detailed structural and geological mapping will be completed, along with litho-geochemistry to define drill sites for testing during the coming year. The target sought at El Aguila would be a minimum 1 million tonnes of high-grade silver-lead-zinc mineralisation.
- Prospects will continue to be assessed and sampled by the MinMet Discovery Group and good anomalies followed up. The greenstone belt associated with the PPPC prospect looks highly prospective for both PGEs and base metals and will be followed up for both. Exploration for lead, zinc and silver mineralisation in the Vazante Formation will continue. Acid volcanogenic sequences will be targeted searching for VMS (volcanic massive sulphide) deposits, and follow up prospecting will be undertaken on the platinum project especially targeting copper/nickel/PGE bodies.
- In Portugal, a short scout drilling programme is proposed at Valongo - Gondomar in Portugal, testing drill-ready targets at each of the three principal prospects, Banjas, Poço Romano and Alto de Sobrido.
- In the UK, the future of the Crediton Trough project will be decided when all the results from the follow-up programme are to hand.

Eur Ing **Gordon P Riddler** Group Technical Director

6 March 2002



REPORT OF THE DIRECTORS

GROUP ACTIVITIES

The Directors present their annual report, together with the audited financial statements, for the year ended 31 December 2001.

During the year the Group was involved through its subsidiaries:

- In the exploration for deposits of gold, other precious metal and base metal resources;
- In the development of gold deposits towards production;
- In the trial mining of gold deposits;
- In the exploration of kimberlitic and alluvial diamond prospects, and
- In the development of a non-toxic leaching system for precious metals.

Shareholders are referred to the Chairman's report which contains a review of the development of the business and state of affairs of the Group for the year ended 31 December 2001, of recent events and likely future developments.

GROUP RESULTS AND DIVIDENDS

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

	2001 IRE
Loss before taxation	(345,053)
Taxation	-
Loss attributable to the shareholders	(345,053)

The directors do not propose payment of a dividend.

FUTURE DEVELOPMENTS

With an ever-growing portfolio of mineral interests in Europe, Central America and Latin America, the Group aims to use its management resources to explore and discover commercial deposits of precious and base metals, diamonds and other minerals.

DIRECTORS AND SECRETARY

The present directors and secretary are as set out below:

- J.P. Metcalfe (U.K.) Executive Chairman
- C.E. Lins (Brazil) Non-Executive Deputy Chairman
- M.H. Nolan Chief Executive Officer

G.P. Riddler (U.K.) Group Technical Director

D.J. Hall Director (appointed 7th November 2001)

M.S. Johnson (U.K.) Non-Executive Director

A.J. Robson (U.K.) Non-Executive Director

A.W. J. Banyard, F.C.C.A., (U.K.) Company Secretary

S. A. Maher died on 13 May 2001.

A. J. Robson retires from the Board by rotation and, being eligible, offers himself for re-election.

D. J. Hall retires from the Board under Article 104 and, being eligible, offers himself for re-election.

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Jeremy P Metcalfe (62) Executive Chairman

A Director and Chairman of the Company since 1995. He is the senior partner in JP Metcalfe Associates, a corporate finance partnership, with specialist skills in the venture capital industry. He has expertise in the extractive minerals market and has arranged the funding and purchase and sales of a number of gold related projects in Europe and West Africa. He was formerly joint managing director of one of the UK's largest privately owned commodity futures brokers.

Michael H Nolan (40) Chief Executive Officer

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 for all of the companies in the MinMet Group since 1994. Previously he worked with Deloitte & Touche in Dublin and was an executive director of Equity and Corporate Finance plc; the London based corporate finance and investment house.

Eur Ing Gordon Riddler (57) Group Technical Director

A Director of the Company since 1998. He holds B.Sc and MBA degrees and is a registered European engineer, chartered engineer, member of the Institute of Management, the Institute of Directors and the Chartered Institute of Marketing. He is a registered and chartered marketer, fellow and former vice president of the Institution of Mining and Metallurgy, and a member of the Irish Association of Economic Geologists. Most recently, he was Head of the Minerals Group of the British

**REPORT OF THE DIRECTORS' (CONTINUED)**

Geological Survey. He has held appointments within the former RTZ Corporation (now Rio-Tinto), including principal geologist with Riofinex Limited and technical director of Riofinex (Saudi Arabia) Ltd. He served as exploration manager, group investment analyst, group geologist and director for companies within the Gold Fields Group in the UK and overseas with responsibility for the discovery and evaluation of several major metal and industrial mineral deposits. He is a Project Manager with the international Mineral Industry Research Organisation (MIRO) responsible for projects concerning mining, exploration, geoscience and related issues.

David Hall (43) Director

He was appointed Director of the Company on 7th November 2001. Prior to forming Exploration and Development Latin America (Panama) Limited, he was Regional Exploration Manager and Divisional Director for AngloGold, the world's largest gold mining company, based in Sao Paulo, Brazil. In this position he was responsible for regional and mine exploration programmes in Brazil, Argentina and Peru, as well as involving AngloGold in joint ventures in Ecuador and Colombia. Mr. Hall is a graduate in Geology of Trinity College Dublin and holds a Masters Degree in Mineral Exploration from Queens University, Kingston, Ontario. From 1992, he was Chief Geologist for Minorco responsible for Central and Eastern Europe, Central Asia and Middle East. He moved to South America in 1997 as Group Senior Geologist for Minorco South America. He has worked on and assessed exploration projects and mines in over 35 countries. He is a Fellow of the Society of Economic Geologists.

NON-EXECUTIVE DIRECTORS**Carlos Lins (58) Deputy Chairman**

A Director and Deputy Chairman of the Company since 2000. He is a Brazilian national and a lawyer by profession, graduating from the University of Brasilia in 1966. He has been a partner in his family law firm, Miguel Lins Advogados Associados, since 1967. A senior figure in the South American mining industry, he has been associated with Reynolds Metals in South America since 1977 holding the positions of general manager of Reynolds International do Brasil Participações Ltda. and president and chief executive officer of Reynolds Latas de Alumínio S.A. from 1995 to 1999. He is currently president of Reyco Ltda. Embalagens. He is a past president of the National Association of Tin Producing Companies of Brazil and he is also currently an advisor to Companhia Vale do Rio Doce, known as CVRD, the largest mining company in Brazil.

Professor Michael Johnson (52)

A Director of the Company since 1999. Professor Johnson is a director of Environmental Biology at the Industrial Ecology Research Centre at the University of Liverpool. He holds a B.Sc degree from the University of London and a PH.D from the University of Liverpool. Professor Johnson has many years experience in the metal mining industry, solving practical environmental problems and arranging permits for new mining operations. He holds the post of environmental advisor to Rio Tinto plc, Outokumpu Oy, United Nations Environment Programme and the World Bank on matters of environmental assessment of development proposals, environmental auditing, risk analysis and decommissioning. Professor Johnson has published widely on various aspects of metalliferous mining and the environment. He is Chairman of Glebe Mines Limited.

Antony Robson (51)

A Director of the Company since 1999. Mr Robson has been a director of MinMet's subsidiary, Connary Minerals plc since 1995. Mr Robson graduated from the University of London with a degree in Land Management in 1974 and became a fellow of the Royal Institution of Chartered Surveyors in 1983. He was an equity partner with White Druce & Brown, Chartered Surveyors, London, for 13 years. In 1995 he was joint-promoter of KR Capital Limited and in 1997 he became the sole shareholder of this company. He has extensive international real estate development and project financing experience. Currently he is managing director of Dynamotive Europe Ltd., a leading technology company involved in the international renewable energy sector. KR Capital Limited is active in property and other investments both in the UK and overseas.

Management Team

Alan Mooney, Chief Financial Officer

Alec Banyard, Company Secretary

Carlos Nascimento, Chief Geologist, Portugal

David Carmichael, General Manager, South America

Dr. Hazel Pritchard, Research Associate, Brazil

Dr. Stewart Redwood, Project Manager, Central America

Dr. Tony Gallon, Project Manager and New Projects Development, Brazil



REPORT OF THE DIRECTORS' (CONTINUED)

DIRECTORS' AND SECRETARY'S INTERESTS

The interests (all of which were beneficially held except where specifically disclosed) of the directors and the secretary, their spouses and minor children in the share capital of the Company and its subsidiaries are as follows:

MinMet plc

	Ordinary Shares of Ir1p each			Options	Exercise Price
	31/12/2001 and 6/3/2002	31/12/2000	31/12/2001 and 6/3/2002	31/12/2000	
J.P. Metcalfe	2,597,296	2,527,296	6,300,000	5,900,000	Ir1.25p - Ir7.5p and Stg25p
M.H. Nolan	808,333	808,333	6,966,667	6,566,667	Ir1.25p - Ir7.5p and Stg25p
G.P. Riddler	206,282	176,282	3,150,000	2,400,000	Ir7.5p - Ir11p and Stg25p
D.J. Hall	-	-	2,750,000	-	Stg11.75p
M.S. Johnson	100,000	100,000	400,000	300,000	Ir10.5p and Stg25p
A.J. Robson	6,124,999	6,124,999	550,000	450,000	Ir5.75p-Ir21.5p and Stg25p
C.E. Lins	356,000	-	600,000	400,000	Stg12p - Stg26.5p
A.W.J. Banyard	-	-	1,150,000	1,100,000	Ir1.25p - Ir7.5p and Stg25p

The expiry dates under the option agreements are before 31 March 2006.

The total number of options exercisable at 6 March 2002 was 30,395,667 (31 December 2001: 30,420,667).

The market price of the Company's shares at 31 December 2001 was €0.17 (Ir13.4p).

CORPORATE GOVERNANCE

Directors' remuneration

In determining the remuneration of the executive directors and staff, the Board has given consideration to Section B of the Best Practice Provisions annexed to the Listing Rules. The Company appointed a Remuneration Committee in March 2000 which comprises the Chairman, Jeremy Metcalfe, and two non-executive directors, Professor Michael Johnson and Antony Robson. In setting remuneration, agreeing success fees and granting options, the Remuneration Committee bears in mind the need to recruit and retain outstanding quality executives capable of achieving the Group's objectives. In doing so, it reviews current market practice and consults with its brokers and other relevant parties.

Directors' interests in contracts

At the date of this report contracts with directors or with companies controlled by directors are as follows:

	Amount
J.P. Metcalfe	Stg£94,000 p.a.
M.H. Nolan	Stg£92,000 p.a.
G.P. Riddler	Stg£90,000 p.a.
D.J. Hall	Stg£75,000 p.a.

In addition, C.E. Lins, a former owner of shares in Mearim Sociedade de Mineração Ltda. ("Mearim"), holds a 25% share of a net profit interest. The net profit interest is calculated at 7.5% of the net profits earned in the Coromandel diamond concession from MinMet in accordance with the terms of the option exercised by MinMet to acquire his shares in Mearim.

Going concern

After making enquiries, the directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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.

The key features of the internal control system that operated throughout the period covered by this report can be summarised as follows:

- There is central head office control over all expenditures together with budgetary control over all costs and cash flows;



REPORT OF THE DIRECTORS' (CONTINUED)

- Appropriate segregation of duties is implemented for all cost authorisations;
- Quarterly reporting of financial information to the Board including profit and loss, balance sheet and cash flow information;
- All investment and capital expenditure proposals are documented and approved by the Board;
- Controls are in place to maximise returns from treasury and to minimise foreign exchange risk;
- Environmental impact reviews, such as environmental baseline studies and environmental impact assessments, are carried out for all projects;
- Controls are in place to ensure all compliance with all legal and statutory reporting requirements, and
- Controls are in place to ensure entitlements to all licenced areas are maintained.

SUBSTANTIAL SHAREHOLDERS

The Directors have been notified that the following shareholders hold 3% or more of the issued share capital of the Company at 31 December 2001 and at the date of this report:

	6/3/2002	31/12/2001
Merrill Lynch Investment Managers	9.26%	9.26%
The Capital Group Companies Inc.	4.36%	4.36%

POLITICAL CONTRIBUTIONS

There were no political contributions which require disclosure under the Electoral Act, 1999.

EURO

The Group has assessed the impact of the Euro on its business. The Euro changeover did not give rise to significant problems and did not have a significant impact on the Group's current financial position, liquidity or results of operations.

HEALTH AND SAFETY

The well-being of the Group's employees is safeguarded through strict adherence to health and safety standards throughout all Group locations. All relevant companies within the Group meet the requirements of the Safety, Health and Welfare at Work Act, 1989 in Ireland, together with the other relevant standards in other countries in which the Group operates.

POST BALANCE SHEET EVENTS

The Company disposed of its shareholding in Tiger Resource Finance plc in January 2002 realising IR£639,510 (note 13).

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.

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, 2000.

AUDITORS

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

SPECIAL BUSINESS AT THE ANNUAL GENERAL MEETING

Shareholders are being asked to authorise the Company to redenominate and renominialise it's share capital into euro values pursuant to the provisions of the Economic and Monetary Union Act 1998.

Shareholders are being asked to authorise the Directors to establish a MinMet plc 2002 Share Option Scheme.

Shareholders are being asked to renew the authority to the Directors to issue shares for cash.

Shareholders are being asked to amend the Articles of Association of the Company so as to permit the use of electronic communications. If these amendments are adopted, the Directors will be authorised to implement mechanisms whereby shareholders can appoint proxies to attend on their behalf at shareholders' meetings through the use of an electronic proxy form. In addition, the amendments will allow shareholders to receive annual reports and other financial information and notices from the Company electronically. These amendments will also permit board meetings to be convened electronically and for Directors to adopt written resolutions in electronic form. The amendments which are being proposed are in compliance with the requirements of the Listing Rules, as well as the Best

REPORT OF THE DIRECTORS' (CONTINUED)

Practice Guide issued by the Institute of Chartered Secretaries and Administrators entitled "Electronic Communications with Shareholders". For these forms of electronic communications to be used, they must be in compliance with the specifications approved by the Company and notified to shareholders. In addition, no shareholder can be required to accept an electronic communication unless he has specifically consented to the use of such form of communication.

A copy of the draft proposed new Articles of Association containing all of the amendments required to permit the use of electronic communications is available for inspection at the registered office of the Company and on the Company's website - www.minmet.ie.

In amending the Articles this way, the opportunity is also being taken to remove all references to "Irish pounds" and "IRE" and replace them with "euro" and "€", respectively.

Signed on behalf of the Board:

J.P. Metcalfe Chairman

M.H. Nolan Chief Executive Officer

6 March 2002

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, and
- 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 2001 and the European Communities (Companies: Group Accounts) Regulations, 1992, and the Exploration Securities Market Listing Rules of the Irish Stock Exchange. 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 2001 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Total Recognised Gains and Losses and the related notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the Annual Report, including as set out in the Statement of Directors' Responsibilities, the preparation of the financial statements in accordance with applicable Irish law and accounting standards. Our responsibilities, as independent auditors, are established by statute, auditing standards as promulgated by the Auditing Practices Board in Ireland, the Exploration Securities Market Listing Rules of the Irish Stock Exchange and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2001 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 Report of the Directors 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 required by law or the Exploration Securities Market Listing Rules of the Irish Stock Exchange regarding Directors' remuneration and Directors' transactions is not given.

We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and considered whether it is consistent with the audited financial statements. The other information comprises only the Report of the Directors, the Chairman's Statement, and the Technical Report. We consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board and generally accepted in Ireland. 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 circumstances of the Company and the Group, 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 also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainties

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the valuation of intangible assets, financial assets and investments.

The realisation of intangible assets of IRE16,656,452 in the consolidated balance sheet and of intangible fixed assets and investment in, and loans to, subsidiaries of IRE20,657,416 in the Company balance sheet, is dependent on the successful development of the various business activities being pursued by the Group which include:

- (i) The exploration for mineral resources in Portugal, Brazil, Dominican Republic, Central America and England. In all cases future operations are dependent on further development, extension of exploration licences, receipt of mining licences, acquisition of property and raising of finance.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

(ii) The development of a gold leaching process which is not yet at commercial revenue generation stage.

Details of the circumstances giving rise to these fundamental uncertainties are described in note 1 to the financial statements. Our opinion is not qualified in this respect.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2001 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 2001 and the European Communities (Companies: Group Accounts) Regulations, 1992.

We have obtained all the information and explanations we consider necessary for the purposes 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 Report of the Directors is consistent with the financial statements.

The net assets of the Company, as stated in the balance sheet of the Company are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2001 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

Deloitte & Touche House
Earlsfort Terrace
Dublin 2

6 March 2002

STATEMENT OF ACCOUNTING POLICIES

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

ACCOUNTING CONVENTION

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2001 and the European Communities (Companies: Group Accounts) Regulations, 1992 and the Listing Rules of the Irish Stock Exchange.

The financial statements are prepared under the historical cost convention with the exception of the revaluation of certain intangible assets.

BASIS OF CONSOLIDATION

The Group's financial statements include the results of the Company and all of its operating subsidiaries from the date of acquisition or up to the date of disposal.

On acquisition, the difference between the fair value of net assets acquired and the fair value of the consideration is capitalised and amortised in line with other exploration costs. On disposal, the difference between the fair value of the consideration and the carrying value of the investment is included in the profit and loss account.

Investments which are held exclusively for resale are excluded from consolidation and are carried as current asset investments.

INTANGIBLE FIXED ASSETS - DEFERRED DEVELOPMENT AND EXPLORATION EXPENDITURE

Development costs

Development costs are capitalised until the results of the development are known. Related overheads such as general and administrative expenses are also capitalised to the extent 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 are written-off immediately.

Exploration costs

Exploration costs in respect of mineral prospects are capitalised until the results of the exploration are known. Related overheads such as general and administration expenses are also capitalised to the extent 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 are written off immediately.

ACQUISITION COSTS

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.

INVESTMENTS

Investments are carried at cost less provision for impairment and at market value in the case of quoted investments held for the long-term.

TANGIBLE FIXED ASSETS

All tangible fixed assets are stated at cost less accumulated depreciation.

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

Furniture, fixtures and equipment	20%
Vehicles and plant and machinery	15 - 25%
Computer equipment	33 $\frac{1}{3}$ %

FOREIGN CURRENCY

Transactions in foreign currencies are recorded at the exchange rates ruling on the date of those transactions.

Assets and liabilities denominated in foreign currencies are translated into Irish pounds at rates of exchange ruling at the balance sheet date. Forward contracts are entered into by the Company to hedge foreign currency cash requirements. There were no forward contracts open on 31 December 2001 (2000: None).

Exchange differences which arise on the retranslation of international subsidiary undertakings' balance sheets 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.

DEFERRED TAXATION

Provision is made for deferred taxation only where there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.



CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2001

	Notes	2001 IR£	2000 IR£
Administrative expenses		(891,113)	(696,701)
Amounts written off intangible fixed assets		-	(311,074)
OPERATING LOSS - CONTINUING OPERATIONS		(891,113)	(1,007,775)
Profit on disposal of subsidiary		-	286,091
Interest receivable and similar income	3	546,060	627,819
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(345,053)	(93,865)
Taxation	5	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(345,053)	(93,865)
Minority interest		-	96,681
RETAINED (LOSS) PROFIT OF THE GROUP FOR THE FINANCIAL YEAR	17	(345,053)	2,816
(Loss) profit per ordinary share (pence)	7	(0.07p)	0.00p
Diluted (loss) profit per ordinary share (pence)	7	(0.07p)	0.00p

The financial statements were approved by the Board of Directors on 6 March 2002 and signed on its behalf by:

J.P. Metcalfe Chairman

M.H. Nolan Chief Executive Officer



CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2001

	Notes	2001 IR£	2000 IR£
FIXED ASSETS			
Intangible assets	8	16,656,452	13,388,481
Tangible assets	9	374,494	403,813
Financial assets	10	6,009	6,009
		17,036,955	13,798,303
CURRENT ASSETS			
Debtors	12	95,399	152,450
Investments	13	639,510	822,988
Cash at bank and in hand	14	11,075,647	9,859,423
		11,810,556	10,834,861
CREDITORS: amounts falling due within one year	15	(484,137)	(407,519)
NET CURRENT ASSETS		11,326,419	10,427,342
TOTAL ASSETS LESS CURRENT LIABILITIES		28,363,374	24,225,645
CAPITAL AND RESERVES			
Called-up share capital	16	4,963,566	4,704,133
Share premium account	17	26,274,192	21,763,759
Profit and loss account	17	(3,226,621)	(2,777,962)
Revaluation reserve account	17	352,237	535,715
SHAREHOLDERS' FUNDS - ALL EQUITY		28,363,374	24,225,645

The financial statements were approved by the Board of Directors on 6 March 2002 and signed on its behalf by:

J.P. Metcalfe Chairman

M.H. Nolan Chief Executive Officer



COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2001

	Notes	2001 IR£	2000 IR£
FIXED ASSETS			
Intangible assets	8	649,452	589,951
Tangible assets	9	17,392	16,460
Financial assets	10	1,182	1,182
Investment in subsidiaries	11	9,552,746	9,552,746
		10,220,772	10,160,339
CURRENT ASSETS			
Debtors	12	17,683,995	12,922,945
Investments	13	639,510	822,988
Cash at bank and in hand	14	686,101	1,387,361
		19,009,606	15,133,294
CREDITORS: amounts falling due within one year	15	(271,060)	(210,491)
NET CURRENT ASSETS		18,738,546	14,922,803
TOTAL ASSETS LESS CURRENT LIABILITIES		28,959,318	25,083,142
CAPITAL AND RESERVES			
Called-up share capital	16	4,963,566	4,704,133
Share premium account	17	26,274,192	21,763,759
Profit and loss account	17	(2,630,677)	(1,920,465)
Revaluation reserve account	17	352,237	535,715
SHAREHOLDERS' FUNDS - ALL EQUITY		28,959,318	25,083,142

The financial statements were approved by the Board of Directors on 6 March 2002 and signed on its behalf by:

J.P. Metcalfe Chairman

M.H. Nolan Chief Executive Officer



CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2001

	Notes	2001 IR£	2000 IR£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	19	(667,763)	(636,962)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received and similar income, net		546,060	627,819
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to develop intangible fixed assets		(3,234,761)	(2,786,303)
Payments to acquire tangible fixed assets		(120,004)	(360,454)
Proceeds on disposal of tangible fixed assets		-	3,445
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(3,354,765)	(3,143,312)
ACQUISITIONS AND DISPOSALS			
Purchase of subsidiary undertaking	18	(77,174)	-
NET CASH OUTFLOW BEFORE FINANCING		(3,553,642)	(3,152,455)
FINANCING			
Issue of ordinary share capital		4,769,866	836,079
INCREASE (DECREASE) IN CASH	21	1,216,224	(2,316,376)



CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2001

	2001 IR£	2000 IR£
(Loss) profit for the year after taxation	(345,053)	2,816
Minority interests on disposal of subsidiary	-	10,951
(Decrease) increase in surplus on revaluation of investments	(183,478)	535,715
	(528,531)	549,482
Currency translation differences on foreign currency net investments	(103,606)	(243,123)
	(632,137)	306,359

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2001

	2001 IR£	2000 IR£
Total recognised gains and losses	(632,137)	306,359
Issue of shares	4,769,866	836,079
Net increase in shareholders' funds	4,137,729	1,142,438
Balance at beginning of the year	24,225,645	23,083,207
	28,363,374	24,225,645



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

1. BASIS OF PREPARATION

The Group is involved in a range of development stage enterprises. The directors are confident that these enterprises are developing successfully, 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 businesses are included in the consolidated balance sheet under intangible assets and financial assets.

The Company's interests in the above businesses are included in the balance sheet of the Company under intangible assets, financial assets, investments in subsidiaries and amounts owed by Group undertakings. The valuation of such assets is supported by the details as set out in (a) to (f) below.

(a) Connary Minerals plc ("Connary")

Connary has spent IRE6,211,315 in exploration costs at Castromil and Valongo-Gondomar in Portugal and are recorded as an intangible asset on the balance sheet (note 8(b)). The majority of this expenditure has been at Castromil. In June 2000, the Portuguese government revoked Connary's licence to mine at Castromil. In June 2001 this action was held to be illegal by the Portuguese Supreme Administrative Court. The Portuguese government has since appealed this decision and the Company now awaits the outcome of this appeal.

The directors, after taking legal advice believe that the Company is entitled to compensation at least equal to the costs incurred by the Company in developing the mine at Castromil. The Company's exploration at Valongo Gondomar is proceeding to the drilling stage and drilling will be undertaken on three projects in this concession.

(b) Connary Technology plc

Connary Technology plc has developed a non-toxic leaching system at a cost of IRE1,543,369. This system is recorded as an intangible asset on the balance sheet with a carrying value of IRE412,112. No revenue was generated during the year. The directors consider the value of this system to be in excess of its current carrying value (Note 8(a)).

(c) Crediton Minerals Ltd ("Crediton")

Crediton holds a Royal Mines Licence that entitles it to explore for gold and silver in a 500 sq. km area in Devon known as the Crediton Trough. The cost of this licence and of exploration activities to date of IRE299,523 are recorded as an intangible asset on the balance sheet (note 8(b)). The Directors are satisfied that these assets are carried at the lower of cost and net realisable value.

(d) Brazilian Exploration Interests

The Group has two subsidiaries in Brazil, Mineradora de Bauxita Ltda. ("MBL") and Mearim Sociedade de Mineração Ltda. ("Mearim"). Acquisition costs and expenditure on exploration in these companies to date of IRE9,164,229 (2000: IRE6,889,306) are recorded as an intangible asset on the balance sheet (note 8(b)). The former owners of Mearim are entitled to 7.5% of the net profits arising from the Mearim diamond concession. The Directors are satisfied that these assets are carried at the lower of cost and net realisable value.

(e) Dominican Republic interests

The Group operates in the Dominican Republic through its subsidiary Exploration and Discovery Latin America (Panama) Inc. Expenditure on exploration in this area to date of IRE450,512 is recorded as an intangible asset on the balance sheet (note 8(b)). The Directors are satisfied that these assets are carried at the lower of cost and net realisable value.

(f) Central American interests

The Group operates in Central America through its subsidiary Exploration and Discovery Latin America (Panama) Inc. Expenditure on exploration in this area to date of IRE118,759 is recorded as an intangible asset on the balance sheet (note 8(b)). The Directors are satisfied that these assets are carried at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
2. EMPLOYEES AND REMUNERATION

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

	2001	2000
Management	4	3
Field and administration	49	36
	53	39

The aggregate payroll costs of these persons were as follows:

	IRE	IRE
Wages and salaries	464,046	513,819
Social welfare costs	125,446	147,810
	589,492	661,629

Of the above payroll costs, IRE489,024 (2000: IRE471,362) were capitalised.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2001 IRE	2000 IRE
Bank interest receivable	486,610	627,819
Foreign exchange gains	59,450	-
	546,060	627,819

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities before taxation is stated after charging:

	2001 IRE	2000 IRE
Depreciation of tangible fixed assets	87,910	77,629
Directors' emoluments:		
- Directors' fees	48,190	47,113
- Directors' remuneration / management services	325,979	391,287
	374,169	438,400
- capitalised	(38,476)	(219,200)
- dealt with in the profit and loss account	335,673	219,200
Auditors' remuneration:		
- dealt with in the profit and loss account	25,000	25,000

5. TAXATION

No charge to taxation arises due to losses incurred.

6. PROFIT (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 was IRE710,212 (2000: profit of IRE199,250).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. LOSS PER SHARE

The calculation of basic profit (loss) per share is based on the weighted average number of shares in issue of 484,712,233 (2000: 467,807,767) and loss attributable to shareholders of IRE345,053 (2000: profit of IRE2,816). Diluted loss per share is computed in accordance with FRS 14 and is based on diluted weighted average shares in issue, including share options exercisable as of the date of this report, of 496,585,601 (2000: 483,799,565).

The diluted and basic weighted average shares in issue may be reconciled as follows:

	2001	2000
Total options and warrants in issue	25.27m	21.83m
Options and warrants not yet exercisable	(6.80m)	(2.40m)
Options and warrants exercisable	18.47m	19.43m
Number of shares which would have been issued at fair value	(6.60m)	(3.44m)
Dilutive options/warrants	11.87m	15.99m
Basic weighted average shares in issue	484.71m	467.81m
Diluted weighted average shares in issue	496.58m	483.80m

The number of shares which would have been issued at fair value is based on:

Average option warrant price	Ir8.95p	Ir6.77p
Average share price during year	Ir17.33p	Ir38.24p

8. INTANGIBLE FIXED ASSETS

	Group		Company	
	2001 IRE	2000 IRE	2001 IRE	2000 IRE
(a) Deferred development expenditure				
Opening balance - at cost	396,233	391,711	-	-
Expenditure during the year	15,879	4,522	-	-
Closing balance - at cost	412,112	396,233	-	-
(b) Mineral interests				
Opening balance - at cost	12,992,248	10,714,175	589,951	398,798
Net expenditure during year	3,252,092	2,278,073	59,501	191,153
Closing balance	16,244,340	12,992,248	649,452	589,951
Total intangible assets	16,656,452	13,388,481	649,452	589,951

Regional Analysis:

	Portugal IRE	Ireland IRE	England IRE	Brazil IRE	Dominican Republic IRE	Central America IRE	Russia IRE	Total IRE
Opening balance	5,811,690	396,233	291,250	6,889,306	-	-	2	13,388,481
Expenditure during year	399,625	15,879	8,273	2,274,923	450,512	118,759	-	3,267,971
Closing balance	6,211,315	412,112	299,523	9,164,229	450,512	118,759	2	16,656,452



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. TANGIBLE FIXED ASSETS

	Vehicles, Plant & Machinery IR£	Office Equipment IR£	Total IR£
(a) Group			
Cost			
At 1 January 2001	412,923	103,543	516,466
Exchange movements	(64,817)	(6,551)	(71,368)
Additions	102,903	17,101	120,004
At 31 December 2001	451,009	114,093	565,102
Depreciation			
At 1 January 2001	54,259	58,394	112,653
Exchange movements	(7,420)	(2,535)	(9,955)
Charged in year	71,894	16,016	87,910
At 31 December 2001	118,733	71,875	190,608
Net book value			
31 December 2001	332,276	42,218	374,494
31 December 2000	358,664	45,149	403,813
(b) Company			
Cost			
At 1 January 2001			41,007
Additions			11,376
At 31 December 2001			52,383
Depreciation			
At 1 January 2001			24,547
Charged in year			10,444
At 31 December 2001			34,991
Net book value			
At 31 December 2001			17,392
At 31 December 2000			16,460

10. FINANCIAL FIXED ASSETS

	Group		Company	
	2001 IR£	2000 IR£	2001 IR£	2000 IR£
Unlisted shares at cost and net book value:				
Opening and closing balance	6,009	6,009	1,182	1,182

In the opinion of the directors, the net realisable value of unlisted shares is at least equal to their cost.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. INVESTMENT IN SUBSIDIARIES

Company	2001 IRE	2000 IRE
(a) Unquoted shares at cost and net book value:		
Opening balance	9,552,744	6,504,124
Movements during the year	-	3,048,620
Closing balance	<u>9,552,744</u>	<u>9,552,744</u>
(b) Loans		
Opening balance	2	311,076
Movements during the year	-	(311,074)
Closing balance	<u>2</u>	<u>2</u>
Total	<u>9,552,746</u>	<u>9,552,746</u>

The Company's principal subsidiaries are:

Subsidiary	Activity	Country of Incorporation and Registered Office	2001 Percentage Ownership	2000 Percentage Ownership
Connary Minerals plc	Gold exploration	10 Fitzwilliam Sq, Dublin 2, Ireland.	100%	100%
Connary Technology plc	Development of non-toxic leaching process	10 Fitzwilliam Sq, Dublin 2, Ireland.	100%	100%
Zabaikal Mining Corporation Limited	Gold exploration	10 Fitzwilliam Sq, Dublin 2, Ireland.	100%	100%
Anagram Limited	Investment Company	Celtic House, Victoria Street, Douglas, Isle of Man.	100%	100%
MinMet (Isle of Man) Limited	Investment Company	Celtic House, Victoria Street, Douglas, Isle of Man.	100%	100%
Mineradora de Bauxita Limitada	Gold Exploration	Rua Barão de Melgaço, 2754, Sala 1506 Ed Work Tower, 82-Cuiaba-MT, Brazil	100%	100%
Crediton Minerals Limited	Gold Exploration	3rd Floor, Pinnacle House, 23-26 St. Dunstan's Hill, London EC2R 8HN, England.	100%	100%
Exploration & Development Latin America (Panama) Inc.	Gold Exploration	P.H. Costa del Mar No 8-B, Calle 49 Aquilino de la Guardia, Marbella, Apartado Postal 5963, Zona 7 Panama, Republic of Panama.	100%	-



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. DEBTORS

	Group		Company	
	2001 IRE	2000 IRE	2001 IRE	2000 IRE
Amounts falling due within one year:				
Amounts owed by group undertakings	-	-	17,631,381	12,850,839
Other debtors	72,467	51,801	34,956	19,262
Prepayments and accrued income	22,932	100,649	17,658	52,844
	95,399	152,450	17,683,995	12,922,945
<i>Currency profile of debtors:</i>				
Sterling	2,707	46,571	1,159,093	1,138,838
US Dollars	-	-	930,976	890,359
Irish Pounds / Euro	54,946	72,107	15,593,926	10,893,748
Brazilian Real	28,337	27,616	-	-
Portuguese Escudos / Euro	9,409	6,156	-	-
	95,399	152,450	17,683,995	12,922,945

13. INVESTMENTS

	Group		Company	
	2001 IRE	2000 IRE	2001 IRE	2000 IRE
Quoted investments, at market value	639,510	822,988	639,510	822,988

The quoted investments represents the Company's shareholding in Tiger Resource Finance plc, a company that trades investments in the natural resource sector. During January 2002, this investment was sold for the carrying value of IRE639,510.

14. CASH AT BANK AND IN HAND

	Group		Company	
	2001 IRE	2000 IRE	2001 IRE	2000 IRE
Financial Instruments				
Cash at bank and in hand	11,075,647	9,859,423	686,101	1,387,361
<i>Interest and currency profile of cash at bank and in hand:</i>				
Sterling	6,103,719	5,020,703	581,222	588,628
US Dollar	2,367,827	1,424,869	20,808	534,510
Irish Pounds / Euro	2,542,283	3,264,529	84,071	264,223
Brazilian Real	29,727	120,983	-	-
Portuguese Escudos / Euro	32,091	28,339	-	-
	11,075,647	9,859,423	686,101	1,387,361

The above balances are held in current accounts or short-term deposit accounts for the purposes of day-to-day operations and the further development of exploration sites. Floating rates of interest are paid on all cash deposits.

The Group does not have lines of credit with a financial institution.

The Group's policy in relation to derivatives and other financial investments is set out in the statement of accounting policies on page 26.

A lien over cash deposits of IRE19,000 is held by Allied Irish Banks plc, in respect of guarantees issued in connection with the exploration licence held by Connary Minerals plc.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. CREDITORS: amounts falling due within one year

	Group		Company	
	2001 IRE	2000 IRE	2001 IRE	2000 IRE
Trade creditors and accruals	466,678	401,605	266,300	204,577
Payroll taxes	17,459	5,914	4,760	5,914
	484,137	407,519	271,060	210,491
<i>Currency profile of creditors:</i>				
Sterling	120	-	-	-
US Dollars	27,221	-	-	-
Irish Pounds / Euro	271,330	215,270	271,060	210,491
Brazilian Real	110,408	181,940	-	-
Portuguese Escudos / Euro	75,058	10,309	-	-
	484,137	407,519	271,060	210,491

16. SHARE CAPITAL

	2001 IRE	2000 IRE
Authorised:		
750,000,000 ordinary shares of IR1p each (2000: 750,000,000)	7,500,000	7,500,000
Allotted, called-up and fully paid:		
496,356,590 ordinary shares of IR1p each (2000: 470,413,323)	4,963,566	4,704,133

Issue of shares

On 6 June 2001, 23,554,600 ordinary shares were issued at Stg15.75p per share by way of a share placing.

On 8 March 2001, 680,000 ordinary shares were issued at €0.24 per share in exchange for the acquisition by the Group of an option on the Coromandel property.

On 7 September 2001, 1,666,667 and 17,000 ordinary shares were issued at Ir1.5p and Ir5.75p per share, respectively, pursuant to the exercise of options under the Company's share option scheme.

On 25 October 2001, 25,000 ordinary shares were issued at Ir5.75p per share pursuant to the exercise of options under the Company's share option scheme.

On 1 January 2002 the authorised and issued share capital of Ir1p each were converted to shares of €0.01269738 each.

17. RESERVES

	Share Premium IRE	Profit and Loss Account IRE	Revaluation Reserve IRE
Group			
At beginning of year	21,763,759	(2,777,962)	535,715
Issue of shares	4,763,804	-	-
Loss retained for year	-	(345,053)	-
Decrease in value of investment	-	-	(183,478)
Share issue costs	(253,371)	-	-
Currency translation	-	(103,606)	-
At end of year	26,274,192	(3,226,621)	352,237

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
17. RESERVES (CONTINUED)

	Share Premium IRE	Profit and Loss Account IRE	Revaluation Reserve IRE
Company			
At beginning of year	21,763,759	(1,920,465)	535,715
Issue of shares	4,763,804	-	-
Loss retained for year	-	(710,212)	-
Decrease in value of investment	-	-	(183,478)
Share issue costs	(253,371)	-	-
At end of year	26,274,192	(2,630,677)	352,237

18. ACQUISITION OF SHARES

During the year MinMet plc purchased 100% of the issued share capital of Exploration and Discovery Latin America (Panama) Inc., a company registered in Panama. The purchase was made through its wholly owned subsidiary, MinMet (Isle of Man) Ltd.

	Book Value IRE	Fair Value Adjustments IRE	Total IRE
Net current assets	1,771	75,403	77,174
Financed by:			
Cash			77,174

19. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2001 IRE	2000 IRE
Operating loss before interest	(891,113)	(1,007,775)
Amounts written off intangible fixed assets	-	311,074
Depreciation	87,910	77,629
Decrease (increase) in debtors	58,822	(141,596)
Increase in creditors	76,618	125,128
Profit on disposal of tangible fixed assets	-	(1,422)
Net cash outflow from operating activities	(667,763)	(636,962)

20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS

	2001 IRE	2000 IRE
Net funds at 1 January	9,859,423	12,175,799
Net cash inflow (outflow)	1,216,224	(2,316,376)
Net funds at 31 December	11,075,647	9,859,423

21. ANALYSIS OF NET FUNDS

	31 December 2000 IRE	Cash flow IRE	31 December 2001 IRE
Cash at bank and in hand	9,859,423	1,216,224	11,075,647

22. RELATED PARTY TRANSACTIONS

C.E. Lins, Director, had a substantial interest in Mearim, one of the joint venture partners in the Coromandel diamond mining concession. He has a future entitlement to 25% of a net profit interest based on 7.5% of net profits earned in this concession.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of MinMet plc will be held at The Shelbourne Hotel, Stephen's Green, Dublin 2, Ireland on 25th April 2002, at 11.00am, for the purposes of considering and, if thought fit, passing the following resolutions of which resolutions numbered 1,2,3,4 and 5 will be proposed as ordinary resolutions and of which resolutions numbered 6, 7, 8, 9, 10 and 11 will be proposed as special resolutions:

ORDINARY BUSINESS

1. To receive and consider and adopt the Accounts for the year ended 31 December 2001 together with the Report of the Directors and Auditors thereon.
2. To re-elect the following Director who retires in accordance with Article 98 of the Articles of Association:
A.J. Robson
3. To re-elect the following Director who retires in accordance with Article 104 of the Articles of Association:
D.J. Hall
4. To authorise the Directors to fix the remuneration of the Auditors.

SPECIAL BUSINESS

5. 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 at the close of business on 25th July 2003, unless previously renewed, varied or revoked by the Company in general meeting provided however that the Company may make an offer or agreement before the expiry of this authority which would or might require relevant securities to be allotted after this authority has expired and the directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired. The authority hereby conferred shall be in substitution for any existing such authority.
6. Subject to the passing of Resolution No. 5 above, the Directors be and are hereby empowered by Sections 23 and 23(1) of the Companies (Amendment) Act, 1983 to allot equity securities (within the meaning of the said Section 23) for cash pursuant to the authority conferred by Resolution No. 5 above as if Subsection (1) of the said Section 23, did 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 granted by the Company; and
 - (b) (in addition to the authority conferred by paragraph (a) of this Resolution), up to an aggregate nominal value of IRE248,178, being 5% of the current issued share capital of the Company,

which authority shall expire on the earlier of the date of the next annual general meeting of the Company held after the date of the passing of this resolution and 25th July 2003, 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 an offer or agreement as if the power conferred hereby had not expired.

7. That in accordance with Section 26 of the Economic and Monetary Union Act, 1998 the nominal value of each issued and unissued Ordinary Share in the capital of the Company be and is hereby reduced by the sum of €0.0001974 such that the nominal value of each issued and unissued Ordinary Share in the capital of the Company shall be €0.0125.

8. That there shall, in accordance with Section 26(4) of the Economic and Monetary Union Act, 1988, be transferred from the share capital account of the Company to a Capital Conversion Reserve Fund an amount equal to the aggregate amount of the decrease in the issued share capital of the Company (which represents a reduction of not more than 10% of the reduced share capital) resulting from the renormalisation of the Ordinary Shares in the capital of the Company to €0.0125 each.
9. That the Memorandum of Association of the Company be amended by the deletion of the existing text of Clause 5 thereof and by the insertion of the following text in its stead:

"The share capital of the Company is €9,375,000 divided into 750,000,000 Ordinary Shares of €0.0125 each."
10. That the Articles of Association of the Company be and are hereby amended by the adoption of the amendments shown in the draft copy of the proposed new Articles of Association of the Company which have been signed by the Chairman and which have been available for inspection at the registered office of the Company since the date of the notice of this meeting.
11. That the Directors be and are hereby empowered to establish a Minmet plc 2002 Share Option Scheme (hereinafter called the "2002 Scheme") capable of approval pursuant to the Taxes Consolidation Act, 1997 as amended from time to time and that the Directors be and are hereby authorised to do such acts and things as are necessary to establish and carry the 2002 Scheme into effect including the drafting of Rules for the 2002 Scheme and the making of such amendments to the said Rules as may be necessary to obtain and maintain the approval of the Revenue Commissioners pursuant to the provisions of the Taxes Consolidation Act, 1997, as amended from time to time and further that in constituting such rules the Directors shall take cognisance of the guidelines (if any) on share option schemes as published by the Irish Association of Investment Managers from time to time.

BY ORDER OF THE BOARD

A.W.J. Banyard F.C.C.A. Secretary

Registered Office: 10 Fitzwilliam Square, Dublin 2.

26 March 2002

Note: A member is entitled to appoint a proxy to attend, speak and vote instead of him. To be effective the form of proxy must be received at the office of the Company's Registrars, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 not later than 48 hours before commencement of the meeting. A proxy need not be a member of the Company.

MINMET PLC

CORPORATE INFORMATION

REGISTERED AND DUBLIN OFFICE

10 Fitzwilliam Square,
Dublin 2.
Tel: 353 1 661 3309 Fax: 353 1 661 3119
e-mail: minmet@minmet.ie

PORTUGUESE OFFICE

Castromil, 4580 Sobreira, Parades, Portugal.

BRAZIL OFFICE

Rua Barão de Melgaço,
2754 Sala 1506, Ed Work Tower,
82-Cuiaba - MT, Brazil.

AUDITORS

Deloitte & Touche, Chartered Accountants,
Deloitte & Touche House,
Earlsfort Terrace, Dublin 2.

BANKERS

Bank of Ireland plc.
IFSC Branch, La Touche House,
Customs House Dock, Dublin 1.

BROKERS AND CORPORATE FINANCE ADVISORS

Davy Stockbrokers, Davy House,
49 Dawson Street, Dublin 2.

Investec Henderson Crosthwaite,
2 Gresham Street, London EC2V 7QP.

SOLICITORS

O'Donnell Sweeney, The Earlsfort Centre,
Earlsfort Terrace, Dublin 2.

REGISTRARS

Computershare Investor Services (Ireland) Ltd.,
Heron House, Corrig Road,
Sandyford Industrial Estate, Dublin 18.
Tel: 353 1 216 3100 Fax: 353 1 216 3151
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MINMET

PRODUCTION + EXPLORATION

Annual Report 2001