

18th October 1999

Minmet plc

Interim Report - 30 June 1999

Chairman's Statement.

The first six months of the year has seen the continuation of the development of the Group's exploration interests in Portugal and United Kingdom culminating with the decision to exercise the option to acquire a 100% interest Mineradora de Bauxita Limitada ("MBL"), thus expanding our activities into Brazil.

In August we announced that we had arranged a placing and open offer to raise ST£10.8m before expenses. I am pleased to report that these funds are now in place.

General

As I write this report the gold industry has been buoyed by the decision of the combined central banks of Europe to limit their gold disposal programme to 400 tonnes per annum for the next five years. This has had the effect of pushing the gold price off its low of US\$250 per ounce back to approximately US\$315 per ounce.

However, the low gold price, sustained over a long period, has had a significant effect upon the fortunes of gold mining companies throughout the world. In general cost control and the development of low cost gold reserves now dominate the industry. For example, one major Mining House has declared a policy of rationalising their exploration department to the extent that they now pursue an exploration strategy of working with the junior mining companies to build their exploration acreage. This is a very positive development for exploration companies such as ours.

Portugal

Our efforts to secure a mining licence for Castromil continue. Despite the Department of Environment having found certain shortcomings in our revised mining plan and EIS statement we continue to work with the Department of Economy to remedy any perceived defects to enable the licence to be awarded. We remain confident that we will overcome the final obstacles.

Our work on Valongo-Gondomar has continued apace and we are closing in on four targets in this exploration lease. We have commenced a programme of percussion drilling over these targets and we are hopeful of commencing the delineation of gold resources at these sites over the coming months. We have also opened discussions with Empresa de Desenvolvimento Mineiro S.A., the Portuguese State Mining Company, regarding their residual 25% interest in this exploration area and we are confident of increasing our existing 75% stake still further.

Portugal remains a significant exploration province in the Group's plans and we are satisfied that we have official support at the highest level in the Portuguese Government to bring these plans to fruition.

Brazil

We completed the purchase of a 100% interest in MBL in July 1999. MBL holds priority rights over 600,000 hectares in the state of Matto Grosso, Western Brazil.

An airborne survey which was completed in the first six months of the year has confirmed extensive gold anomalies throughout the claim area and these results allied to the detailed information already available to the Group from the former owners have resulted in a detailed exploration plan having been adopted by the Board and is now being implemented. Up to seven significant targets are being worked and we trust that early results from one or more of these targets will outline significant reserves of gold.

We are assembling a mobile sampling plant for use on the MBL claims and although this plant will be primarily used for exploration it will be capable of producing upwards of 5,000 ounces of gold per annum.

In September 1999 we announced that the airborne survey had revealed the existence of 31 kimberlite structures within the MBL claim area and ground follow up work is progressing to test these structures for diamonds.

Our wholly owned subsidiary, MBL, holds one of the largest concession areas in South America and all the indications available to us from our ground and airborne surveys indicate that we have the potential to discover large gold and precious mineral deposits within our land-holding.

Devon

In September 1999 we completed the 4th drilling programme on our gold target near Thorverton and the cores from this drilling programme are being assayed presently. In addition to gold we shall also be assaying for platinum group metals traces of which have already been found elsewhere in the Crediton Trough.

Based on the results from this drilling programme your Board will devise an overall exploration programme for this area for the next stage of the exploration.

Gold Leaching Process

Following a positive report on progress to date the Group, along with its joint venture partner Rio Tinto Technology Development Limited ("Rio Tinto"), assembled a larger consortium to make an application for assistance from the EU under the 5th Framework Research and Development programme. We understand that this application was not put forward for assistance under the current round of funding but the application can be re-presented.

Discussions are on going with Rio Tinto to consider the most effective method of establishing a demonstration plant to confirm the veracity of the process. Part of the proceeds of the recent placing and open offer were allocated for this purpose.

Corporate

A placing of shares in June 1999 raised ST£376,000, before expenses, for the Group. In addition and as detailed above we raised ST£10.8m, before expenses, from a placing and open offer, this fund raising being ratified by shareholders on 6 September 1999. This fund raising attracted a number of new institutional shareholders and we are delighted to have them on our share register.

I am delighted to welcome Antony Robson and Professor Mike Johnson onto the Board as non-executive directors. Antony Robson has been a director of our subsidiary Connary Minerals plc since 1995 and Mike Johnson, as Professor of Environmental Biology at Liverpool University, brings a wealth of experience in this field which is becoming of crucial importance to our industry.

Results

Loss on ordinary activities after taxation for the six months ended 30 June 1999 is significantly reduced compared to the same period in 1998 due to the absence of provisions on investments and the absence of write down of intangible assets. Operating expenses for the period of IR£63,138 are lower than those for 1998 of IR£77,400. Although we have expanded our activities the lower operating expenses was achieved through currency gains helped by the strength of sterling and careful management of our cash resources.

Conclusion

We are now well funded to exploit the assets under our control and are completely debt free. I believe that within our targets in Portugal and Brazil we have the potential to exploit a number of significant gold and other precious metal and mineral deposits. In addition our sector is showing strong signs of climbing away from its recent lows and I am sure we can look forward to the future with a great deal of confidence.

Jeremy P. Metcalfe

Chairman.

18 October 1999

Consolidated profit and loss account

for the 6 months ended 30 June 1999

	Unaudited 6 months to 30-Jun-99	Unaudited 6 months to 30-Jun-98	Audited 12 months to 31-Dec-98
	IR£	IR£	IR£
Operating expenses	(63,138)	(77,400)	(164,040)
Write down of intangible assets	-	(257,450)	(257,450)-
Provision for diminution in value of financial assets	-	(184,576)	(488,803)-
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Operating loss	(63,138)	(519,426)	(910,293)
Interest	20,016	18,532	33,376

receivable and similar income			
Interest payable and similar charges	-	-	-
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Loss on ordinary activities before taxation	(43,122)	(500,894)	(876,917)
Taxation on loss on ordinary activities	-	-	(1,470)
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Loss on ordinary activities after taxation	(43,122)	(500,894)	(878,387)
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Loss per ordinary share	0.00p	0.22p	0.34p
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Statement of total recognised gains and losses
for the 6 months ended 30 June 1999

Loss attributable to shareholders of Minmet plc	(43,122)	(500,894)	(878,387)
Unrealised exchange rate movements	30,098	6,095	(10,484)
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Total recognised losses for period	(13,024)	(494,799)	(888,871)
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Consolidated balance sheet

30 June 1999

	Unaudited 30-Jun- 99 IR£	Unaudited 30-Jun- 98 IR£	Audited 31-Dec-98 IR£
Fixed assets			
Intangible assets	8,565,861	6,849,907	7,793,155
Tangible assets	22,887	31,765	24,063
Financial assets	6,009	6,009	6,009
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	8,594,757	6,887,681	7,823,227
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Current assets			
Investments	-	312,507	-
Debtors	500,716	60,109	75,164
Cash at bank and in hand	419,723	521,540	1,144,347
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	920,439	894,156	1,219,511
Creditors:			
Amounts falling due within one year	(306,365)	(293,691)	(238,970)
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Net current assets	614,074	600,465	980,541
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Total assets less current liabilities	9,208,831	7,488,146	8,803,768
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Net assets	9,208,831	7,488,146	8,803,768
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Capital and reserves			
Called-up share capital	3,031,231	2,705,346	2,984,231
Share premium account	8,293,047	6,490,384	7,928,555
Revaluation reserve	750,000	750,000	750,000
Profit and loss account	(2,968,457)	(2,561,361)	(2,955,433)
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Total shareholders' funds	9,105,821	7,384,369	8,707,353

Minority interests	103,010	103,777	96,415
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	9,208,831	7,488,146	8,803,768
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Notes:

1. *This Interim Report for the six months ended 30 June 1999 is unaudited and was approved by the directors on 1 October 1999. The financial information set out does not constitute statutory accounts within the meaning of section 149 of the Companies Act 1963. The information at 31 December 1998 has been extracted from the statutory accounts relating to the year ended 31 December 1998, which have been filed with the Registrar of Companies.*
2. *No dividends were proposed or paid in the 6 months ended 30 June 1999.*
3. *The accounting policies remain as stated in the Annual Report for the year ended 31 December 1998.*
4. *Copies of this Interim Report are being sent to shareholders.*
5. *Copies of this Interim Report are available to the public free of charge from 10 Fitzwilliam Square, Dublin 2 during normal office hours. A copy will also be posted on Minmet plc's web site at www.minmet.ie.*

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