

LAPP PLATS PLC

PRELIMINARY RESULTS FOR THE PERIOD ENDED 31 DECEMBER, 2004

CHAIRMAN'S STATEMENT

It is with great pleasure that I am presenting the first Annual Report of Lapp Plats plc ("Lapp Plats" or the "Company") against a background of increased worldwide demand for commodities, higher commodity prices and significant interest in the exploration sector. The demand for commodities is being driven by the growth in economies like India and China and it is now viewed in many quarters that the demand from these economies will ensure high demand and prices over the medium term.

In Sweden, where we have concentrated our efforts in 2004, there has been a significant increase in the pace of exploration activity, with companies attracted by the prospects of making a discovery and also by an excellent fiscal and legal framework for both mining and exploration companies.

The Company was founded in December 2003 and secured a GBP400,000 equity financing, before expenses, from a number of sophisticated investors in February 2004. Following the successful fund raising the Company's shares were admitted to trading on OFEX.

BUSINESS AND STRATEGY

Lapp Plats' business and strategy is to develop its existing platinum and nickel exploration portfolio and seek out acquisition and development opportunities in the broader resource sector encompassing minerals, metals, oil and gas.

The Directors believe that there are a number of acquisition opportunities available in the resource sector, which may be of interest to the Company. The Directors have commenced a process of researching potential opportunities including correspondence with brokers, companies and management teams relating to resource sector projects involving mineral, metal and, oil and gas assets.

The Directors believe that this is an appropriate time for the Company to move the trading facility for its Ordinary Shares from OFEX to the Alternative Investment Market ("AIM") and Irish Enterprise Exchange ("IEX"). The Directors believe that an AIM and IEX listing will raise the Company's profile and visibility to current and potential shareholders and also within the resource industry. Furthermore the Directors believe that the move to AIM and IEX should make the Company's shares more attractive for future equity fund raising and acquisitions, which may involve new Ordinary Shares being issued as consideration.

EXISTING EXPLORATION PORTFOLIO

The existing exploration portfolio of the Company is located in northern Sweden and was identified following desk and field based exploration activity by a four-person exploration team based near Skelleftea in northern Sweden. Beginning in January 2004 the team spent five months conducting a detailed review of the Database and relevant geological data from the Geological Survey of Sweden.

The team focussed its platinum group element ("PGE") and nickel exploration activities on layered mafic-ultramafic intrusion type targets similar in style to the layered intrusion which hosts the PGE and nickel deposits found in the Bushveld Complex in South Africa. The Bushveld Complex is known to host a significant portion of the world's reserves of platinum, chromium and vanadium.

In May 2004 the team commenced field exploration programs involving geochemical sampling and mapping, which continued until October. A total of 722 geochemical samples were collected and analysed. As a result of this work the team identified 15 PGE and nickel target areas and applied for exploration licences for 5 of the highest priority targets in central, northern and north-eastern Sweden.

These 5 targets being Cabra I & II (Tjabrak & Kortolahti), Prantjarvi, Kullar (Riberget), and Snoberg, were prioritised using geochemical, geophysical and lithological criteria. Exploration licences in respect of the target areas were applied for by Bjorkdalsgruvan AB and subsequently transferred to Lapp

Plats AB.

The Mining Inspectorate of Sweden (Bergsstaten) granted the licences in June and August 2004. The Company has good title to the licences and licence fees have been paid in full to the relevant expiry date. In addition Lapp Plats has first option to renew the licenses at expiry providing a minimum level of work has been undertaken in each case.

INITIAL EXPLORATION RESULTS

Cabra I & Cabra II - Tjabrak & Kortolahti

A total of 169 geochemical samples were collected from the Cabra I and II licence areas. Outcrops and boulders in these areas were identified as being derived from a layered mafic-ultramafic intrusion. In the Kortolahti licence area PGE, nickel, and copper mineralisation was found in both outcrop (0.43 ppm platinum and palladium) and in samples taken from two drill holes (up to 0.43 ppm platinum and palladium, 0.18% nickel, 0.21% copper) drilled previously by another company, Luosavara-Kiirunavaara AB ("LKAB").

Mineralised PGE, gold, nickel and copper bearing boulders (up to 0.63 ppm platinum and palladium, 0.17% nickel, 0.48% copper) were found in two main zones in the Tjabrak and Kortolahti intrusions separated by a distance of nine kilometres.

It is the Directors' view that the anomalous geochemistry results and their distribution in mineralised outcrop, drillcore and boulder samples across the intrusions warrants further exploration. The Board's preference is that any further exploration should be funded by an industry joint venture partner.

Prantijarvi

The Prantijarvi licence area occurs over a poorly exposed mafic-ultramafic intrusion. An aeromagnetic survey of the area conducted by the Geological Survey of Sweden indicated a 10 x 3 km wide anomaly defining the intrusion, which lies within 10 km of the PGE and chrome bearing Kukkola layered intrusion.

The Kukkola body is part of a mafic-ultramafic complex that stretches through into Finland and includes the Portimo intrusion that hosts the Gold Fields

Limited owned Arctic Platinum Project, where nickel, copper, PGE and gold mineralisation has been found.

Geochemical results indicate that PGE, nickel and copper anomalies are found in both boulders (up to 0.24 ppm platinum and palladium, 0.1% nickel, 0.06% copper) and drift samples (up to 30 ppb platinum and palladium). These results would typically demonstrate potential for a layered mafic-ultramafic intrusion style PGE and nickel target.

In the view of the Directors these results warrant further exploration work in this licence area and it is the Board's preference that further work should be funded in conjunction with an industry joint venture partner

Kullar (Riberget)

The anomalies over the Kullar licence area were mainly defined by nickel and copper found in till samples. A limited number of samples have been collected to date, but initial results indicate up to 0.07% nickel and 0.07% copper in boulder samples.

Limited work has been done however in view of these results this licence area is currently of lower priority for additional exploration work.

Snoberg

Limited work has been done however as no geochemical anomalies were found in the initial limited number of samples taken, this licence area is currently of lower priority for additional exploration work.

Other reconnaissance targets

The exploration team also explored 9 other PGE and nickel target areas and collected 225 geochemical samples. The best results from these other areas came from targets in the Skelleftea district where up to 0.48 ppm platinum and palladium and 0.1% nickel in boulder samples were recorded. Additional exploration work is required before the Company would consider licence applications in respect of these targets.

DEVELOPMENT OF EXISTING EXPLORATION PORTFOLIO

The field team having completed the preliminary phase of exploration was disbanded at the end of the 2004 field season. The team leader and chief geologist, Dr Tim Fletcher remained as an employee of Lapp Plats until April

2005 and he has completed a detailed report of the 2004 activities which forms the basis for future development of the Company's existing mineral exploration portfolio. Dr. Fletcher is now retained as a consultant to the Company. The Company has secured an agreement with Bjorkdalsgruvan AB to provide facilities and administration support from its base at the Bjorkdal mine, northern Sweden on a renewable short-term contract basis.

The Directors consider that the next phase of the development of the existing portfolio will be with the involvement of industry partners in current and future projects by way of earn in and joint venture agreements. Under this strategy it is proposed that an incoming joint venture partner will be liable for future exploration costs as part of their investment to secure their earn-in to any or all of these properties. There have been discussions with potential partners in this respect but in the meantime it is the Company's intention to retain its projects, claims and licenses in good standing, pending the outcome of current and any future such discussions.

SWEDEN

Sweden is a significant mining country within the European Union ("EU"), in 2002 it accounted for 88% of the iron ore, 29% of gold, 25% of lead, 19% of zinc, 18% of silver and 11% of the copper from EU.

Sweden offers a modern and well developed physical infrastructure, with low corporate tax rates (28% on profits), no royalties on production and is a stable political and economic country. In addition the country has been under-explored in relation to mineral exploration and the governmental bodies offer an extensive and complete information service and support to the explorer.

FINANCIAL RESULTS

Lapp Plats reported a loss of GBP14,175 for the period ended 31 December 2004.

These losses represent net administrative costs in maintaining a public limited company. Following the equity fund raising of GBP400,000, the Company maintains a positive cash balance and is debt free.

In conclusion I would like to express my gratitude to the field teams, colleagues and professionals that have guided Lapp Plats through its first

year. I am confident that 2005 and beyond will bring progress in our existing operations and in new opportunities both in Sweden and elsewhere.

A copy of the Report and accounts for the period ended 31 December 2004 will be posted to shareholders on 27 May 2005 and the Annual General Meeting will be held on 28 June 2005 at 12:00 noon at the offices of Matheson Ormsby Prentice, Third Floor, Pinnacle House, 23-26 St Dunstan's Hill, London EC3R 8HN.

MICHAEL NOLAN

CHAIRMAN
19 MAY 2005

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CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the period ended 31 December 2004

	2004 GBP
Administrative expenses	(21,153)
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OPERATING (LOSS)/PROFIT	(21,153)
Interest receivable and similar income	6,978
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(LOSS)/RETAINED PROFIT FOR THE PERIOD	(14,175)
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There are no recognised gains or losses other than those disclosed above and there have been no discontinued activities or acquisitions in the current or preceding periods.

The financial statements were approved by the Board of Directors on 19 May 2005 and signed on its behalf by:

Michael Nolan, Chairman
Alec Banyard, Director

CONSOLIDATED BALANCE SHEET
as at 31 December 2004

	2004 GBP
FIXED ASSETS	
Intangible assets	268,893
Tangible assets	14,797
	<hr/> 283,690
CURRENT ASSETS	
Debtors	22,180
Cash at bank and in hand	176,177
	<hr/> 198,357
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	(27,997)
NET CURRENT ASSETS/(LIABILITIES)	<hr/> 170,360
TOTAL ASSETS LESS CURRENT LIABILITIES	<hr/> 454,050
CAPITAL AND RESERVES	
Called up share capital	128,333
Share premium account	339,892
Profit and loss account	(14,175)
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EQUITY SHAREHOLDERS' FUNDS	<hr/> 454,050

The financial statements were approved by the Board of Directors on 25 April 2005 and signed on its behalf by:

Michael Nolan, Chairman
Alec Banyard, Director

This preliminary statement is not the Company's statutory accounts. The statutory accounts for the period ended 31 December 2004 have been approved by the directors and have received an audit report which was unqualified and did not contain statements under s237(2) and (3) of the Companies Act 1985. These statutory accounts have not been delivered to the Registrar of Companies and will be sent to shareholders on 27 May 2005.