

PRESS RELEASE

LAPP PLATS PLC

28 June 2006

Preliminary Statement

I am pleased to present the Annual Report of Lapp Plats plc (“Lapp Plats” or the Company”) for the year to 31st December 2005.

The Company was admitted to trading on both the AIM Market (“AIM”) of the London Stock Exchange and the Irish Enterprise Exchange (“IEX”) of the Irish Stock Exchange during the year.

Business and Strategy

Operationally, in respect of our exploration concessions in Northern Sweden we have compiled a comprehensive technical report (“Report”) on the early stage exploration reconnaissance completed in the field during the second half of 2004. This Report has been supplied to a number of industry companies with a view to seeking a joint venture partner to work with Lapp Plats on the Company’s concessions.

Discussions with a view to a potential joint venture are on going and subject to continuing negotiations.

As highlighted in our Admission document we have also worked to add to our portfolio of interests and we have had detailed negotiations with a number of parties with a view to a corporate transaction that would create value for shareholders. Again these discussions are on going and we believe that based on the current short list of opportunities under investigation and negotiation we should be in a position to bring a positive conclusion to one of these targets in the near future.

Financial Results

The net loss for the year before tax amounted to £145,068 (2004 13 months loss £14,175). This loss included the costs of the admissions to AIM and IEX which took place during the year and also the administrative costs of keeping the company in good standing on both markets. In addition some costs were incurred in investigating new opportunities and also in maintaining the Company’s exploration concessions in Sweden.

Net interest received decreased to £5,619 compared to £6,978 in the previous period.

Accounts

The Annual Report and Financial Statements for the year to 31 December 2005 will be posted to shareholders on 30th June 2006, and copies can be obtained, free of charge from the Company’s offices at 22 Grafton Street, London W1S 4EX. The Annual General Meeting will be held at the company’s offices at 22 Grafton Street, London W1S 4EX at 12 noon on Thursday 10th August 2006.

Michael Nolan
Chairman

27th June 2006

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005**

| | 2005 | 2004 |
|--|-------------|-------------|
| | £ | £ |
| Administrative Expenses | (150,687) | (21,153) |
| | <hr/> | <hr/> |
| OPERATING LOSS: | (150,687) | (21,153) |
| Interest receivable and similar income | 5,619 | 6,978 |
| | <hr/> | <hr/> |
| LOSS FOR THE YEAR | (145,068) | (14,175) |
| | <hr/> <hr/> | <hr/> <hr/> |
| Loss per share: | | |
| Basic | (1.1)p | (0.1)p |
| Diluted | (1.1)p | (0.1)p |

There are no recognised gains or losses other than those included above. All gains and losses arise from continuing activities.

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2005**

| | 2005 | 2004 |
|--|----------------|----------------|
| | £ | £ |
| FIXED ASSETS | | |
| Intangible fixed assets | 275,859 | 268,893 |
| Tangible fixed assets | 1,440 | 14,797 |
| | <u>277,299</u> | <u>283,690</u> |
| | | |
| CURRENT ASSETS | | |
| Debtors | 7,511 | 25,572 |
| Cash at bank and in hand | 57,111 | 176,177 |
| | <u>64,622</u> | <u>201,749</u> |
| | | |
| CREDITORS: amounts falling due within one year | (9,189) | (31,389) |
| | <u>55,433</u> | <u>170,360</u> |
| | | |
| NET CURRENT ASSETS | | |
| | <u>55,433</u> | <u>170,360</u> |
| | | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | <u>332,732</u> | <u>454,050</u> |
| | | |
| Represented by: | | |
| | | |
| CAPITAL AND RESERVES | | |
| Called-up share capital | 133,083 | 128,333 |
| Share premium | 358,892 | 339,892 |
| Profit and loss account | (159,243) | (14,175) |
| | <u>332,732</u> | <u>454,050</u> |
| | | |
| SHAREHOLDERS' FUNDS – EQUITY | <u>332,732</u> | <u>454,050</u> |

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

| RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM | 2005 £ | 2004 £ |
|--|-------------------|-------------------|
| OPERATING ACTIVITIES | | |
| Operating loss before interest | (150,687) | (21,153) |
| Add back good will amortisation | 3,359 | 3,359 |
| Loss on disposal of fixed assets | 2,835 | |
| Decrease/(Increase) in debtors | 18,061 | (22,180) |
| (Decrease)/Increase in creditors | (22,200) | 27,997 |
| Net cash outflow from operating activities | <u>(148,632)</u> | <u>(11,977)</u> |
| CASHFLOW STATEMENT | | |
| Net cash outflow from operating activities | (148,632) | (11,977) |
| Returns on investments and servicing of finance | 5,619 | 6,978 |
| Net Capital Expenditure | 197 | (287,049) |
| | <u>(142,816)</u> | <u>(292,048)</u> |
| FINANCING | | |
| Issue of ordinary share capital | 23,750 | 468,225 |
| (DECREASE)/INCREASE IN CASH IN THE PERIOD | <u>(119,066)</u> | <u>176,177</u> |
| Reconciliation of net cash flow to movement in net debt | | |
| NET FUNDS AT 1 JANUARY | 176,177 | - |
| (Decrease)/Increase in Cash in the Period | <u>(119,066)</u> | <u>176,177</u> |
| NET FUNDS AT 31 DECEMBER | <u>57,111</u> | <u>176,177</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

1. BASIS OF PREPARATION

The Group is involved in mineral exploration which include a number of development stage projects. In respect of these projects the directors are confident that the values ascribed to them in these financial statements are reasonable and that additional working capital required by the Group will be available through a combination of cash resources, sale of projects, new equity from joint ventures and management fees from the projects. The Group's interests in these projects are included in the consolidated balance sheet under intangible assets.

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

The Company's interests in the above projects are included in the balance sheet of the Company under investments in subsidiary company and amounts owed by Group undertakings.

This preliminary statement is not the Company's statutory accounts. The statutory accounts for the year ended 31 December 2005 have been approved by the directors and have received an audit report which was unqualified.

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