



MAGHREB MINERALS PLC

FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2007

Maghreb Minerals Plc ('Maghreb' or 'the Company'; stock code: MMS), the AIM-listed exploration company developing base and industrial mineral deposits in North Africa, announces its results for the year ended 30 June 2007.

HIGHLIGHTS

- Agreements signed with the Office National des Mines ("O.N.M."), to acquire the exploration permits covering the former mining concessions on the past producing lead-zinc mines of Bou Jabeur, including the Gite de l'Est mine, and Fej Lahdoum.
- Drill programmes accelerated with three drilling rigs now operating on deposit evaluation and quantification.
- The drilling results to date at Bou Jabeur (Gite de l'Est) confirm and verify the previous O.N.M. drilling results. The in-situ value of the deposit is estimated to be in excess of US\$1 billion, based on current prices.
- Drilling at the Zaghouan (Zriba-Guebli) mine has verified the presence of substantial good quality fluorite mineralisation.
- In June and July 2007, the Group raised approximately £2.8 million in cash.

Gordon Riddler, Executive Chairman, Maghreb Minerals commented:

"We have verified the existence of substantial resources at Bou Jabeur, Fej Lahdoum and Zaghouan. These plus the site at Djebba offer the potential to re-establish mining operations in the medium term. We now have the funding and the management in place to allow us to fully evaluate the deposits and to bring the projects to pre-feasibility stage. The aim is to move towards the compilation of JORC compliant resource statements in the near term followed by the resumption of mining operations as soon as possible."

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Notes to editors:

Maghreb Minerals Plc is an AIM listed exploration company developing base metal deposits in Tunisia where it holds the rights to several licence areas. The Company is targeting base metals, mainly lead and zinc, but has also identified areas containing barite and fluorite in Tunisia. For further information, please visit www.maghrebminerals.co.uk

The technical content of this press release has been reviewed by the Executive Chairman of Maghreb Minerals plc, Gordon Riddler, BSc, MBA, FIMMM, CEng, CSci. who has 40 years of experience in the mining sector and is a Fellow of the Institute of Materials, Minerals and Mining, a recognised professional association.

2007 ANNUAL REVIEW

- Maghreb Minerals Plc's focus is on its highly prospective Tunisian mineral exploration and development assets. The work programme has been accelerated at the three past producing mining areas: Bou Jabeur, including Gite de l'Est, Fej Lahdoum and Zaghouan, including Zriba-Guebli. The aim of the programme is to move towards the compilation of compliant resource statements and the resumption of mining operations as soon as possible.
- After extended negotiations with Office National des Mines ("O.N.M."), agreements were signed to acquire the exploration permits covering the former mining concessions on the past producing lead-zinc mines of Bou Jabeur, including the Gite de l'Est mine and Fej Lahdoum.
- Three drilling rigs are now operating on deposit evaluation and quantification: one drilling rig at the past producing lead-zinc-fluorite-barite mine of Bou Jabeur (Gite de l'Est) mine and the other two at the past producing Zaghouan (Zriba-Guebli) fluorite mine.
- The drilling results to date at Bou Jabeur (Gite de l'Est) confirm and verify the previous O.N.M. drilling results. The assays received to date confirm the presence of significant thicknesses of lead and zinc mineralisation and the presence of zones of high-grade zinc mineralisation. Assays for zinc from some twinned holes show significantly higher values over comparable intervals.
- Two sets of mineralised core and milled core sample assay pulps from the previous O.N.M. drilling programmes completed between 1977 and 1986 have recently been discovered. This will significantly assist in the verification of the known deposit and constitute a saving to the Group estimated at approximately £870,000 in drilling costs.

Drilling at Zaghouan (Zriba-Guebli) has verified the presence of substantial good quality fluorite mineralisation varying in thickness between 1 metre and 12 metres. Zinc and lead mineralisation is present in the majority of the drillholes, in higher than expected quantities and the overall thickness of the fluorite intervals is greater than expected.

- Geological mapping, gravity surveys, exploration drilling and resource modelling have been undertaken on the Djebba, Djebel Goraa, Ouled Moussa, Koudiat Louatia and Djebel Lorbeus exploration permits.
- A new exploration permit, Djebel Lorbeus, adjacent to the highly prospective area around Koudiat Louatia, close to the past producing Bou Grine lead-zinc mine, was obtained.
- The Group commences the new financial year with approximately £2.8 million in net cash resources following the successful completion of an equity fundraising over the end of the Financial Year.
- Directors believe the Group has sufficient funds to see it through the current phase of exploration and project evaluation and onto pre-feasibility studies for the redevelopment of the past producing mines in the Company's portfolio of projects.

CHAIRMAN'S STATEMENT

Maghreb Minerals Plc (the "Group" or "Maghreb") has made significant progress in Tunisia during the year in terms of consolidating its permit portfolio and its exploration and resource verification programmes for zinc, lead, barite and fluorite. More details can be found in the Operations Report.

Maghreb is focused on its highly prospective Tunisian assets, in particular on those most likely to be able to develop producing mines in the medium term, Bou Jabeur, Zaghouan (Zriba-Guebli) and Fej Lahdoum. Exploration will continue on its other exploration permits including Djebel Goraa, Koudiat Louatia, Djebel Lorbeus, Ouled Moussa, Kohol, Mecella and Sidi Taia.

After extending negotiations with the O.N.M. in January 2007, the Group signed agreements to acquire the exploration permits covering the former mining concessions on the past producing lead-zinc mines of Bou Jabeur, including the Gite de l'Est mine and Fej Lahdoum. Maghreb has the right to earn a 90 per cent interest in both exploration permits.

Three new exploration permits were obtained over prospective lead and zinc properties and the four Zaghouan permits were gazetted during this period.

The Tunisian work programme has been accelerated, the principal aim of which is to move towards the compilation of compliant resource statements and the resumption of mining operations as soon as possible. Consequently, resource verification drilling at past producing mines at Bou Jabeur (Gite de l'Est) and Zaghouan (Zriba-Guebli) commenced at the beginning of calendar year 2007. Resource extension and delineation drilling is expected to start soon at Fej Lahdoum. Three drilling rigs are now in operation working as many shifts as possible depending on local conditions. Gravity surveys, exploration drilling and resource modelling have been completed variously on exploration permits at Djebba, Djebel Goraa, Koudiat Louatia, Djebel Lorbeus and Ouled Moussa.

In Algeria, Maghreb completed its initial work programme on its Tan Chaffao permit in the Hoggar region, with lower than anticipated results with respect to assays reported from previous drilling undertaken by the Office National Recherche Geologique et Miniere ("O.R.G.M."). The Group was unsuccessful in its bids for exploration permits, including Bouk Dema (lead, zinc) and In Ekker (gold) for reasons beyond its control. Given the high level of expenditure incurred and disappointing results, Maghreb has decided to reduce its activities in Algeria to one of monitoring potential opportunities that may arise provided, of course, that the commercial and operating environment becomes more conducive for junior mining exploration companies.

Following recent fundraising, the Group has approximately £2.8 million in net cash resources as at 20 July 2007 available to pursue its focused exploration and resource definition and assessment programme in Tunisia. These funds will be used to accelerate the work programme, particularly in drilling and project evaluation. The fundraising was by way of an issue of new ordinary shares and was approved at an Extraordinary General Meeting on 28 June 2007. The new shares have been listed on the AIM market of The London Stock Exchange.

I am pleased to welcome Dr Alastair Baird and Dr Chris Clayton to the Maghreb Board to assist with the exploration, geological and data modelling programmes based on the thrust-tectonic model for the lead-zinc mineralisation, which they have formulated from knowledge gained over 20 years working in Tunisia.

The Group now has a strong and secure exploration permit portfolio in Tunisia with the potential to move some of its permits from exploration to development and mining over the medium term. The Group has the finance and resources in place to convert this potential into shareholder value.

I take this opportunity to thank all Group staff for their hard work over the last year to deliver on our exploration permit portfolio and the work programme. The co-operation and support of the government authorities in Tunisia is also acknowledged and is greatly appreciated.

Gordon P Riddler
Executive Chairman

31 August 2007

OPERATIONS REPORT

EXPLORATION PERMITS

Maghreb has a strong and secure portfolio of twelve exploration permits in Tunisia, all of which are in good standing. Maghreb, through its 100 per cent subsidiary, High Marsh Holdings (“HMH”), holds the rights to earn a 90 per cent interest, with the O.N.M. holding the other 10 per cent, in the Bou Jabeur and Fej Lahdoum exploration permits and a 100 per cent interest in the exploration permits of: Djebel Fej Lahdoum, Ouled Moussa, Koudiat Louatia, Djebel Lorbeus, Djebba, Djebel Goraa, Zriba-Guebli, Mecella, Kohol and Sidi Taia.

Tunisian Exploration Permits Acquired

Former Mine Concession – Fej Lahdoum

In January 2007, the Group signed an agreement with the O.N.M. giving it the right to earn a 90 per cent interest in the exploration permit covering the former mining concession of Fej Lahdoum. The O.N.M. holds title to the exploration permit on the former mine concession at Fej Lahdoum (as it was known for the AIM Admission document of December 2004) including the Dar N’Hal Nord past producing mine and Dar N’Hal Sud zinc-lead deposit. This agreement entitles Maghreb to earn a 90 per cent interest in the Fej Lahdoum exploration permit for an expenditure of TND 400,000 over two years on exploration and project evaluation.

Former Mine Concession – Bou Jabeur

In January 2007, the Group signed an agreement with the O.N.M. giving it the right to earn a 90 per cent interest in the Bou Jabeur exploration permit, formerly known as the Bou Jabeur mine concession, which covers a significant area of mineralisation including the Gite de l’Est barite-fluorite-zinc-lead mine. This agreement entitles Maghreb to earn a 90 per cent interest in the Bou Jabeur exploration permit for an expenditure of TND 400,000 over two years on exploration and project evaluation.

Zaghouan Permits

In November 2006 the exploration permits over Zriba-Guebli, Kohol, Sidi Taia and Mecella were formally approved by the Ministry of Industry (“the Zaghouan permits”) and gazetted.

Djebel Lorbeus

The Djebel Lorbeus exploration permit (16 kilometres²) (“km²”) was approved by the Ministry of Industry on 22 December 2006. Djebel Lorbeus is adjacent to the highly prospective Koudiat Louatia (4 km²) permit, 4 km south-west of the recently closed Breakwater Bou Grine lead-zinc mine. As with all the other exploration permits held by the Group in Tunisia the permit was granted for an initial period of three years and can be renewed twice.

Permits Relinquished

The Hammala exploration permit (4 km²) was not renewed in June 2007 when it expired. After the evaluation of the old data and the results from geological reconnaissance, it was concluded that this permit did not justify further investment at this time.

Applications for Permits in Algeria

The Group responded to an invitation from the Ministry of Energy and Mines (“M.E.M.”) to submit bids for exploration permits, including Bouk Dema (lead, zinc) and In Ekker (gold). Unfortunately, the date of submission and bond arrangements were changed at a late stage

during the bidding process with the consequence that the Group's winning bid for Bouk Dema was rejected in favour of an alternative bid. Our unsuccessful bid for the In Ekker permit reflected the removal of the most promising gold target from the area originally offered by M.E.M. This was a disappointing outcome considering that the Group had demonstrated its ability to deliver exploration programmes in difficult working conditions in the country.

EXPLORATION PROGRAMME AND RESULTS

The Group's focus is now entirely on its Tunisian properties where it has accelerated the pace of its exploration and evaluation. The principal aim of the work programme is to move towards the compilation of compliant resource statements and the commencement of mining operations as soon as possible.

Given the Group's target to commence mining operations as soon as possible, the primary focus therefore is on the past producing mines over which the Group holds title: Bou Jabeur, Fej Lahdoum and Zaghouan (Zriba-Guebli).

In addition, the Group has certain obligations under its exploration permits to undertake work on its other exploration permits including Djebel Goraa, Koudiat Louatia, Djebel Lorbeus, Ouled Moussa, Kohol, Mecella and Sidi Taia, each of which holds the potential to host significant lead-zinc or industrial mineral deposits.

In December 2006, Maghreb carried out a ranking exercise on its exploration permits and other prospective areas in northern Tunisia in terms of their potential for hosting significant lead-zinc mineralisation. This exercise has assisted significantly in prioritising the ongoing exploration element of Maghreb's programme. The exercise was based on geological knowledge and fieldwork and did not take into account economic or environmental considerations. It had been established previously that the known lead-zinc deposits in northern Tunisia are of Mississippi Valley Type ("MVT") origin, and the ranking was based on the extent to which four principal geological criteria, for such a deposit to form, were met in the Group's project areas.

Resource verification drilling was completed at Djebba in 2006 and commenced at past producing mines of Bou Jabeur (Gite de l'Est) and Zaghouan (Zriba-Guebli) in 2007. Resource extension and delineation drilling is expected to start soon at Fej Lahdoum. Three drilling rigs are now in operation working as many shifts per day as possible depending on local conditions. The two drilling rigs working at Zriba-Guebli are contracted from a Tunisian company and the drilling rig operating at Bou Jabeur is the Company owned Longyear LF70.

Management and performance of our own drilling rig has improved, and the total average monthly meterage drilled has almost doubled over the last four months. A total of 6,041 meters was drilled representing an average of 503 metres per month, including periods when the drilling rig was not fully operational. This compares to 7,129 metres and 594 metres per month in 2006. A total of 550 samples were sent for assay to OMAC Laboratories in Ireland.

Geological mapping, gravity surveys, exploration drilling and resource modelling have been completed variously on exploration permits at Djebba, Djebel Goraa, Ouled Moussa, Koudiat Louatia and Djebel Lorbeus.

Bou Jabeur (Gite de l'Est)

Drilling commenced in mid-March at the Bou Jabeur (Gite de l'Est) deposit with a view to verifying past resource estimates and to provide metallurgical samples for test work, which will form part of the proposed pre-feasibility study. To date seven drillholes have been completed (MBJ1 – MBJ7) for a total of 2,388 metres. The best intersections are as follows:

DRILL HOLE	FROM (m)	TO (m)	INTERVAL (m)	Zn (%)	Pb (%)	COMBINED Zn%+Pb%	Ba* %
MBJ 1	150.00	160.45	10.45	5.28	1.31	6.59	
	180.85	184.90	4.05	3.81	0.83	4.64	
	187.50	188.75	1.25	5.99	1.00	6.99	
	219.80	225.70	5.90	9.23	0.32	9.55	
	227.55	234.00	6.45	2.64	0.88	3.52	
	242.25	246.90	4.65	1.48	0.89	2.37	
	326.25	327.70	1.45	3.93	0.65	4.58	
Total			34.20	4.74	0.90	5.64	
MBJ 2	59.90	67.60	7.70	4.32	1.18	5.50	
(Zn + Pb)	77.85	80.15	2.30	4.67	0.57	5.24	
	153.50	170.00	16.50	3.71	2.14	5.85	
	179.10	188.70	9.60	6.34	2.10	8.44	
Total			36.10	4.60	1.82	6.42	
MBJ 2	61.00	65.25	4.25				34.67
(Ba)	66.20	67.60	1.40				20.01
	77.85	79.25	1.40				14.14
Total			7.05				27.68
MBJ 3	179.20	182.35	3.15	5.91	3.05	8.96	
	216.60	219.35	2.75	2.53	2.03	4.56	
	226.30	227.40	1.10	1.71	4.17	5.88	
Total			7.00	3.92	2.83	6.75	
MBJ 4	190.55	197.40	6.85	9.17	0.66	9.83	
including	191.60	195.85	4.25	12.26	0.96	13.22	
	202.85	206.15	3.30	3.62	2.13	5.75	
	207.95	211.65	3.70	2.69	0.65	3.34	
	211.65	225.85	14.20	9.88	1.97	11.85	
	251.85	259.50	7.65	4.98	0.83	5.81	
	262.15	267.10	4.95	3.78	1.63	5.41	
Total			44.90	6.48	1.83	8.31	

*** Fluorite and Barite assays are pending for all drill holes not reported on.**

Drillholes MBJ5 – MBJ7 are at various stages of logging, sampling and assay. Drilling is in progress on MBJ8.

The drilling results at Bou Jabeur (Gite de l'Est) confirm and verify the previous O.N.M. drilling results with lead and zinc assays in some cores looking considerably better. The assays confirm the presence of significant thickness of lead and zinc mineralisation and the presence of zones of high-grade zinc mineralisation in line with expectations.

Two sets of mineralised core and milled core sample assay pulps from the previous O.N.M. drilling programmes completed at Bou Jabeur (Gite de l'Est) between 1977 and 1986 have been discovered recently. These comprise 3,803 metres of mineralised core out of a total of 10,465 metres, from thirty one BJ - series O.N.M. drill holes out of a total of forty seven holes drilled.

These mineralised core sections were used to determine the previous O.N.M. estimate of resources for the Bou Jabeur (Gite de l'Est) mine. In 2000 the operators of Bou Jabeur (Gite de l'Est) quoted a proven, probable and possible reserve of 5.1 million tonnes ("Mt") with a grade of 1.38 per cent Pb, 3.76 per cent Zn, 33.2 per cent BaSO₄, and 9.3 per cent CaF₂. The core is in good condition and this core (or the pulps if available) is being used by Maghreb for re-logging and re-analyses, which is in progress. This will confirm the original O.N.M. data, which can then be included with confidence in the compilation of the compliant resource statement currently being undertaken. As a consequence, the discovery of this core significantly reduces the number of verification drillholes planned by the Company. Drilling therefore can be redirected to providing additional drillholes targeted at extending the mineral deposit laterally and at depth, speeding up the verification of the known deposit and saving approximately £870,000, funds that can be used valuably in extending the scope of the Group's exploration efforts.

Wardell Armstrong International ("W.A.I.") was appointed in March 2007 to assist with the preparation of a compliant resource statement and to oversee the programme to upgrade the Bou Jabeur (Gite de l'Est) zinc-lead-fluorite-barite resource at Bou Jabeur to International Reporting Standards. This work will lead up to commencing a pre-feasibility study on the recommencement of mining operations at Bou Jabeur (Gite de l'Est). To achieve this, W.A.I. is reviewing the geological setting and model for the deposit, auditing proposed/existing sampling methodology including assay procedures for both historical and new drill core sampling routines, monitoring of the verification and in-fill drill programme where deemed necessary to provide a more robust resource classification, and reviewing the existing Maghreb block model and resource classification at a variety of cut-off grades.

A Surpac® geological model is currently being generated by Maghreb. The model encompasses drillhole data and assays for forty seven historic drillholes from surface, ten underground drillholes and underground sampling plans and assays at Bou Jabeur (Gite de l'Est) that have been made available by the O.N.M., as well as results from current drilling. This includes a modern lithological codification based on a recent review of core logs and outcrop evidence.

Zaghouan (Zriba-Guebli)

As reported upon in last year's Annual Report, the Group's acquisition of the four exploration permits around the town of Zaghouan in north-eastern Tunisia: Zriba-Guebli, Jebel el Kohol, Sidi Taia and Jebel el Mecella was formally approved and gazetted this year. The permits cover a total area of 52km².

The Zriba-Guebli permit covers a past producing Zriba fluorite mine and the Zaghouan processing operations. The indicated resources on the Zriba-Guebli permit were reported in 1988 to be to the order of 5Mt with a grade between 15 per cent and 30 per cent CaF₂.

The Group believes that the strong rise in international fluorspar prices offers the potential to re-establish profitable mining operations at Zaghouan (Zriba-Guebli) at a relatively modest capital cost. The Group believes that a mining operation at Zaghouan (Zriba-Guebli) has the potential to generate annual revenue of around US\$9 million per annum from fluorite production in due course, based on historic annual production rates of chemical grade fluorspar.

At an appropriate time, the Group will consider entering into negotiations on a joint venture with established mining and off-take companies to evaluate jointly re-opening the Zaghouan (Zriba-Guebli) mine.

In addition to fluorite, the four exploration permits at Zaghouan are prospective for barite, zinc and lead mineralisation.

Verification drilling commenced on the Zriba-Guebli exploration permit and progress to date is as follows:

DRILL HOLE	Total Depth (m)	No. of Samples	Intervals Mineralised (m)	Visible Minerals	Notes
MG1	124.35	5	3.10	Pb/Zn/F	Sampled and results awaited
MG2	161.10	19	2.20	Pb/Zn/F/Ba	
MG3	101.30	12	10.90 12.30	Pb/Zn/F/Ba	
MG4	385.60				Logging in Progress
MG5	95.40		1.20	F/Zn	
			3.15	Ba/F	
MG6	111.60		2.10	Ba/F/Zn	
MG7	95.80		3.15	F/Zn	
MG8	-	-	-	-	- Drilling in Progress
MG9	125.75		0.10 5.40		Logging in Progress
MG10	-	-	-	-	- Drilling in Progress

A total of eight drillholes have been completed on the Zriba -Guebli permit (MG1 – MG7, and MG9) for a total of 1,200 metres and thirty six samples from three drillholes have been sent for assay to date. Results are awaited. Two drillholes MG8 and MG10 are in progress. The drilling has verified the presence of substantial fluorite mineralisation. Another six drillholes are planned to complete the verification of the resource previously estimated by O.N.M./I.C.F. Early visual indications from the Maghreb drill core shows the variability of the thickness of the fluorite deposit between 1 metre and 12 metres. Work is in hand to determine any thickness trends and controls to mineralisation. The fluorite observed is clear and of good quality. More zinc and lead mineralisation is present, and the overall thickness of the fluorite intervals is greater than expected. The extent of the fluorite mineralisation suggests a large mineralising system may be present. This possibility will be investigated shortly by means initially of a geological reconnaissance followed by further drilling.

The Zriba-Guebli permit covers the past producing Zriba fluorite mine and the Guebli fluorite deposit, which is considered an extension of the mineralised layer mined in Zriba mine. Mineralisation is stratabound, with mineralised layers in the order of 1 and 15 metres thick. The Zriba mine, a room and pillar mining operation, produced approximately 4Mt of ore, grading 25 per cent fluorite (CaF₂) and 1-2 per cent lead-zinc, between 1967 and 1992, when it was closed due to low mineral prices at that time. The O.N.M. estimates the remaining mineral resources in the southern part of the Zriba mine and at Guebli to be of the order of 4Mt, including 850,000 tonnes (“t”) in the “mineral reserve” category.

Fej Lahdoum

Mapping and additional drilling work will commence shortly on the exploration permit covering the former Fej Lahdoum mining concession aimed at expanding the known resource at the Dar N’Hal Nord mine and the Dar N’Hal Sud deposit. The Group has already drilled a total of 5,244 metres on the Fej Lahdoum mine concession and surrounding Djebel Fej Lahdoum exploration permit.

Djebba and Djebel Goraa

At Djebba, drilling continued. Fifteen holes (MDJ14 – MDJ28) were drilled for a total of 2,451 metres aimed at verification of, and extensions to, the known lead–zinc resource; previously estimated at 2.7Mt grading 6.14 per cent Zn and 3.34 per cent Pb within which there was an open pit reserve estimate of 800,000t grading 6.59 per cent Zn and 4.09 per cent made by the Canadian Group SIDAM-Minorex in 1987-1989.

This phase of the drilling, whilst confirming the presence of the known deposit (tonnage and grade), failed to find any significant extensions of the main deposit. Targets were tested in the Cretaceous rocks and the brecciated contact between Cretaceous and Triassic rocks. Overall, the tonnage of the known deposit is anticipated to have been increased slightly. All the data has been modeled and it is proposed to complete a revised resource estimation and preliminary pre-feasibility study on the deposit to establish the extent to which this could stand alone as an open pit development at current metal prices.

Drill testing of selected gravity survey anomalies was negative and led to a re-interpretation of the gravity data using more extensive terrain corrections and alternative rock densities. The re-interpretation of the gravity data suggested the possible existence of a Miocene basin with a coincident gravity high on the Djebel Goraa exploration permit (the “Djebel Goraa anomaly”), in a similar setting and to the north-east of the known deposit at Djebba. A further small gravity survey was completed to define the Djebel Goraa anomaly in more detail and this will be drill tested in due course.

Permit	No. of Gravity Profiles	Survey		Survey Grid Size (m)	Survey Date
		Line (km)	No. of Stations		
Djebel Goraa	16	14	196	50x50;500x500	March 2007

A study of the mineral prospectivity of an area south-west of Djebba was completed in December 2006. High gravity anomalies along with examination of the 1:50,000 geological map south-west of Djebba, suggested that this area had much in common with the geology around the Dar N’Hal Nord deposit at Fej Lahdoum and hence warranted more detailed study. While there were common features, it was clear that the Cretaceous sediments here were deposited within the sedimentary basin, rather than at its edge, unlike at the Fej Lahdoum and Lorbeus deposits. As a result, during tertiary thrusting there was no focus for concentrating potential mineralising fluids as they escaped from the main sedimentary basin to the south-west. Any such focus would have to have been above the present day erosion level. Consequently, it was concluded that there was little chance of any significant mineralisation in this area.

Ouled Moussa

The principal activity on the Ouled Moussa exploration permit, adjacent to Bou Jabeur (Gite de l’Est) permit, has been the completion of a gravity survey over this permit and an adjacent part of the Bou Jabeur exploration permit.

Permit	No. of Gravity Profiles	Survey		Survey Grid Size (m)	Survey Date
		Line (km)	No. of Stations		
Ouled Moussa	16	31.2	420	50x50; 100x100	Sept 2006 May 2007
Bou Jabeur	11	10.0	77	100x200	May 2007

High gravity anomalies and lineament features derived from the residual gravity map indicate an extension of the Aptian sediments across a north-north-west trending “structure”. The lead–zinc–barite–fluorite mineralisation at Bou Jabeur (Gite de l’Est) is located along the southern side of the gravity high related to the Aptian outcrop and may be present in a similar position to the north-east in the Ouled Moussa permit, but at greater depth. The existence or otherwise of the mineralised reef limestone unit found at Gite de l’Est on the Ouled Moussa exploration permit will be tested by drilling.

The gravity indicated target will be tested, in due course, by drilling at least two holes, one to ascertain the depth of the sequence and another to establish the presence of a continuation of barite-fluorite, lead and zinc mineralisation to the north-east from the Bou Jabeur (Gite de l’Est) deposit into the Ouled Moussa exploration permit.

Koudiat Louatia and Djebel Lorbeus

A brief geological appraisal of the area south-west of the present Koudiat Louatia exploration permit at Djebel Lorbeus was completed to establish its potential to host MVT lead-zinc deposits analogous to Bou Grine and Fej Lahdoum.

Structurally and sedimentologically, the area represents the north-west margin of a south-west-north-east trending Cretaceous extensional basin intersected by a number of north-west south-east transfer faults, probably reactivated from Triassic times. A number of the prerequisite features of MVT deposits appear to be present in the southern Lorbeus area. As a result of reconnaissance fieldwork a successful application was made for the Djebel Lorbeus exploration permit to the south of Koudiat Louatia. Further detailed geological mapping will be undertaken to define stratigraphy and structure and understand the major fracture system within the Abiod limestones.

Gravity surveys completed are as follows and the interpretation is awaited.

Permit	No. of Gravity Profiles	Survey		Survey Grid Size (m)	Survey Date
		Line (km)	No. of Stations		
Koudiat Louatia	8	8.6	173	100x200	June 2007
Lorbeus	20	60.0	383	200x200	June 2007

Past O.N.M. soil geochemical data found in the O.N.M. files, show anomalies coinciding with areas of rock hydrofracturing. It is planned to complete a limited number of scout drill holes to refine the understanding of the geology and the MVT potential of this area.

Algeria - Tan Chaffao

Maghreb through its 85 per cent held subsidiary, Tan Chaffao Mining Company S.A.R.L., completed its initial work programme on its Tan Chaffao permit in the Hoggar region of southern Algeria, a remote locality 250km north-west of Tamanrasset. Assays of the last two of a series of five drillholes were received.

Drillhole	From (m)	To (m)	Interval (m)	Assay
MTC 004	68.35	74.35	6.00	0.81%Zn; 1.35%Pb
MTC 005	113.20	125.80	12.60	3.89%Zn;1.73%Pb; 0.16%Cu
including	116.20	122.80	6.60	6.38%Zn;2.77%Pb; 0.21%Cu

The mineralisation occurs in an altered sulphidic quartzite horizon below chlorite-sericite schists. Drilling results from all five drillholes (MTC001 – MTC005), for a total of 823 metres, were below our expectations based on previous O.R.G.M. data. Gravity survey data combined with soil geochemistry identified some small-scale gravity highs with coincident elevated copper and gold in soils. Given the high level of expenditure incurred in operating in the remote Tan Chaffao area, the slow progress of available contractors and disappointing initial results, the decision was made to terminate further exploration over this permit.

Activities in Algeria have been reduced to a level which will serve to monitor potential opportunities that may arise.

OUTLOOK

Maghreb's prime focus now is on its highly prospective Tunisian assets with its work programme aimed at the evaluation and expansion of known resources at three past producing

mines and advancing these projects towards pre-feasibility study. These are Bou Jabeur, Zriba-Guebli and Fej Lhdoum.

The Group has a strong and secure exploration permit portfolio in Tunisia with the potential to move some of its permits from exploration to development and mining over the medium term.

Maghreb has the finance and management resources in place to convert this potential into shareholder value.

FINANCIAL REVIEW

At the commencement of this financial year, the Group had net cash resources of £561,000 and during the course of the year, it had two successful fundraisings, the last being completed immediately following the Extraordinary General Meeting on 28 June 2007 and in early July 2007. Administration expenses were adversely affected by an increase in insurance costs to provide cover for increased staffing and timing differences and substantial indirect costs associated with the fundraisings. There is an additional accounting provision required under the IFRS 2 accounting standard for providing for share based payments relating to the Employee Unapproved Share Option Plan. This has resulted in the Group having to provide £167,000 with respect to share based payments relating to the outstanding employee options. Of this amount, £106,000 arose in prior years. Group funds have been used predominantly in the pursuit of the Group's exploration activities in Tunisia and Algeria as summarised below:

	2007	2006
	£'000	£'000
Net cash at 1 July 2006	561	1,766
Add:		
Funds raised	3,474	-
Interest income and working capital adjustments	(329)	54
Deduct:		
Expense arising from share option based payment transactions	167	-
Fund raising commissions	153	-
Fixed assets purchased	48	34
Exploration expenditure	825	791
Tunisia	544	516
Algeria – discontinued operations	281	255
Other exploration	-	20
Administration expenditure	<u>561</u>	<u>434</u>
Net cash at 1 July 2007	<u>1,952</u>	<u>561</u>

At 20 July 2007, following the closing of the fundraising, the Group had cash resources of approximately £2.8 million which should be sufficient to fund the Group's activities through the current phase of project evaluation and onto pre-feasibility studies for the redevelopment of the past producing mines in the Company's portfolio of projects.

CONSOLIDATED INCOME STATEMENT
For the year ended 30 June 2007

	2007	2006
	£'000	£'000
Revenue	-	-
Exploration expenses – continuing operations	(544)	(536)
Exploration expenses – discontinued operations	<u>(281)</u>	<u>(255)</u>
Gross loss	(825)	(791)
Administrative expenses – continuing operations	<u>(881)</u>	<u>(434)</u>
Operating loss	(1,706)	(1,255)
Investment income	<u>25</u>	<u>41</u>
Loss before tax	(1,681)	(1,184)
Income tax expense	-	-
Loss for the year on continuing operations	(1,400)	(929)
Loss for the year from discontinued operations	<u>(281)</u>	<u>(255)</u>
Total loss for the year	(1,681)	(1,184)
Earnings per share		
Basic and diluted loss per share on continuing operations (pence)	(2.81)	(2.35)
Basic and diluted loss per share from discontinued operations (pence)	(0.56)	(0.64)

CONSOLIDATED BALANCE SHEET
As at 30 June 2007

	2007 £'000	2006 £'000
Non-current assets		
Intangible assets	82	82
Property, plant and equipment	156	177
Investments	<u>-</u>	<u>-</u>
	238	259
Current assets		
Trade and other receivables	737	42
Cash and cash equivalents	<u>1,952</u>	<u>561</u>
	2,689	603
Current liabilities		
Trade and other payables	(95)	(55)
Provisions	<u>(65)</u>	<u>-</u>
	(160)	(55)
Net current assets	<u>2,529</u>	<u>548</u>
Total assets less current liabilities	2,767	807
Net assets	<u>2,767</u>	<u>807</u>
Equity		
Share capital	526	237
Share premium account	6,252	3,067
Share option reserve	167	-
Retained loss	<u>(4,178)</u>	<u>(2,497)</u>
Total equity	<u>2,767</u>	<u>807</u>

G P Riddler
Executive Chairman

R J C Collier
Director

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 30 June 2007

	Notes	2007 £'000	2006 £'000
Cash flows from operating activities			
Operating loss before interest and tax		(1,706)	(1,225)
Add : Depreciation charges for the year		69	57
Add : Movement in Share option reserve		167	-
Operating loss before working capital change		(1,470)	(1,168)
(Increase) in trade and other receivables		(695)	(23)
Increase/(Decrease) in trade and other payables		<u>105</u>	<u>(21)</u>
Net cash flow from operating activities		(2,060)	(1,212)
Cash flows from investing activities			
Purchases of plant and equipment		(48)	(34)
Interest income received		25	41
Net cash from investing activities		(23)	7
Cash flows from financing activities			
Proceeds on issue of share capital		<u>3,474</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		1,391	(1,205)
Cash and cash equivalents at the beginning of the year		<u>561</u>	<u>1,766</u>
Cash and cash equivalents at the end of the year		1,952	561

NOTES TO THE ACCOUNTS

1. General information

Maghreb Minerals Plc is a public limited company and was incorporated in England and Wales on 7 June 2004. The Company was admitted to the Alternative Investment Market of the London Stock Exchange on 23 December 2004. The address of its registered office and principal place of business are disclosed on the last page of the annual report. The principal activities of the Company and its subsidiaries (the Group) are described in the Chairman's Statement.

2. International Financial Reporting Standards

The Group follows the Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee of the IASB and endorsed by the European Union that are relevant to its operations. At the date of authorisation of these financial statements the Group is aware of the following IFRSs which were in issue but have not been applied in these financial statements as they are not mandatorily effective:

- IFRS 7 Financial instruments disclosures
- IFRS 8 Operating segments
- Amendments to IAS 1 Capital disclosures

The Directors do not anticipate that the adoption of these statements and interpretations will have a material impact on the Group's primary financial statements. However, future application of these standards is likely to significantly increase the disclosures required in the financial statements.

IFRS 6 Exploration for and Evaluation of Mineral Resources permits an entity on adopting IFRS to change its accounting policies for exploration and evaluation expenditures if the change makes the financial statements more relevant to the economic decision making needs of the users. Equally, IFRS 6 permits an entity to continue to use the accounting policies applied immediately before adopting the IFRS if this is considered more relevant. The Directors believe it was and is more relevant to continue with the accounting policies then prevailing and apply United Kingdom generally accepted accounting practices for exploration and evaluation expenditures.

3. Significant accounting policies

The financial statements have been prepared in accordance with IFRS as adopted for use in the European Union, therefore complying with Article 4 of the EU IAS Regulation. The financial statements have been prepared on the historical cost basis.

The principal accounting policies set out below have been applied consistently by Group entities.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired during the year are included in the Consolidated Income Statement from the effective date of acquisition.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Going concern

The Directors have formed a judgment at the time of approving the financial statements that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Following the successful fundraising in June and July 2007, the Group has approximately £2.8 million in cash reserves which is sufficient to fund the Group's activities for at least the next twelve to twenty four months.

The financial information has been prepared on the going concern basis, the validity of which depends principally on the discovery of economically viable mineral deposits and the availability of subsequent funding to extract the resource or alternatively the availability of funding to extend the Group's exploration activities. The financial information does not include any adjustment that would arise from a failure to complete either option.

Revenue

The Group has not generated any revenue in the year ended 30 June 2007.

4. Earnings per ordinary share (basic and diluted)

The calculation of the basic loss per share attributable to the ordinary equity holders of the parent has been calculated on the net loss after tax of £1,681,000 (2006 - £1,184,000), using the weighted average number of ordinary shares of 49,802,752 (2006 - 39,559,002).

All warrants and share options in issue at the year end decrease the loss per share for the year, and as such are deemed anti-dilutive. Therefore the diluted loss per share is the same as the basic loss per share for both 2007 and 2006.

	2007	2006
	Pence	Pence
Loss from continuing operations for the purposes of basic and diluted loss per share	(2.81)	(2.35)
Loss from discontinued operations for purposes of basic and diluted loss per share	(0.56)	(0.64)

The Annual Report will be posted to shareholders on 31 August 2007 and will also be available on the Company's website in due course. Copies will also be available from Maghreb Minerals plc's head office: Suite 107, 1st Floor, 75 Cannon Street, London EC4N 5BN