



## FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2008

Maghreb Minerals Plc ('Maghreb' or 'the Company'; stock code: MMS), the AIM-listed exploration company developing base and industrial mineral deposits in Tunisia, announces its results for the year ended 30 June 2008.

### HIGHLIGHTS

#### **Bou Jabeur – Gite de l'Est**

- Maghreb acquired its 90 per cent interest in Bou Jabeur.
- Phase 1 verification drilling was completed. The results confirm, verify and enhance the previous Office National des Mines ("O.N.M.") drilling results. In some cases considerably higher zinc grades and thicknesses were found.
- MBJ6 intersected 18.9metres ("m") grading 10.61 per cent Zn and 0.8 per cent Pb within an intersection of 42.2m grading 7.47 per cent Zn and 0.70 per cent Pb.
- Phase 2, infill and step-out drilling produced excellent results. MBJ24 intersected 46.25m grading 9.12 per cent Zn and 1.72 per cent Pb at 311m depth while step-out drill hole MBJ28 found 14m considerably richer in lead with 2.01 per cent Zn and 6.94 per cent Pb and substantially deeper below the known resource at 480m.
- The re-assay of drill cores and pulps from earlier O.N.M. drilling showed a significant increase in reported zinc grades, particularly at higher grades.
- The Phase 1 and Phase 2 drilling programmes together with the results of the re-assays of O.N.M. drill cores and pulps give the Group confidence that the deposit's resources will be higher both in terms of tonnage and grade than the audited resource statement prepared by Wardell Armstrong International in December 2007.
- Mining and metallurgical scoping studies are in progress and expected to be completed early in the last quarter of 2008.

#### **Fej Lahdoun**

- The Group has qualified, and applied for its right to a 90 per cent earn-in.
- Drilling re-commenced, principally targeted at testing possible extensions to the north-west of the known Zn-Pb resource at the Dar N'Hal Nord deposit. All drill holes to date (MFL31 – MFL33) have intersected strong mineralisation.

#### **Zaghouan Fluorspar Permits**

- The verification drilling programme on Zriba – Guebli was completed.
- An independent preliminary study on the fluorite potential concluded that it was a project worth advancing.
- Discussions with prospective partners to accelerate the programme are progressing.

## **Other**

- Further exploration and data compilation and assessment were completed on the Djebel Lorbeus, Koudiat Louatia and Ouled Moussa exploration permits.
- The Group has net cash resources of approximately £1.2 million (2007 - £1.9 million).

## **Gordon Riddler, Chairman, Maghreb Minerals commented:**

*"I am pleased to release the final results for the year ended 30 June 2008. The exploration results for the portfolio as a whole were encouraging, particularly at Bou Jabeur where we await the results of a scoping study in the last quarter of 2008."*

## **ENQUIRIES:**

### **Maghreb Minerals Plc**

Gordon Riddler, Chairman

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### **Hanson Westhouse Limited**

Tim Metcalfe / Anita Ghanekar

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### **Lothbury Financial**

Michael Padley / Libby Moss

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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](http://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.*

## CHAIRMAN'S STATEMENT

Maghreb Minerals Plc (the "Group" or "Maghreb") has greatly accelerated its exploration and evaluation programme, produced excellent results and strengthened and focused its exploration permit ("EP") portfolio in Tunisia during this financial year. As a result, the Group has ten EP's with a strong exploration pipeline of zinc, lead, fluorite and associated silver projects at various stages ranging from scoping studies (such as Bou Jabeur - Gite de l'Est), through advanced exploration (such as Fej Lahdoum) to exploration (such as Djebel Lorbeus).

A detailed review of the EP's is included in the Operations Report.

Maghreb acquired the rights for 90 per cent of the Bou Jabeur EP which covers the past-producing mine at Gite de l'Est and has applied to exercise its similar 90 per cent participation right covering the past producing mines at Fej Lahdoum.

The work programme focused entirely in Tunisia for the discovery, exploration and development of zinc, lead, and fluorite deposits with associated silver and barite mineralisation has proceeded apace and produced excellent results. Four drilling rigs have been in operation for most of the reporting period.

At the Bou Jabeur – Gite de l'Est deposit, an audited resource statement, based on existing O.N.M. data, verified and increased the original O.N.M. estimate. Verification and step out drilling programmes have since been completed. The Group anticipates that the inclusion of these drilling results and re-analyses of old O.N.M. cores will result in a significant increase in both grade and tonnage to the audited resource at Gite de l'Est. As a result, mining and metallurgical scoping studies, by the Scott Wilson Mining Group and SGS Lakefield Europe respectively, were commissioned and are in progress. On completion, which is anticipated to be early in the last quarter of 2008, these will include an updated resource estimate of Gite de l'Est and establish the economic viability of the deposit.

At Fej Lahdoum, step-out drilling is in progress to the north-west of the past producing Dar N'Hal Nord mine located within the EP. Indications from cores of the holes drilled in this north-west sector in 2008 are positive.

At Zriba – Guebli, the first phase of verification drilling has been completed, principally at Guebli. An independent geological study was commissioned and indicated the Zriba – Guebli deposits have interesting potential. Discussions are continuing with a number of prospective partners to take this project forward.

Continuing exploration on all other permits was undertaken. In the Djebel Lorbeus EP geological mapping, check geochemistry and gravity surveys were completed. The results indicated interesting potential in geological terms and the Group believes Djebel Lorbeus to be a highly prospective area for zinc and lead.

A review of the Corporate Strategy was completed during the first half of 2008. The outcome of this review supported as the top priority, an immediate start of a mining and metallurgical scoping study for Bou Jabeur – Gite de l'Est, where step-out drilling has produced some spectacular combined zinc and lead results.

The Group has approximately £1.2 million in net cash resources as at 1 July 2008 (2007 - £1.9 million). These funds are earmarked for the completion of scoping studies at Bou Jabeur – Gite de l'Est, to progress exploration and deposit evaluation at other EP's and to provide the financial

resources for corporate development over the next financial year. The Group will seek industry partners for certain of its exploration and development activities as and when appropriate to provide additional funding to accelerate project development on the Bou Jabeur and other EP's. Other corporate development opportunities are also being sought.

There have been changes to the Group's Board of Directors. Richard Collier was appointed Chief Executive on 1 April 2008. I am pleased to welcome Anthony Allen who brings to the Maghreb Board a long track record of corporate finance and advisory experience. Chris Clayton and his alternate, Alastair Baird, resigned from the Board in April 2008. Ms Robyn Storer has announced that she will retire from the Board at the forthcoming Annual General Meeting. I thank them all for their contributions. In parallel, recent staff appointments have considerably strengthened the operations team, given the current focus on deposit assessment and development.

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

Gordon P Riddler

Chairman

## **OPERATIONS REPORT**

### **EXPLORATION PERMITS**

Maghreb has strengthened and focused its Tunisian exploration permits (“EPs”) portfolio during the year which now comprises ten EPs. Through its wholly owned subsidiary, High Marsh Holdings (“HMH”), the Group holds a 100 per cent interest in the Jebel Fej Lahdoum, Djebba, Djebel Goraa, Djebel Lorbeus, Hamman Zriba – Djebel Guebli, Jebel el Kohol, Sidi et Taia and Jebel el Mecella permits. Wholly owned subsidiaries have the right to a 90 per cent earn-in for the Fej Lahdoum EP (covering the Dar N’Hal Nord and Dar N’Hal Sud deposits) and a 90 per cent interest in the Bou Jabeur EP.

The renewal of the Djebba EP has been approved by the Tunisian Mining Council and is being gazetted. Koudiat Louatia and the Ouled Moussa EPs were explored and regarded to have limited potential and therefore dropped on 12 May 2008.

### **WORK PROGRAMME AND RESULTS**

All exploration and evaluation work during the year has been undertaken in Tunisia. With the objective to re-start mining operations as soon as practicable, focus has been on the EP’s covering past-producing mines. The accelerated exploration and evaluation programme has involved the continuous operation of four core drill rigs, including Maghreb’s own Longyear LF70, for most of the reporting period.

The main emphasis of work during the year has been on the Bou Jabeur - Gite de l’Est EP, at Fej Lahdoum and on the Zaghouan fluorite EPs, details of which are included in the review set out below.

Further exploration and data compilation and assessment were completed on the Djebel Lorbeus, Koudiat Louatia and Ouled Moussa EPs.

#### **Bou Jabeur (Gite de l’Est Mine)**

During the year the Group completed its acquisition of a 90 per cent interest in the Bou Jabeur EP, formerly known as the Bou Jabeur mine concession, which covers a significant area of mineralisation including the Gite de l’Est zinc-lead barite-fluorite mine. Maghreb received written confirmation of the transfer to it of a 90 per cent interest in the Bou Jabeur EP on 7 February 2008, and this was officially gazetted on 1 July 2008.

Excellent results have continued to emerge from the exploration work undertaken at Bou Jabeur - Gite de l’Est. These results have provided the necessary confidence for Maghreb to give this EP top priority as it moves forward to achieving its goal of establishing an economically mineable resource. On the basis of the success of the Phase 1 and Phase 2 drilling programmes, the Company has commissioned mining and metallurgical scoping studies. A positive outcome to the mining and metallurgical scoping studies, will result in the Board seeking discussions with industry partners with a view to the early development of the resource.

#### **Drilling results**

The drilling undertaken at Gite de l’Est not only confirmed earlier O.N.M. drilling results but also intersected additional high-grade mineralisation over substantial widths. These intersections had higher zinc grades than previously reported and high-grade barite and fluorite associated with zinc

mineralisation. In addition, the re-assaying of drill cores and pulps from the earlier O.N.M. drilling show a significant increase in reported zinc grades versus the grades reported by the O.N.M., particularly at higher grades.

Phase 1, verification drilling, was completed at Bou Jabeur - Gite de l'Est in September 2007. Six further verification drill holes (MBJ5 – MBJ10) were drilled during this reporting period for a total of 2,057metres (“m”). Four drill holes, MBJ5, MBJ6, MBJ7 and MBJ8, were twinned with previous O.N.M. drill holes, BJ10, BJ31, BJ18 and BJ26, respectively, while MBJ9 and MBJ10 were gap infill drill holes. Zinc and lead assay results from the complete MBJ series drill holes confirm and verify the previous O.N.M. drilling results, with some assays in MBJ cores reporting considerably higher zinc grades. Principal results are as follows:

<b>DRILL HOLE</b>	<b>FROM (m)</b>	<b>TO (m)</b>	<b>INTERVAL (m)</b>	<b>Zn (%)</b>	<b>Pb (%)</b>	<b>COMBINED Zn%+Pb%</b>
MBJ5	257.70	286.20	28.50	5.85	1.05	6.90 <sup>1</sup>
including	257.70	263.45	5.75	15.05	0.74	15.79 <sup>2</sup>
Including	267.20	271.10	3.90	8.32	1.17	9.49
	288.50	292.75	4.25	2.96	1.58	4.54
	300.90	301.95	1.05	1.40	2.69	4.09
	335.50	338.35	2.85	1.32	5.93	7.25
Including	335.50	336.80	1.30	1.69	11.43	13.12
<b>Total</b>			<b>36.65</b>	<b>5.04</b>	<b>1.54</b>	<b>6.58</b>
MBJ6	253.10	255.60	2.50	7.46	0.84	8.30
	258.60	300.80	42.20	7.47	0.70	8.17
Including	278.50	297.40	18.90	10.60	0.80	11.40
of which	294.25	297.40	3.15	15.72	1.39	17.11
<b>Total</b>			<b>44.70</b>	<b>7.47</b>	<b>0.71</b>	<b>8.18</b>
MBJ8	304.60	315.20	10.60	5.22	0.87	6.09
including	306.10	309.50	3.40	7.03	0.88	7.91
including	310.50	314.30	3.80	7.03	0.37	7.40
<b>Total</b>			<b>10.60</b>	<b>5.22</b>	<b>0.87</b>	<b>6.09</b>

MBJ10	76.20	77.80	1.60	12.11	2.43	14.54
	192.10	204.40	12.30	2.90	1.13	4.03
including	201.10	203.40	2.30	6.19	0.23	6.42
<b>Total</b>			<b>13.90</b>	<b>3.96</b>	<b>1.28</b>	<b>5.24</b>

**Notes:** Sections of poor core recovery at the Aptian (chrono-stratigraphic Lower Cretaceous) contact require to be considered in drill hole MBJ5 – over 11.4m (**Note 1**) and 4.2m (**Note 2**). These sections are well mineralised in intervals above and below the poor recovery zones and also in adjacent drill holes. Ba and F assays and intervals are posted on the Maghreb website.

Several drill holes in the MBJ series, including MBJ1, MBJ4 and MBJ6, previously reported, assayed high-grade zinc mineralisation over significant widths. These include: drill hole MBJ6 (twinned with O.N.M. drill hole BJ31) which shows high-grade zinc mineralisation over a wide interval: 42.2m grading 7.47 per cent Zn and 0.7 per cent Pb, which includes 18.9m grading 10.61 per cent Zn and 0.8 per cent Pb. MBJ series verification drill holes also confirm the presence of significant thicknesses of high-grade barite and fluorite mineralisation (reported on the Maghreb website). These barite and fluorite intersections are generally associated with the high-grade zinc-lead assay intervals reported above and potentially add significant value to the resource.

Mineralised core and pulps from the former drilling programmes completed by the O.N.M. at the Bou Jabeur - Gite de l'Est deposit between 1977 and 1986 were sent for re-assaying at an accredited laboratory. A comparison between new assay results for zinc, lead, barite and fluorite with the original Tunisian assays and from each drill hole that the O.N.M. drilled and for which core pulps were available, show significantly higher zinc grades in the new assays, by between 33 per cent and 43 per cent, with the greatest increase at the higher grades.

Phase 2 step-out and infill drilling, at and around Bou Jabeur - Gite de l'Est deposit, has been completed and has produced excellent results. 23 drill holes (MBJ11 to MBJ34) totalling 9,256m have been completed using three rigs operating continuously between January and July 2008.

MBJ20 and MBJ24 are infill holes which confirmed the continuity of mineralisation over critical gaps in the previous O.N.M. drill programme. Most of the other drill holes in the series are step-out holes systematically testing the deposit laterally and to depth below the previously known resource.

Drill holes MBJ11 through to MBJ26 (except MBJ16) intersected zinc-lead mineralisation, with occasional sub-massive intervals. Two ore-shoots are commonly present, and the average true width for the strongly mineralised zones ranges between 10m and 25m. The step-out drill holes targeted mineralisation below the previously known O.N.M. resource to provide new information and determine extensions in volume and grade for the deposit. The results of Phase 2 drilling demonstrate that mineralisation extends from 50m to 150m below the known resource and is still open at depth. The drill holes cover a 500m strike length and the deposit is open laterally, with potential for fault-offset at the north-east end, suggested from recent geological modelling work. Drill testing of this area to the north-east, (MBJ33) did not locate mineralisation and this target area will be reviewed. Noteworthy silver mineralisation values accompany the stronger lead mineralisation in MBJ12.

MBJ13 and MBJ15 were drilled to test the mineralisation on the north-west side of the Bou Jabeur EP where significant adit mining had been undertaken in the past by COMINO. MBJ13 intersected 10m of strong galena (lead) mineralisation before the drill string stuck. MBJ15 reached 200m and was temporarily stopped to move the rig to higher priority drill locations at Bou Jabeur – Gite de l'Est. Both these drill holes are in the process of being extended. MBJ34 was drilled to test geologic

Unit 7 some 2km to the south-west of Gite de l'Est on the opposite side of the ridge from MBJ13 and MBJ15 but did not intersect significant mineralisation.

At Bou Jabeur – Gite de l'Est, MBJ16 did not contain significant mineralisation and may define a local limit to mineralisation having drilled between mineralised lenses. Sampling and assaying is currently in progress for MBJ29 to MBJ32 and silver assays are awaited for the mineralised sections of most drill holes. MBJ28 and MBJ30 have intersected substantially deeper mineralisation, with MBJ28 showing a marked increase in lead grades at depth and where silver assays when received could be expected to reflect the lead content as in MBJ12.

Some of the best intersections for Phase 2 drill holes are as follows.

DRILL HOLE	FROM (m)	TO (m)	INTERVAL (m)	Ag (g/t)	Zn (%)	Pb (%)	COMBINED Zn%+Pb%
<b>MBJ12</b>	348.60	352.90	4.30		0.85	3.13	3.98
	357.80	360.10	2.30		1.34	4.01	5.35
	368.60	369.60	1.00		2.25	1.55	3.80
	371.60	393.45	21.85	15.60	5.51	2.62	8.13
including	375.30	380.45	5.15		9.12	4.08	13.20
including	382.90	386.20	3.30		7.74	6.56	14.30
including	387.20	388.35	1.15		1.35	10.27	11.62
	395.45	402.40	6.95	21.01	0.01	3.04	3.05
including	401.50	402.40	0.90		0.01	9.07	9.08
<b>MBJ17</b>	256.15	273.10	16.95		7.13	1.98	9.11
including	256.15	258.25	2.10		16.16	1.63	17.79
including	259.45	260.45	1.00		10.50	0.90	11.40
including	263.55	268.80	5.25		13.32	0.65	13.97
of which	263.55	264.65	1.10		18.04	1.00	19.04
of which	267.65	268.80	1.15		21.18	1.27	22.45
including	270.80	271.60	0.80		0.04	17.00	17.04
including	272.30	273.10	0.80		0.78	10.26	11.04
<b>MBJ20</b>	144.60	172.00	27.40		3.10	2.29	5.39
including	153.60	157.50	3.90		7.10	2.93	10.03

including	162.65	165.85	3.20	5.05	1.81	6.86
	176.80	185.90	9.10	3.19	1.38	4.57
<b>MBJ24</b>						
	311.25	357.50	46.25	9.12	1.72	10.84
including	311.25	319.35	8.10	14.14	1.45	15.59
of which	314.35	319.35	5.00	17.18	2.05	19.23
including	331.40	341.40	10.00	15.74	1.07	16.81
of which	337.40	341.40	4.00	22.49	1.03	23.52
including	352.40	355.20	2.80	12.26	6.89	19.15
<b>MBJ27</b>						
	222.10	258.00	35.90	6.99	1.28	8.27
including	224.50	228.90	4.40	11.20	1.45	12.65
including	236.00	240.00	4.00	9.61	0.88	10.49
including	243.10	245.30	2.20	9.97	1.96	11.93
including	246.65	249.50	2.85	9.88	2.48	12.36
including	253.20	255.40	2.20	7.95	1.69	9.64
	270.00	286.40	16.40	2.81	2.55	5.36
including	274.40	282.00	7.60	4.66	3.75	8.41
<b>MBJ28</b>						
	383.75	386.40	2.65	4.25	0.63	4.88
	389.60	391.50	1.90	4.04	0.77	4.81
	458.80	460.80	2.00	0.07	1.79	1.86
	473.90	478.00	4.10	0.11	2.02	2.13
	480.50	494.60	14.10	2.01	6.94	8.95
including	480.50	482.60	2.10	0.14	16.87	17.01
including	483.80	486.60	2.80	8.70	9.30	18.00

Resource estimate

Wardell Armstrong International (“WAI”) assisted with the preparation of a resource statement and had oversight of the programme to upgrade the Gite de l’Est zinc-lead-fluorite-barite resource at Bou Jabeur – Gite de l’Est in Tunisia to JORC Compliant standards. WAI produced an audit report in December 2007 that confirmed that the Mineral Resource estimation methodology used by Maghreb complied with the requirements of JORC (2004). As such, to the best of WAI’s knowledge, the summary of the audited JORC Compliant Inferred Mineral Resources for Gite de l’Est at 1 per cent, 2 per cent, and 4 per cent combined Zn+Pb cut off grade, dated 12 December 2007, given in the table below was an accurate estimation of the Inferred Mineral Resource.

Table of the estimated JORC Compliant Inferred Mineral Resources for Gite de l’Est at various combined Zn+Pb Cut Off Grade percentages (“COG”):

Zn+Pb combined COG (%)	Volume (m <sup>3</sup> )	Tonnage (t)	Density (g/cm <sup>3</sup> )	Zn (%)	Pb (%)	BaSO <sub>4</sub> (%)	CaF <sub>2</sub> (%)	Zn Contained Metal (t)	Pb Contained Metal (t)
1	2,561,949	8,836,000	3.34	2.17	0.99	21.66	5.06	191,741	87,476
2	1,465,159	5,172,000	3.45	3.15	1.25	27.76	6.42	162,918	64,650
4	608,848	2,195,000	3.54	5.05	1.48	33.12	7.34	110,941	32,464

The results of the verification drilling, the significantly higher zinc grades following the re-assaying of the original O.N.M. core pulps, the excellent results from the Phase 2 step out and infill drilling and the fact that the deposit remains open laterally and at depth, provides the Group with confidence that the deposit’s Inferred Mineral Resource is substantially greater both in terms of tonnage and grade. As a result in June 2008, the Group commissioned a scoping study with the objective of establishing the deposit’s economic viability.

#### Scoping Study

The mining and metallurgical scoping study is being completed by the Scott Wilson Mining Group and SGS Lakefield Research Europe respectively.

Scott Wilson Mining Group is providing services for resource database management and estimation and taking the overall lead for the scoping study required to determine the economic viability of the deposit based on the results to date. This study is scheduled to be completed early in the final quarter of 2008. SGS Lakefield Research Europe is completing the scoping flotation metallurgical test work on zinc and lead circuits along with Net Smelter Returns and bottom line potential revenue, for incorporation in the overall scoping study.

#### **Fej Lahdoum - Dar N’Hal Nord deposit exploration**

The Group has achieved the qualifying expenditure set out in the earn-in agreement dated January 2007 for what was the former Fej Lahdoum mining concession, which covers the past-producing area at Dar N’Hal Nord. Maghreb has submitted its application for its 90 per cent interest through its wholly-owned subsidiary, North African Mining and Minerals Limited.

The drilling programme at Fej Lahdoum is one of the Company’s main priorities. Drilling recommenced at Fej Lahdoum in mid-October 2007. Three drill holes (MFL25 – MFL27) were

completed totaling 711m along the eastern edge of the known Dar N’Hal Nord deposit to search for the pinch out of the deposit. MFL27 was drilled south of the Fernana quarry mineralised outcrop. No significant mineralisation was found, but the results provided valuable geologic information.

Drill holes MFL31 – MFL32 (including one repeat MFL31A) have been completed and one is in progress (MFL33) for a total of 1,330m to test for an extension to known mineralisation to the north-west segment of the Dar N’Hal Nord deposit. Strong mineralisation was found in all these drill holes, cores have been sampled and results are awaited.

Geological mapping was completed over an area of potential mineralisation near the old Bulgarian adit entrance north-west of Dar N’Hal Nord mine.

Of relevance to the Fej Lahdoum EP, it is worth noting that work on the Djebba EP has largely been completed and a resource identified which can complement those that may be identified at Fej Lahdoum. The renewal of this EP has been approved by the Tunisian Mining Council and is being gazetted.

### ***Djebel Fej Lahdoum - Regional Exploration***

Drill holes MFL28 - MFL30 totaling approximately 701m were targeted at testing the possible northern extension of the known Dar N’Hal Nord deposit mineralised transition zone around Bou Kcherida, but did not find mineralisation. These drill holes encountered bad ground thought to be due to small karst zones or old unrecorded workings. Shallow mineralisation has been visually recorded in fractures in the core.

### **Zaghouan (Zriba – Guebli)**

The verification drilling on the Zriba - Guebli EP was completed between May and September 2007. Fifteen drill holes (MG series) were completed for a total of 2,150m over the Guebli deposit, to the west of Zriba mine. The drilling results indicated significant variations in thickness of the flat lying fluorite bearing beds, between 0.6m and 10.45m, even between nearby twinned drill holes, with fluorite grades varying between 4 per cent and 48 per cent (average of 25 per cent) CaF<sub>2</sub>.

Results for Barite and Fluorite are as follows:

DRILL HOLE	FROM (m)	TO (m)	INTERVAL (m)	BaSO <sub>4</sub> %	CaF <sub>2</sub> %
MG1	84.00	87.10	3.10	29.19	13.69
MG2	103.30	105.50	2.20	39.03	23.98
	129.90	130.90	1.00	16.30	47.78
	137.45	139.80	2.35	15.56	33.54
	144.20	145.60	1.40	0.53	25.69
MG3	72.75	74.15	1.40	21.62	27.13

	75.00	77.30	2.30	26.27	37.59
	80.10	83.90	3.80	5.56	37.81
MG4	29.70	30.30	0.60	17.34	39.05
	39.30	40.15	0.85	5.97	32.14
MG5	77.40	78.60	1.20	19.41	32.43
MG6	66.10	67.10	1.00	42.48	19.09
MG7	67.75	70.85	3.10	42.38	11.08
MG8	Not Mineralised				
MG9	61.00	63.25	2.25	23.82	32.06
MG10	98.70	101.40	2.70	16.37	32.57
	104.90	107.20	2.30	18.19	18.47
	119.80	120.80	1.00	4.30	11.86
MG11	77.30	87.75	10.45	39.24	25.32
MG12	Not Mineralised				
MG13	76.10	77.95	1.85	41.55	8.10
MG14	110.60	112.55	1.95	11.14	4.21
MG15	54.00	55.50	1.50	20.42	31.24

The drilling results are useful in proving the overall considerable extent of the fluorite deposit but are less successful in assessing available mineable thickness. As a consequence, Maghreb commissioned an independent study that was completed by FWS Consultants Ltd. The study concluded that the exploration of these fluorspar deposits was worth pursuing, especially given the current and prospective situation of high demand and high prices in the fluorspar market.

In their opinion the fluorspar deposit at Zriba - Guebli is large in terms of fluorite-barite deposits worldwide and it has only been partially exploited. There are indications that large, potentially workable, tonnages may remain which could support a new mining operation. Localised pinching and swelling occurs and its effect on the mineability of the unworked deposit has not been resolved and is critical to the determination of the feasibility of mining. However, there are good indications that unworked areas are essentially similar to those that were mined successfully for around 25 years or so prior to closure in 1992. Mine closure occurred during a prolonged period of static world fluorite prices and falling world fluorspar demand and this is thought to have been the prime reason for closure, rather than exhaustion of workable mineral.

Conventional statistical analysis of drilling data to drive a resource quantity is unlikely to be as reliable as an engineering examination of existing pillar and stall workings. The recommendation was that an evaluation of the most recent workings at Zriba, which are likely to be most readily accessible, should provide a better understanding of the pinch/swell and its effect on the mineability of the resource under modern conditions. Secondly, the trial workings at Guebli (which may be a prime target for a new mining operation) should be mapped and results compared with computer-generated isopachs.

Other targets are thought to occur in the area, such as vein style fluorite - barite mineralisation and, tracing back to the Zaghouan boundary fault, base metals (zinc and lead) if suitable traps can be identified.

Discussions are taking place with potential partners interested in taking this project forward with Maghreb.

### **Zaghouan (Djebel el Kohol)**

An appraisal of geological and historic production data from the Djebel el Kohol EP was undertaken by FWS Consultants Ltd. The study concluded that the Djebel el Kohol fluorspar deposits are more complicated geologically than at Zriba. Additional work is required to understand thoroughly the results of historic mining and exploration work on this deposit. A significant amount of exploration has been done historically on the EP. Some significant intersections, of up to 26m @ 17.5 per cent CaF<sub>2</sub> have been reported, but below significant cover (up to 80m of Cretaceous rocks). There has been some production historically, and there are records of three unworked "reserve" blocks. Several fluorspar deposit types are present and the occurrences are "pockety" with most considered to be accessible by open cast mining and others by underground mining.

A drilling target on cross-fault structures acting as feeders for mineralisation has the potential to prove larger tonnages in Lower Jurassic limestone, and such vein type mineralisation may provide the higher grades necessary to support viable underground mining.

This EP also has interesting zinc-lead mineralisation potential which has still to be assessed.

### **Djebel Lorbeus**

At Djebel Lorbeus, close to the old Bou Grine Mine, re-interpreted O.N.M. soil geochemical survey data (from 1997, 130 samples over 11 traverses) showed strong, positive zinc and lead anomalies coinciding with areas of rock hydrofracturing. As a consequence, the area was re-mapped to define stratigraphy and structure and to understand the major fracture system within the Abiod

limestones. A general gravity survey was completed (June 2007) and a field survey with a NITON XRF analyser (February 2008) confirmed the presence of anomalous metal (zinc) contents near surface.

A residual gravity anomaly coincident with the largely co-extensive zinc-lead geochemistry anomalies 1,000m long crosses over the top of a hill and is open at both ends. The geochemistry anomalies follow dominant lineament trends derived from satellite imagery.

Additional ground geochemical surveys and a number of scout drill holes need to be completed to refine the understanding of the geology and the zinc-lead mineralisation potential.

### **Koudiat Louatia**

From an assessment of existing information, field surveys (geology and gravity) and one Maghreb drill hole to the north of the EP, it was considered that stronger exploration potential for zinc-lead deposits lay in the area to the south-west covered by the Djebel Lorbeus EP. As a consequence this permit was not renewed.

### **Ouled Moussa**

The Ouled Moussa EP is located immediately to the east of Bou Jabeur - Gite de l'Est. Drill hole MOM3 (to a depth of 467m) was completed to test a residual gravity anomaly that may have indicated a possible extension of zinc-lead mineralisation in a north-west trending structure. The source of the gravity anomaly was not confirmed, but could be explained by a north-westerly displacement of the reef limestone. Consequently a vertical hole MOM4 at Ouled Moussa (199m) to test this concept was completed but the continuity of the north-west trending structure from Bou Jabeur – Gite de l'Est was not confirmed. In consequence, the exploration potential of this EP was considered to be limited and it was decided it should be dropped.

## **OUTLOOK**

Maghreb will continue to focus on progressing its Tunisian projects, particularly Bou Jabeur, Fej Lahdoum and the fluorite deposits, along the pipeline from exploration, scoping and pre-feasibility studies and into production as soon as practicable. It will seek partners and corporate development opportunities to fund and accelerate its work programme. Coupled with this, Maghreb has the finance, management and technical resources in place to build on its considerable progress so far and create shareholder value.

While the zinc and lead prices have come off recent highs they are still well above the historic levels at the time Maghreb started its principal exploration programmes in Tunisia.

Maghreb has a strong, focused EP portfolio in Tunisia. Its strong pipeline of projects, with the potential to introduce sector partners to resume mining operations and/or monetize the value of its underlying EP's give confidence that Maghreb will be well placed to benefit from the anticipated shortfall in supply and consequent increase in metal prices, particularly zinc, forecast by sector analysts to occur between 2010 and 2012.

## FINANCIAL REVIEW

### Use of Funds

The Group's resources have been used predominantly in the pursuit of the Group's exploration activities in Tunisia as summarised below:

	<b>2008</b>	2007
	<b>£'000</b>	£'000
Fixed assets purchased	<b>55</b>	48
Exploration expenditure	<b>1,218</b>	825
Tunisia	<b>1,253</b>	544
Algeria – discontinued operations	<b>(35)</b>	281
Administration expenditure	<b>593</b>	561
<b>Total</b>	<b>1,866</b>	1,434

At the commencement of this financial year, the Group had net cash resources of £1,952,000 which was increased by an additional £242,000 in early July 2007 which completed the Company's fund-raising following its Extraordinary General Meeting on 28 June 2007. At 30 June 2008, the Group's cash resources were £1,219,000.

Under the International Financial Reporting Standard 2 ("IFRS2") for providing for share based payments relating to the Employee Unapproved Share Option Plan, the Company has provided an additional £43,000 with respect to share based payments relating to the outstanding employee options. In 2007, the Company provided £167,000 under the IFRS2, of which £106,000 arose in prior years.

As reported upon in the Chairman's Statement and Operations Report, the Company is focusing its resources on the Bou Jabeur prospect and the completion of its Scoping Study with ongoing exploration at Fej Lahdoum and the Zaghouan/Zriba-Guebli permits. The Group's cash resources of approximately £1.2 million should be sufficient to fund its activities through the current phase of project evaluation over the next financial year.

**CONSOLIDATED INCOME STATEMENT**  
**For the year ended 30 June 2008**

	<b>2008</b>	2007
	<b>£'000</b>	£'000
<b>Continuing operations</b>		
<b>Revenue</b>	-	-
Exploration expenses	<b>(1,253)</b>	(544)
<b>Gross loss</b>	<b>(1,253)</b>	(544)
Administrative expenses	<b>(636)</b>	(881)
<b>Operating loss</b>	<b>(1,889)</b>	(1,425)
Investment income	<b>107</b>	25
<b>Income tax expense</b>	-	-
<b>(Loss) for the year on continuing operations</b>	<b>(1,782)</b>	(1,400)
<b>Discontinued operations</b>		
<b>Profit (loss) for the year from discontinued operations</b>	<b>35</b>	(281)
<b>Total (loss) for the year</b>	<b>(1,747)</b>	(1,681)
<b>Earnings per share</b>		
Basic loss per share on continuing operations (pence)	<b>(1.96)</b>	(2.81)
Basic profit (loss) per share from discontinued operations (pence)	<b>0.04</b>	(0.56)

**CONSOLIDATED BALANCE SHEET**  
**As at 30 June 2008**

	<b>2008</b>	2007
	<b>£'000</b>	£'000
<b>Non-current assets</b>		
Intangible assets	<b>82</b>	82
Property, plant and equipment	<b>137</b>	156
Investments	-	-
	<hr/> <b>219</b>	<hr/> 238
<b>Current assets</b>		
Trade and other receivables	<b>36</b>	737
Cash and cash equivalents	<b>1,219</b>	1,952
	<hr/> <b>1,255</b>	<hr/> 2,689
<b>Current liabilities</b>		
Trade and other payables	<b>(159)</b>	(95)
Provisions	<b>(10)</b>	(65)
	<hr/> <b>(169)</b>	<hr/> (160)
<b>Net current assets</b>	<b>1,086</b>	2,529
<b>Net assets</b>	<hr/> <b>1,305</b>	<hr/> 2,767
<b>Equity</b>		
Share capital	<b>546</b>	526
Share premium account	<b>6,474</b>	6,252
Share option reserve	<b>210</b>	167
Retained loss	<b>(5,925)</b>	(4,178)
<b>Total equity</b>	<hr/> <b>1,305</b>	<hr/> 2,767

**CONSOLIDATED CASH FLOW STATEMENT**  
**For the year ended 30 June 2008**

	2008 £'000	Restated 2007 £'000
<b>Cash flows from operating activities</b>		
Operating loss before interest and tax	(1,854)	(1,706)
Add : Depreciation charges for the year	74	69
Add : Movement in Share option reserve	43	167
Operating loss before working capital change	<u>(1,737)</u>	<u>(1,470)</u>
Decrease in trade and other receivables	1	5
Increase in trade and other payables	9	105
<b>Net cash flow from operating activities</b>	<b>(1,727)</b>	<b>(1,360)</b>
<b>Cash flows from investing activities</b>		
Purchases of plant and equipment	(55)	(48)
Interest income received	107	25
<b>Net cash from investing activities</b>	<b>52</b>	<b>(23)</b>
<b>Cash flows from financing activities</b>		
Proceeds on issue of share capital	242	3,474
Decrease (Increase) in receivables with respect to issue of share capital	700	(700)
<b>Net cash from financing activities</b>	<b>942</b>	<b>2,774</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(733)</b>	<b>1,391</b>
Cash and cash equivalents at the beginning of the year	1,952	561
<b>Cash and cash equivalents at the end of the year</b>	<b>1,219</b>	<b>1,952</b>

## 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 International Financial Reporting Standards ("IFRSs") which were in issue but have not been applied in these financial statements as they are not mandatorily effective:

- IFRS 8 Operating segments
- IAS 27 (Revised) Consolidated and separate financial statements
- IFRS 3 (Revised) Business combinations
- IAS 1 Presentation of financial statements (revised)
- IFRS 2 (Amendment) Share based payment

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. The effect of revision to IAS 27 will depend on the extent of relevant future transactions.

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.

Certain prior year information has been reclassified to conform to the current year presentation. Movement on receivables in respect of the money due on shares issued in the preceding financial year and previously included within "Cash flows from operating activities" is now included within "Cash flows from financing activities" in the Cash flow statement. As a result, receivables with respect to issued share capital have been reclassified in the comparative figures.

### 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. The Group has approximately £1.2 million in cash reserves which is sufficient to fund the Group's activities for at least the next twelve months.

The financial information has been prepared on the going concern basis, the validity of which in the longer term 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***

Other than interest income, the Group has not generated any revenue in the year ended 30 June 2008.

## **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 £1,747,000 (2007 - £1,681,000), using the weighted average number of ordinary shares of 91,033,981 (2007 - 49,802,752).

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 2008 and 2007.

	<b>2008</b>	2007
	<b>Pence</b>	Pence
Loss from continuing operations for the purposes of basic and diluted loss per share	<b>(1.96)</b>	(2.81)
Profit (loss) from discontinued operations for purposes of basic and diluted loss per share	<b>0.04</b>	(0.56)

*The Annual Report will be posted to shareholders on 15 September 2008 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: Blackwell House, Guildhall Yard, London EC2V 5AE*

