ATH Resources plc

Preliminary Results
December 2004

ATH Resources

Agenda

• Introduction	David Port
• Operational review	Tom Allchurch
• Market conditions	Tom Allchurch
• Financial review	Richard Croston
• Developments	Tom Allchurch
• Questions	David Port

Operational review

- Skares Road – solid performance, 800kt mined and sold
- Garleffan
  - 640kt mined and sold
  - turnaround complete
  - excavations re-engineered
  - small extensions to working area permitted
  - mining until spring 2006
  - £2.8m of new capital equipment acquired
- Hannahston housing land sold

ATH Resources

Market conditions

- international spot prices remain high
- freight prices remain high, but may halve over next two years
- outlook, prices CIF - NWE to ease gently, but not sufficiently to prevent an uplift in UK supply contract prices
- price drivers are:
  - high demand in China and far east
  - high freight costs
  - ability of supply to react and meet demand is limited by infrastructure constraints in many supply countries

Financial review - Profit and loss account

10 month period to 26th September 2004

Sales (T'000)	1,301
£/T	24.13
	£'m
Turnover	31.4
Operating costs	(27.3)
Gross profit	4.1
Other income	0.6
Admin	(3.3)
PBIT	1.4
Interest	(1.1)
PBT	0.3
EBITDA	6.4

ATH Resources

Financial review - Profit and loss account pro-forma year to 26th September 2004

Sales (T'000)	1,447
£/T	23.91
	£'m
Turnover	34.6
Operating costs	(29.9)
Gross profit	4.7
Other income	0.6
Admin	(3.6)
PBIT	1.7
Interest	(1.2)
PBT	0.5
EBITDA	7.3

ATH Resources

Financial review - Balance sheet - 26th September 2004

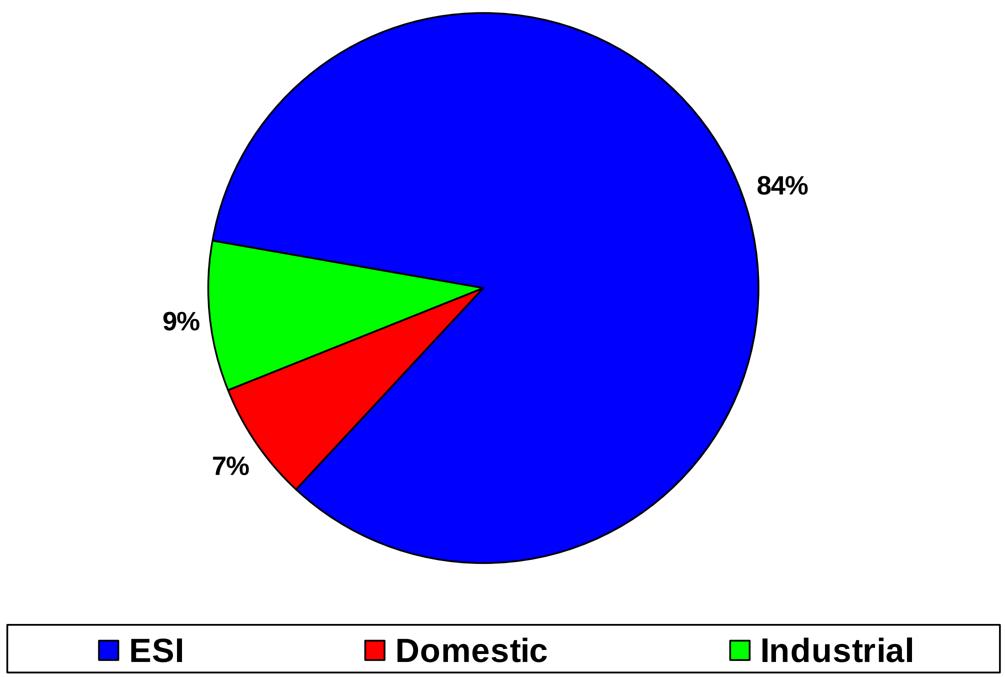
£'m	
Tangible	10.6
Intangible	6.8
Fixed assets	17.4
Stocks	5.0
Debtors	8.1
Cash	2.5
Current assets	15.6
Current liabilities	(11.1)
Net current assets	4.5
Long term liabilities	(10.3)
Net assets	11.6

Financial review - Cash flow statement

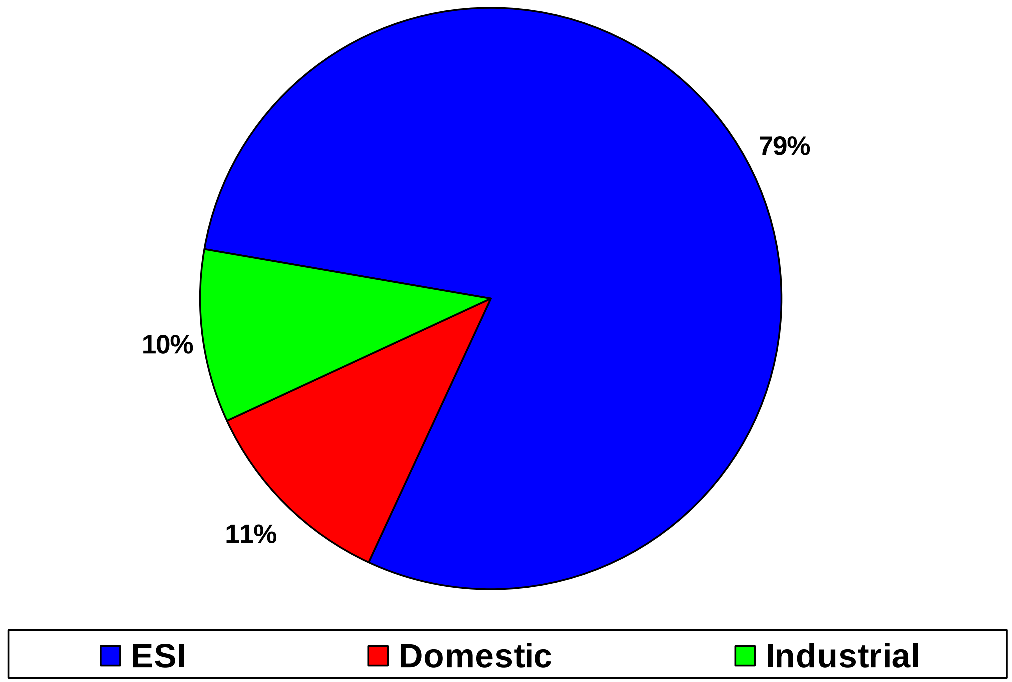
10 month period to 26th September 2004

£'m	
Net cash flow from operating activities	8.7
Interest paid	(0.9)
Taxation paid	(0.7)
Capital expenditure	0.1
Acquisitions	(7.5)
Financing	2.8
Increase in cash	2.5
Cash flows from changes in debt	8.7
Net debt acquired with subsidiary	(4.2)
New debt issued	(5.9)
New finance leases	(4.3)
Net debt	(3.2)

Financial review - sales by customer (Tonnes)



Financial review - sales by customer (£)



ATH Resources

Financial review - comments

- results in line with expectation at time of AIM IPO
- sales tonnage down due to poor availability of Terex truck fleet – 5 new trucks delivered post year end
- cost of gas oil (10% of direct costs) has increased by 55% in the past 12 months
- tax charge higher than standard rate due to depreciation charges being in excess of capital allowances
- dividend proposed of £1m (3.36p/share)
- cap-ex of £2.8m on replacement RH120 & 4 x TR100, with 5 more TR100s delivered post year end (£2.5m) to improve plant availabilities and mining efficiencies

Developments - sites

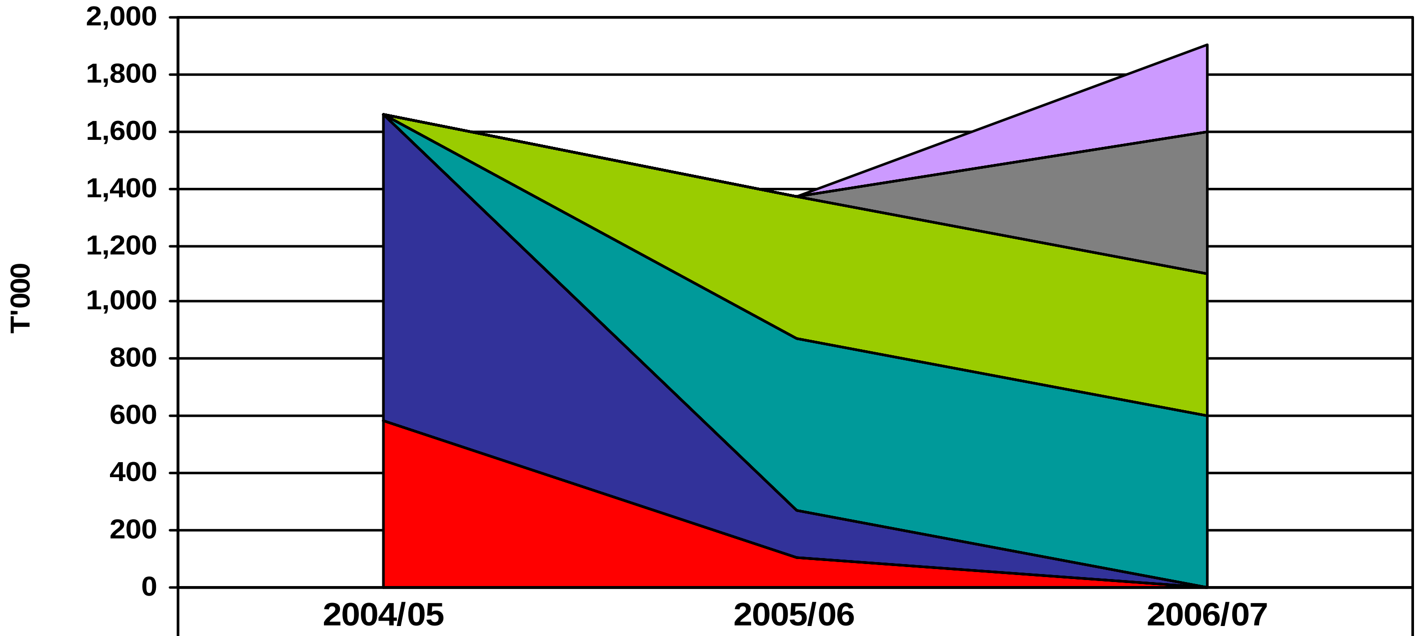
- Skares Road further extension (300kt)
  - sales contract signed with Drax Power for 250kt
  - probable further developments
- Garleffan extensions:
  - Kyle Farm (1.4mt) – initial drilling commenced late October with encouraging results
  - Laigh Glenmuir (500kt) – reduced scheme for planning application early 2005
- Muir Dean (2mt):
  - final major land parcel secured
  - environmental impact assessment commenced for planning application early 2005
- Rigg Estate (600kt) – negotiations with landowner ongoing

ATH Resources

Developments - SRMMC

- Team further strengthened
  - Michel Guy joins Board of SRMMC
  - bi-lingual minerals surveyor joins ATH as Project Manager
- Bertholene
  - concession transferred November 2004
  - drilling to commence January 2005
- Commentry
  - further drilling early 2005 for quality analysis
  - mining permit application made – determination first half 2005

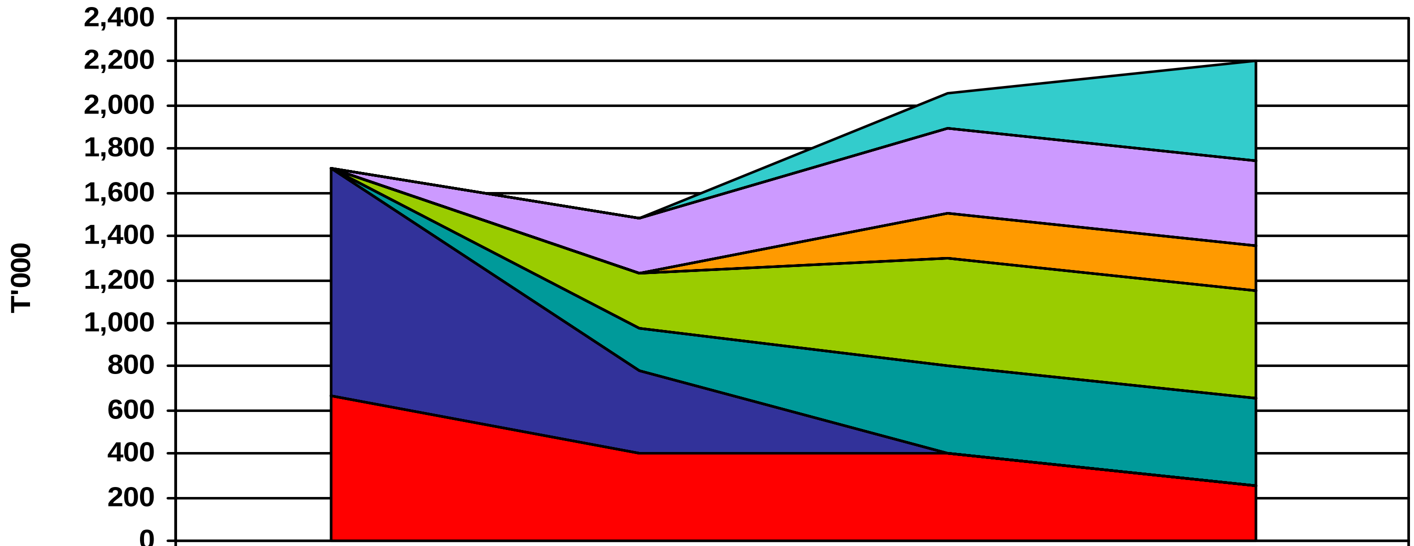
Developments - production forecasts (Listing)



	2004/05	2005/06	2006/07
Bertholene			300
Pates Hill/other			500
Muir Dean		500	500
Garleffan ext'n		600	600
Garleffan	1,078	170	
Skares Rd	585	105	

ATH Resources

Developments - production forecasts (Current)



	2004/05	2005/06	2006/07	2007/08
SRMMC			150	450
Scotland Other		250	400	400
Rigg Estate			200	200
Muir Dean		250	500	500
Garleffan area		200	400	400
Garleffan	1,047	377		
Skares Rd	666	400	400	250

ATH Resources plc

Questions