Anglesey Mining plc

Annual Report 2012

Above: Mining in the James Deposit near Schefferville in June 2012

Front cover: Drilling rig at Parys Mountain on hole AMC20 in April 2012

Contents

Glossary

AGM - the annual general meeting to be held on 6 September 2012.

C$ - Canadian dollars. At 31 March 2012 £1 sterling was equivalent to C$1.59 *(2011 - C$1.56)*.

DRO – direct railing ore – iron ore which can be mined and sold without any further processing.

DSO – direct shipping ore – iron ore which can be mined and sold after a simple washing and screening operation.

Hematite or haematite – iron oxide Fe_2O_3, one of the most abundant forms of iron ore. Chemically pure hematite is about 71% iron.

JORC - Australasian Joint Ore Reserves Committee - a set of minimum standards for public reporting and displaying information related to mineral properties.

LIM – Labrador Iron Mines Holdings Limited and its group of companies.

NI 43-101 – a standard equivalent to JORC used in Canada.

tonne – metric tonnes of 2,204.6 pounds, used for measuring current mineral production and resources.

ton – short ton of 2,000 pounds, used for measuring historic resources in Canada.

Anglesey Mining plc

A UK mining company listed on the London Stock Exchange

Anglesey holds 26% of Toronto-listed Labrador Iron Mines Holdings Limited (TSX:LIM) which is now producing iron ore from its James deposit, one of LIM's twenty direct shipping iron ore deposits in western Labrador and north-eastern Quebec. Development of other deposits is underway and production of the high grade hematite iron ore is targeted to grow from 2 million tonnes in 2012 to 5 million tonnes in 2015.

Anglesey is also carrying out exploration, development and pre-feasibility work at its 100% owned Parys Mountain underground zinc-copper-lead-silver-gold deposit in North Wales, UK.

Anglesey owns 17.8m LIM shares (26%) and has 159m of its own shares in issue.

Chairman's Statement

I am very pleased to be able to report another successful year for the company highlighted by the establishment of Labrador Iron Mines as a fully-fledged iron ore miner and the only independent mining company operating in the Labrador Trough. We have also made significant progress at Parys Mountain and we are increasing our efforts at this property in the current year. This year's net income of £19.1 million was chiefly the result of a book gain on our holding in LIM.

Shareholders will be only too well aware that junior and intermediate mining stocks have generally performed poorly in share price terms during 2012. This has been due to a combination of factors including doubts over financial stability in Europe, less than satisfactory growth in the US economy and concerns regarding the sustainability of economic growth and development in China. This rapid decline in mining stocks has occurred whilst commodity prices have largely been unaffected. The share prices of both Labrador Iron Mines and Anglesey Mining have been badly impacted by this phenomenon despite the real progress made by both companies in the period.

We believe that these significant shifts in investment sentiment have affected us disproportionately, caused in part by the decision of a large institutional shareholder to dispose of its shareholdings in both LIM and Anglesey. We are adequately financed for current activities, cashflows into LIM are projected to be significant and Anglesey is in a strong position to weather any short term storms and to take advantage of new growth opportunities as well as proceeding with the development of Parys Mountain.

Labrador Iron

Labrador Iron is Canada's newest iron ore producer, engaged in the mining of iron ore and in the exploration and development of direct shipping iron ore projects in the central part of the prolific Labrador Trough region, one of the major iron ore producing regions in the world, situated in the Province of Newfoundland and Labrador and in the Province of Québec, centred near the town of Schefferville, Québec.

This has been an excellent year of progress for LIM. Initial production commenced at the James Mine in June 2011 and achieved sales of 400,000 tonnes of iron ore in its start-up 2011 season. Full scale production re-commenced in April, 2012 and by the end of June 2012 over 650,000 tonnes of iron ore had been mined and sold.

In April 2011 and March 2012 secondary fund-raisings for a total of almost C$200 million were completed. At 31 March 2012, LIM had current assets of C$103 million (£64 million) including C$71 million (£44 million) in unrestricted cash.

The Phase 3 expansion program of the Silver Yards processing plant, which includes the installation of a second washing and screening plant and a new magnetic separator to enhance the recovery of fines material, is expected to be completed in mid-summer. This expansion is expected to increase plant throughput to 12,000 tonnes per day, or an annual throughput of 2.0 million tonnes per year, and is also expected to improve weight recoveries to between 75% and 80%.

Available railway capacity has been expanded from two operating trains in April to four operating trains in June. An average of two shipments of iron ore are anticipated each month during the operating year.

LIM now has measured and indicated resources of 44.6 million tonnes at 56.5% iron in five DSO deposits and an additional 121 million tonnes of historical resources in about 15 other deposits.

Production and sale of two million tonnes of iron ore is targeted for calendar 2012, leading on to the development of the Houston deposits, with the objective of ramping up production towards five million tonnes of iron ore per year by 2015.

Iron ore prices strengthened from a low of approximately USD$115 per dry metric tonne, (62% Fe CFR China basis), in October 2011 to USD$150 in the first quarter of 2012. Moving into the second quarter of 2012, prices have softened to approximately USD$135 by mid-June. Port inventories in China remain high, while Chinese steelmakers are experiencing a squeezing of operating margins. The spot market remains very volatile. General market concerns over the level of debt in Europe continue to overhang perceptions for global growth in steel demand.

Parys Mountain

In December 2011 geophysical and deep overburden sampling work began near the Morris shaft where the target was shallower extensions of the Engine zones already identified from the 280 metre level underground development. In January 2012 a drilling rig commenced work in the same area and by March 2012 had completed 860 metres of core drilling in seven holes with several ore grade intersections.

Following this Engine Zone programme and starting in April the rig drilled 558 metres in two holes from the edge of the Great Open Cast pit about 800 metres east of the Morris shaft. These confirmed our geological interpretations and whilst not returning significant intersections did provide the basis for continuing exploration in that area.

In mid-May the rig moved to a location about 1.2 kilometres east of the Morris Shaft and 600 metres east of the Garth Daniel area identified in 2005 and has so far drilled three angled holes from the same drill site. These holes are the furthest east of any drilling by Anglesey Mining.

Micon International has been retained to work on a scoping study for a small scale stand-alone mining operation. This study which will incorporate both the entire White Rock zone and the now compliant Engine Zone, will update their 2007 study which was based solely on the shallow portion of the White Rock resources close to the Morris shaft. This concept has several advantages:

- Phased development means initial capital expenditures are significantly reduced - ore from the shallower zones being mined will be trucked to surface
- Time to first mine production and cashflows will be reduced
- Plant feed of around 500 tonnes per day will be relatively easy to sustain
- Exploration and definition drilling of further deeper targets can be achieved at much lower cost from underground
- Cash from early operations will partially fund possible expansion to full scale production at 1000 tonnes per day.

In July 2012 an agreement was reached with Intermine Limited whereby the net profits royalty formerly due to Intermine has been bought out and all amounts due have been discharged.

Financial

The LIM equity financings, which were completed at a price per share which exceeds the group's carrying value per share, resulted in a profit on this 'deemed disposal' of almost £23 million and a corresponding increase in Anglesey's carrying value of the investment in LIM. Anglesey's interest in LIM is now 26% compared to 40% last year. The group's share of the LIM operating loss, together with its own administrative expenses, which were reduced slightly this year, resulted in reported net income of £19.1 million. At 31 March 2012 Anglesey had total net assets of £55.7 million including a healthy cash balance of £3 million.

Outlook

The board believes that Anglesey Mining is now very well placed to generate significant shareholder value over the next few years from both Parys Mountain and Labrador Iron. The scoping study on the Parys Mountain project is scheduled for completion in the autumn and in the meantime exploration drilling is continuing. In Canada LIM's iron ore production is targeted to grow to 5 million tonnes per year by 2015. We remain convinced that any improvement in the world economies and the return of investor confidence in the mining sector will be reflected in the share prices of both Labrador Iron and Anglesey Mining.

John F. Kearney

Chairman

24 July 2012

The directors are pleased to submit their report and the audited accounts for the year ended 31 March 2012.

Principal activities and business review

The group's principal activities are the development and operation of the Labrador iron project in eastern Canada in which the group now has a 26% interest *(2011 – 40%),* and the Parys Mountain project in North Wales which is wholly owned.

The James deposit in Labrador was the first to be developed and by June 2012 was producing at full capacity. LIM's target is to ship 2 million tonnes in the 2012 season. The trains and shipping arrangements required to move this production to customers are operating well. Development work on the next deposit at Houston is underway.

At Parys Mountain a programme of geophysical and overburden sampling work has been completed and 1,815 metres of diamond coring in 11 holes was drilled between January and the end of June 2012. An updated scoping study for the Parys project is currently under preparation by Micon International and is expected to be completed later in the year.

The group continues its search for other mineral exploration and development opportunities.

The aim of the group is to continue to develop and operate the Labrador projects, to create value in the Parys Mountain property, including by co-operative arrangements where appropriate, and to actively engage in other mineral ventures using the group's own resources together with such external investment and finance as may be required.

Labrador Iron

In 2011 the James deposit was mined between June and December. A total of approximately 1.2 million tonnes of ore and about 3 million tonnes of waste were extracted at an average rate of approximately 16,000 tonnes per day. Of the total production to the end of December, approximately 440,000 tonnes were direct rail ore, at an average grade of approximately 65% iron, of which approximately 340,000 tonnes were moved by rail directly to Sept-Îles without further processing. LIM considers the 2011 operating season as having been a short, start-up and testing year during which the Schefferville Projects had not yet reached commercial production.

Mining recommenced in early April 2012 and total ore production for sale for 2012 is on track to reach the target of 2 million tonnes.

A total of 44.6 million tonnes of NI 43-101 compliant measured and indicated resources have now been estimated in the James, Redmond, Knob Lake, Houston and Denault deposits. The remaining deposits have a historical resource estimated at approximately 121 million tons of direct shipping iron ore, based on work carried out by the Iron Ore Company of Canada prior to the closure of its Schefferville operations in 1984. The historical estimate was prepared according to the standards used by IOC and, while still considered relevant, is not compliant with NI 43-101.

Development of the deposits is planned to be in stages with James, the first stage, now in full production. The Houston project which will follow and exceed James is now in development and first production is scheduled for 2013. It is expected that overall production and sales will be 2 million tonnes in 2012 growing to 5 million tonnes from James, Houston and several smaller deposits by 2015.

Silver Yards Processing Plant

The Silver Yards facility, located 1 km from the James deposits and 3 km by road from Schefferville, includes a railway spur connected to the Schefferville to Sept-Îles railway line. The processing facility operates on a seasonal, weather dependent, basis and re-started for the 2012 operating season in mid-May 2012.

An expansion of the plant was completed in autumn 2011. This second phase expansion was designed specifically to deal with fine material, of which there was more than originally expected, and resulted in an improved throughput and recovery rate later in the year. Procurement and construction for a further expansion of the Silver Yards processing plant to increase its production capacity and to recover ultra-fine material commenced towards the end of 2011 and is now well advanced with an expected completion by the summer of 2012. This expansion is intended to increase plant throughput to 12,000 tonnes per day and improve weight recovery to above 75%. In addition, a camp expansion, establishing grid power, various water management enhancements and other upgrade works on the Silver Yards plant are anticipated during 2012.

Transport and Port

Iron ore from the James Mine is transported by rail from the Silver Yards plant site, via the 6 km spur line, the Tshiuetin Rail Transportation Inc. railway and the Quebec North Shore and Labrador railway, to the port of Sept-Îles, where the ore is unloaded and stockpiled for shipping. During the short 2011 start-up season, a total of approximately 565,000 tonnes of iron ore was railed to Sept-Îles. LIM has purchased or leased a total of 545 rail cars and plans to operate four trains of 120 cars each during the 2012 operating season. LIM operates a rail car maintenance and repair facility at its Centre Ferro location in Sept-Îles.

The port of Sept-Îles, situated 530 km down river from Québec City on the North Shore of the Gulf of St. Lawrence on the Atlantic Ocean, serves the Québec and Labrador mining industry and is a large, year-round natural harbour, the most important port for the shipment of iron ore in North America. All iron ore railed to Sept-Îles in 2011 was sold to the Iron Ore Company of Canada ("IOC") under a confidential sales contract. LIM signed a second iron ore sales agreement for the sale to IOC of all iron ore produced in 2012 under which all shipments will be handled by IOC through its port facilities at Sept-Îles. LIM will have no requirement to install and operate such facilities for its own use during 2012 and did not operate any such facilities in 2011.

LIM is currently in discussion with the Sept-Îles Port Authority and with other port operators regarding the potential use of the port's proposed new multi-user deep water dock, also in connection with rail transportation, storage, reclaim and ship-loading and trans-shipment of its iron ore products in the port.

Houston

The Houston deposits are situated in Labrador about 15 km southeast of the James Mine and Silver Yards Processing Plant and approximately 20 km from Schefferville, Québec. In March 2012 Houston received environmental approval and project release from the Government of Newfoundland and Labrador. Tree clearance there is now underway and mine construction work is planned to commence later in the year.

The Houston deposits have a combined measured and indicated resource of 22.9 million tonnes at an average grade of 57.2% Fe and an inferred resource of 3.7 million tonnes at an average grade of 56.5% Fe. LIM expects initial production of Houston ore, including in-pit dry crushing and screening, will commence in the second half of 2013 and will build up to 3 million tonnes per annum by 2015.

Parys Mountain

The Parys Mountain property is a significant UK base metal deposit where a feasibility study carried out in 1991 identified a resource of 6.5 million tonnes containing zinc, copper and lead with small amounts of silver and gold. The study demonstrated the technical and economic viability of bringing the property into production at a rate of 350,000 tonnes per annum, producing zinc, copper and lead concentrates.

At Parys there is a head frame, a 300m deep production shaft and planning permission for operations in place, consequently the lead time to production is expected to be relatively short. The group has freehold ownership of the minerals and surface land and there is substantial exploration potential. Infrastructure is good, political risk is low and the project has the support of local people and government.

Activity at Parys Mountain has significantly increased during the year. In December 2011 geophysical work and overburden sampling was undertaken west of the shaft, followed by a diamond drilling programme where 866 metres in seven holes were drilled in the shallow Engine zone by April 2012. This programme provided useful definition of the shallow Engine zone in the White Rock area with several ore grade intersections and the identification of some new resources. Following this the drill was moved to a new area south of the Great Open Cast where 558 metres in two holes were drilled encountering minor mineralisation and providing useful information for further exploration.

In Mid-May the rig moved to a location about 1.2 kilometres east of the Morris Shaft and 600 metres east of the Garth Daniel area identified in 2005 and is currently drilling its third angled hole from the same drill site. The first two holes encountered relatively wide mineralised intersections which have been sent for assay. These holes are the furthest east of any drilling by Anglesey Mining.

Micon International is currently working on resource estimate updates of the White Rock and Engine zones close to the shaft. Micon has also commenced an update to the scoping study of the White Rock mine, originally prepared in 2007, which would target near surface resources as a first stage development option, using a decline for mining at a reduced production rate compared with the 1991 study which envisaged 1000 tonnes per day of ore being mined through the shaft. It is planned that, having established the operation, the White Rock mine would lead to the subsequent development of the deeper lying resources at a higher daily rate.

In July 2012 an agreement was reached with Intermine Limited in respect of the net profits royalty which it held. A cash payment of C$1,000,000 (£630,000) was made and 2,000,000 ordinary shares in the company issued to discharge the amount due to Intermine at 31 March 2012 of £759,680 and to buy out and cancel the royalty in its entirety.

The directors considered whether an impairment review was required in respect of the Parys mineral asset on the balance sheet and believe that it is not.

Operation of the mine and the receipt of cashflows from it are dependent on finance being available to fund the development of the property.

Dolaucothi

No work was carried out at Dolaucothi during the year and in May 2012 it was decided to relinquish the property. There are no costs associated with this decision.

Other activities

Management continues to search for new properties suitable for development within a relatively short time frame and within the financing capability likely to be available to the group.

Performance

The directors expect to be judged by results of project development and/or exploration and by their success in creating long term value for shareholders. The group holds shares in its associate Labrador Iron Mines Holdings Limited and has interests in exploration and evaluation properties and, until economically recoverable reserves can be developed, there are no standardised performance indicators which can usefully be employed to gauge the performance of the group, other than the market price of the company's shares and the shares of its associate.

The chief external factors affecting the ability of the group to move forward are, primarily the demand for metals and minerals, levels of metal prices and exchange rates; these and other factors are dealt with in the risks and uncertainties section below.

Dividend

The group has no revenues and the directors are unable to recommend a dividend *(2011 – nil)*.

Financial position

The group has no revenues from the operation of its properties. The profit for the year after tax was £19,386,555 compared to a loss of £1,445,657 in 2011.

Of this 2012 profit £23,374,274 was attributable to the effects of LIM financings in April 2011 and March 2012; the only comparable transactions in 2011 resulted in a profit of £294,560. LIM's fund raisings have diluted the company's holding in LIM; because this holding is shown in the financial statements at a cost below the net price per share of the fund raising, the transactions result in a profit for Anglesey. If the effects of these transactions is excluded the comparable figures were losses of £3,987,719 in 2012 and £1,740,217 in 2011. Most of the increase in these losses was in the Labrador associate where expenses connected with the establishment of transportation arrangements were incurred and charged to the income statement. Operating costs in the UK including finance charges were £503,000 compared to £636,000 in the previous year.

During the year there were no additions to fixed assets *(2011 - nil)* and £355,225 *(2011 - £107,850)* was capitalised in respect of the development of the Parys Mountain property, a significant increase as a result of the cost of the drilling programme at Parys Mountain. The Labrador properties are held in an associated company.

The group's cash balance at 31 March 2012 was £3,150,644 *(2011 - £3,671,247)*, this decrease from last year being due to expenditures on the development of Parys Mountain and administrative expenses. The foreign exchange loss of £41,920 *(2011 – loss £61,919)* shown in the income statement arises on the cash balances held in Canadian dollars.

At 31 March 2012 the company had 158,608,051 ordinary shares in issue, 450,000 more than last year as a result of the exercise of share options.

The directors believe that the group has adequate funding for its current and proposed operations.

Risks and uncertainties

In conducting its business the group faces a number of risks and uncertainties some of which have been described above in regard to particular projects. However, there are also risks and uncertainties of a nature common to all mineral projects and these are summarised below.

General mining risks

Actual results relating to, amongst other things, mineral reserves, mineral resources, results of exploration, capital costs, mining production costs and reclamation and post closure costs, could differ materially from those currently anticipated by reason of factors such as changes in general economic conditions and conditions in the financial markets, changes in demand and prices for minerals that the group expects to produce, legislative, environmental and other judicial, regulatory, political and competitive developments in areas in which the group operates, technological and operational difficulties encountered in connection with the group's activities, labour relations matters, costs and changing foreign exchange rates and other matters.

The mining industry is competitive in all of its phases. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The group faces strong competition from other mining companies in connection with the acquisition and retention of properties, mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Development and liquidity risk

The company has adequate funds for its current and planned operations including the continuing development of the Parys Mountain property. LIM is believed to be fully funded for the foreseeable future.

Exploration and development

Exploration for minerals and development of mining operations involve risks, many of which are outside the group's control. The group currently operates in politically stable environments and hence is unlikely to be subject to expropriation of its properties but exploration by its nature is subject to uncertainties and unforeseen or unwanted results are always possible.

Metal prices

The prices of metals fluctuate widely and are affected by many factors outside the group's control. The relative prices of metals and future expectations for such prices have a significant impact on the market sentiment for investment in mining and mineral exploration companies. Metal price fluctuations may be either exacerbated or mitigated by international currency fluctuations which affect the actual amount which might be received by the group in sterling.

Foreign exchange

The activities of LIM are carried out in Canada; the group's interest in LIM is carried in the group accounts on an equity basis and is affected by an exchange rate risk. Operations at Parys Mountain are in the UK and exchange rate risks are minor. The majority of the cash balance at the year-end was held in Canadian dollars – see notes 17 and 24.

Permitting, environment and social

LIM has the governmental, operating, environmental and other permissions necessary for its current operations. Other permissions will be required as other deposits are brought into production.

LIM conducts its operations in Labrador and Quebec, in areas which are subject to conflicting First Nations land claims. There is a number of First Nations peoples living in the Quebec-Labrador peninsula with overlapping claims to asserted aboriginal land rights. Aboriginal claims to lands, and the conflicting claims to traditional rights between aboriginal groups, which also overlap the Quebec-Labrador provincial border, may have an impact on LIM's ability to operate and develop the Schefferville deposits.

The group holds planning permission for the development of the Parys Mountain property but further consents will be required to carry out proposed activities and these permits may be subject to various reclamation and operational conditions.

Employees and personnel

The group is dependent on the services of a small number of key executives including the chairman, chief executive and finance director. The loss of these persons or the group's inability to attract and retain additional highly skilled and experienced employees for the operations of LIM or any other areas in which the group might engage may adversely affect its business or future operations.

Financial instruments

The group's use of financial instruments is not significant and is described in note 24.

Directors

The names of the directors with biographical details are shown on the inside rear cover. It is the company's procedure to submit re-election resolutions for all directors at each annual general meeting.

The company maintains a directors' and officers' liability policy on normal commercial terms which includes third party indemnity provisions. The powers of the directors are described in the Corporate Governance Report.

With regard to the appointment and replacement of directors, the company is governed by its Articles, the Corporate Governance Code, the Companies Act and related legislation. The Articles themselves may be amended by special resolution of the shareholders. Under the Articles, any director appointed by the board during the year must retire at the AGM following his appointment. In addition, the Articles require that one-third of the remaining directors retire by rotation at each general meeting and seek re-appointment.

Directors' interests in material contracts

Juno Limited (Juno), which is registered in Bermuda, holds 36.5% of the company's ordinary share capital. The company has a controlling shareholder agreement and working capital agreement with Juno. Advances made under the working capital agreement are shown in note 19. Apart from interest charges there were no transactions between the group and Juno or its group during the year. An independent committee reviews and approves any transactions and potential transactions with Juno. Danesh Varma is a director and, through his family interests, a significant shareholder of Juno.

John Kearney is chairman and chief executive of LIM, Bill Hooley is a director and vice-chairman of LIM and Danesh Varma is chief financial officer of LIM. All three are shareholders of LIM, are entitled to remuneration from LIM and have been granted options over the shares of LIM. There are no transactions between LIM, the group and the company which are required to be disclosed.

There are no other contracts of significance in which any director has or had during the year a material interest.

Directors' shareholdings

The interests of the directors in the share capital of the company, all of which are beneficial, are set out below:

	24 July 2012		31 March 2012		31 March 2011	
Director	**Number of options**	**Number of ordinary shares**	**Number of options**	**Number of ordinary shares**	**Number of options**	**Number of ordinary shares**
John Kearney	5,000,000	-	5,000,000	-	5,000,000	-
Bill Hooley	2,500,000	100,000	2,500,000	100,000	2,500,000	100,000
Ian Cuthbertson	1,500,000	1,120,300	1,500,000	1,120,300	1,700,000	1,027,300
David Lean	450,000	-	450,000	-	700,000	-
Howard Miller	600,000	-	600,000	-	600,000	-
Roger Turner	500,000	-	500,000	-	500,000	-
Danesh Varma	1,000,000	-	1,000,000	-	1,000,000	-
	11,550,000	1,220,300	11,550,000	1,220,300	12,000,000	1,127,300

Further details of directors' options are provided in the Directors' Remuneration Report.

Substantial shareholders

At 5 July 2012 shareholders had advised the company of the following interests in the issued ordinary share capital:

Name	**Number of shares**	**Percentage of share capital**
Juno Limited	57,924,248	36.5%
Passport Materials Master Fund LP / Blackwell Partners LLC / Norges Bank (Central Bank of Norway)	7,449,800	4.7%

Shares

Disapplication of pre-emption rights

The directors would usually wish to allot any new share capital on a pre-emptive basis, however in the light of the group's potential requirement to raise further funds for the acquisition of new mineral ventures, other activities and working capital, they believe that it is appropriate to have a larger amount available for issue at their discretion without pre-emption than is normal for larger listed companies. In the case of allotments other than for rights or other pre-emptive issues, it is proposed that such authority will be for a nominal value of up to £396,000 of share capital being 39,600,000 ordinary shares, which is equivalent to 25% of the issued ordinary share capital at 5 July 2012. Whilst such authority is in excess of the 5% of existing issued ordinary share capital which is commonly accepted for larger listed companies, it will provide additional flexibility which the directors believe is in the best interests of the group in its present circumstances. It is the directors' present intention to renew this power each year.

Rights and obligations attaching to shares

The rights and obligations attaching to the ordinary and deferred shares are set out in the Articles of Association. Details of the issued share capital are shown in note 21. Details of employee share schemes are set out in the Directors Remuneration Report and in note 22.

Each ordinary share carries the right to one vote at general meetings of the company. Holders of deferred shares, which are of negligible value, are not entitled to attend, speak or vote at any general meeting of the company, nor are they entitled to receive notice of general meetings.

Subject to the provisions of the Companies Act 2006, the rights attached to any class may be varied with the consent of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class.

There are no restrictions on the transfer of the company's shares.

Voting rights

Votes may be exercised at general meetings in relation to the business being transacted either in person, by proxy or, in relation to corporate members, by corporate representative. The Articles provide that forms of proxy shall be submitted not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

No member shall be entitled to vote at a general meeting or at a separate meeting of the holders of any class of shares in the capital of the company, either in person or by proxy, in respect of any share held by him unless all monies presently payable by him in respect of that share have been paid. Furthermore, no shareholder shall be entitled to attend or vote either personally or by proxy at a general meeting or at a separate meeting of the holders of that class of shares or on a poll if he has been served with a notice after failing to provide the company with information concerning interests in his shares required to be provided under the Companies Act 2006.

Significant agreements and change of control

There are no agreements between the company and its directors or employees that provide for compensation for loss of office or employment that may occur because of a takeover bid. The company's share plans contain provisions relating to a change of control. Outstanding awards and options would normally vest and become exercisable on a change of control, subject to the satisfaction of any performance conditions.

Employment, community, donations and environment

The group, which for these purposes does not include LIM, is an equal opportunity employer in all respects and aims for high standards from and for its employees. It also aims to be a valued and responsible member of the communities which it affects or operates in. Since there are no revenues from operations, it is the group's general policy not to make charitable or political donations and none were made during the year *(2011 - nil).*

The group has no operations; consequently its effect on the environment is very slight, being limited to the operation of two small offices, where recycling and energy usage minimisation are taken seriously and encouraged. It is not practical or useful to quantify the effects of these measures. There are no social or community issues which require the provision of further information in this report.

Creditor payment policy

The group conducts its business on the normal trade credit terms of each of its suppliers and tries to ensure that suppliers are paid in accordance with those terms. The group's average creditor payment period at 31 March 2012 was 113 days *(2011 - 47 days);* several high value invoices from the drilling contractor, dated before 31 March, were received after the year end and account for the increase at 31 March 2012.

Going concern

The directors have considered the business activities of the group as well as its principal risks and uncertainties as set out in this report. When doing so they have carefully applied the guidance given in the Financial Reporting Council's document "Going concern and liquidity risk: Guidance for directors of UK companies 2009". Based on the group's cash flow forecasts and projections for a twelve month period from the date of this report, and after making due enquiry in the light of current and anticipated economic conditions, the directors consider that the group and company have adequate resources to continue in business for the foreseeable future. For this reason, the going concern basis continues to be adopted in the preparation of the financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements. The directors are required to prepare the financial statements for the group in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and have also elected to prepare financial statements for the company in accordance with IFRS. Company law requires the directors to prepare such financial statements in accordance with IFRS, the Companies Act 2006 and, in relation to the group financial statements, Article 4 of the IAS Regulation.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the group's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards.

Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable comparable and understandable information; and

- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the parent and the group, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report and directors' remuneration report which comply with the requirements of the Companies Act 2006.

The directors confirm that the financial statements have (a) been prepared in accordance with applicable accounting standards; (b) give a true and fair view of the results of the group and the assets, liabilities and financial position of the group and the parent company; and (c) that the directors' report includes a fair review of the development and performance of the business and the position of the group and the parent company together with a description of the principal risks and uncertainties that they face.

The directors are responsible for the maintenance and integrity of the group website.

Auditor

Each of the directors in office at the date of approval of the annual report confirms that so far as they are aware there is no relevant audit information of which the company's auditor is unaware and that each director has taken all of the steps which they ought to have taken as directors in order to make themselves aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Mazars LLP as auditors and to authorise the directors to fix their remuneration will be proposed at the annual general meeting.

By order of the board

Ian Cuthbertson

Company Secretary

24 July 2012

Unaudited information:

The Directors' Remuneration Report has been prepared in accordance with schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008.

Remuneration Committee policy and share options

During the year the remuneration committee comprised Howard Miller (chairman) and Danesh Varma; no remuneration consultants were employed.

The board's aim, implemented by the committee, with regard to executive and non-executive directors' remuneration, is to provide a package which will attract, retain and motivate directors of the calibre required and be consistent with the group's ability to pay. So far as is possible, it is the group's policy to keep contract durations, notice periods and termination payments to a minimum. In practice, for executive directors, this results in rolling 12 month contracts.

A bonus for attainment of key corporate targets forms part of overall executive director remuneration. Share options continue to form a major part of executive and non-executive directors' remuneration however a fee payment has been made to non-executive directors since April 2007 and future share option grants will be reduced or eliminated accordingly. Any pension contributions are to money purchase schemes and regarded as a component of total remuneration. There have been no new appointments during the year and the committee has not recommended any changes to existing remuneration packages.

The company has one active share scheme, the 2004 Unapproved Share Option Scheme. All directors and employees are eligible to receive options. In determining the amount of options to be granted to each individual, the directors take into account the need for and value of the services provided, the amount of time spent on the business of the group and any other remuneration receivable from the group. All share options are subject to a performance criterion, namely that the company's share price performance over the period from grant to exercise must exceed that of the companies in the top quartile of the FTSE 100 index. This index was selected as being an easily available benchmark of general corporate performance.

Terms and conditions of service

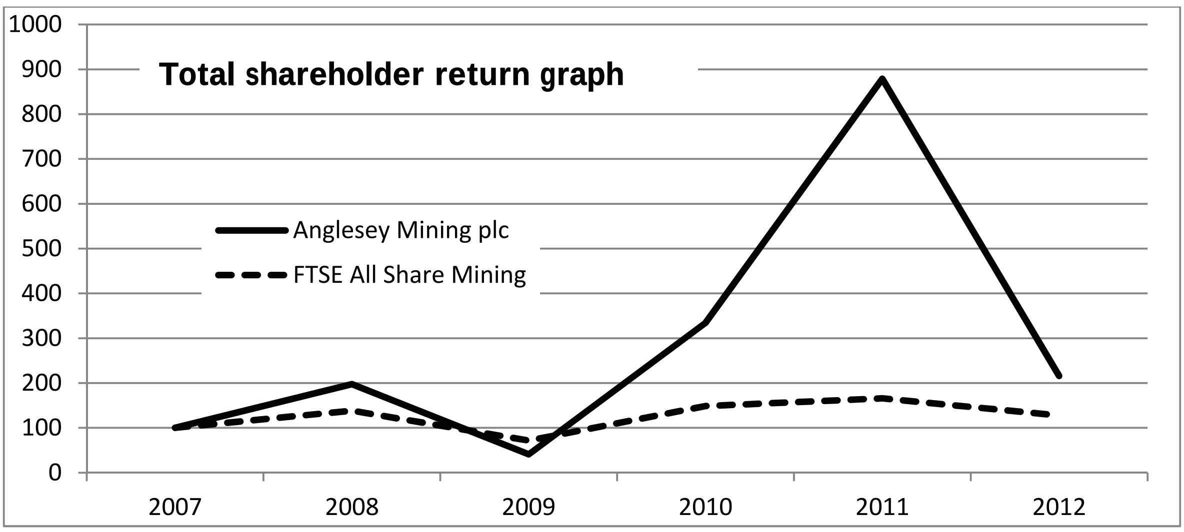
John Kearney, the chairman, does not receive fees and has no service contract. He has been remunerated by the grant of options over the company's shares. Bill Hooley and Ian Cuthbertson have written terms of employment with rolling notice periods of 12 months and no other entitlement to termination payments. They are eligible to receive performance bonuses when key corporate targets are attained.

Each of the non-executive directors has a written contract for services, terminable at one month's notice.

Other than these, there are no arrangements in force whereby the group is under an obligation to pay fees, salaries, bonuses, pensions or any remuneration to any director. In addition there are no agreements with any director or employee that would provide compensation for loss of office or employment resulting from a takeover except that provisions of the share scheme may result in options granted to employees under such schemes vesting on a takeover.

Total shareholder return graph

This graph shows the total shareholder return over a five year period for the company and for the FTSE Mining index, being the most appropriate comparative available for the company covering the past five years:



Audited information:

Directors' emoluments

Name	2012 Salary and fees	2012 Pension	2012 Total	2011 Salary and fees	2011 Pension	2011 Total
	£	£	£	£	£	£
Executive						
John Kearney	-	-	-	-	-	-
Ian Cuthbertson	40,000	20,000	60,000	33,478	20,547	54,025
Bill Hooley	33,297	-	33,297	20,000	-	20,000
Non-executive						-
Howard Miller	5,000	-	5,000	5,000	-	5,000
David Lean	5,000	-	5,000	5,000	-	5,000
Roger Turner	5,000	-	5,000	5,000	-	5,000
Danesh Varma	24,000	-	24,000	24,000	-	24,000
Totals	112,297	20,000	132,297	92,478	20,547	113,025

Pension contributions are to a money purchase pension scheme.

The amounts paid to Bill Hooley and Danesh Varma are in respect of their duties with the company; together with John Kearney they also receive remuneration from LIM. Bill Hooley's remuneration is chiefly in respect of the period from late 2011 when he returned to the UK from his assignment to LIM in Canada.

Associate company

John Kearney, Bill Hooley and Danesh Varma are shareholders in the company's associate, Labrador Iron Mines Holdings Limited (LIM); they are entitled to remuneration in respect of their duties with LIM and hold shares and share options in LIM. John Kearney and Bill Hooley are directors of LIM. Ian Cuthbertson holds options over shares in LIM.

Audited information (continued):

Directors' share options

Details of each share option held over ordinary shares in the company (all of them beneficial) by all those who were directors during the year are set out below. All options are over ordinary shares of 1 pence each.

Name	Options at 1 April 2011	Granted in year	Exercised in year	Price on exercise	Lapsed in year	Options at 31 March 2012	Exercise price	Date from which exercisable	Expiry date
John Kearney	5,000,000	-	-		-	5,000,000	4.130p	22 Oct 05	22 Oct 14
Bill Hooley	1,000,000	-	-		-	1,000,000	10.625p	15 Jan 07	15 Jan 16
Bill Hooley	1,500,000	-	-		-	1,500,000	21.900p	26 Nov 07	26 Nov 17
Ian Cuthbertson	600,000	-	200,000	21.175	-	400,000	4.130p	22 Oct 05	22 Oct 14
Ian Cuthbertson	200,000	-	-		-	200,000	10.625p	15 Jan 07	15 Jan 16
Ian Cuthbertson	600,000	-	-		-	600,000	21.900p	26 Nov 07	26 Nov 17
Ian Cuthbertson	300,000	-	-		-	300,000	5.000p	27 Mar 10	27 Mar 19
David Lean	100,000	-	50,000	76.00	-	50,000	10.625p	15 Jan 07	15 Jan 16
David Lean	400,000	-	-		-	400,000	21.900p	26 Nov 07	26 Nov 17
David Lean	200,000	-	200,000	76.00	-	-	5.000p	27 Mar 10	27 Mar 19
Howard Miller	400,000	-	-		-	400,000	21.900p	26 Nov 07	26 Nov 17
Howard Miller	200,000	-	-		-	200,000	5.000p	27 Mar 10	27 Mar 19
Roger Turner	100,000	-	-		-	100,000	10.625p	15 Jan 07	15 Jan 16
Roger Turner	400,000	-	-		-	400,000	21.900p	26 Nov 07	26 Nov 17
Danesh Varma	100,000	-	-		-	100,000	4.130p	22 Oct 05	22 Oct 14
Danesh Varma	200,000	-	-		-	200,000	10.625p	15 Jan 07	15 Jan 16
Danesh Varma	500,000	-	-		-	500,000	21.900p	26 Nov 07	26 Nov 17
Danesh Varma	200,000	-	-		-	200,000	5.000p	27 Mar 10	27 Mar 19
	12,000,000	-	450,000		-	11,550,000			

The market price of the ordinary shares at 31 March 2012 was 20.50 pence, the high for the year to 31 March 2012 was 86.50 pence and the low for the year was 20.00 pence. The mid-market price at 5 July 2012 was 12.25 pence. The aggregate result of the exercise of options by directors during the year was a gain for the option holders of £208,778 *(2011 - £1,221,775)*.

By order of the board
Ian Cuthbertson
Company Secretary

24 July 2012

Principles

The board bases its policies and practices in relation to corporate governance on the 2010 Financial Reporting Council UK Corporate Governance Code (the "Code"). The group has also made use of the Corporate Governance Guidelines for Smaller Quoted Companies published by the Quoted Companies Alliance in September 2010 which relates to the implementation of corporate governance for smaller quoted companies.

The board supports the highest standards in corporate governance and endeavours to implement the principles of the Code constructively and in a sensible and pragmatic fashion with the objective of enhancing and protecting shareholder value. This is always harder in a small group than in the larger organisations with which the Code is chiefly concerned. It is particularly problematic for a group such as Anglesey which is both small and engaged in mineral development rather than more routine trading operations.

The Board

The board is responsible for formulating, reviewing and approving the company's strategy, financial activities and operating performance. Day to day management is devolved to the executive directors who are charged with consulting the board on all significant financial and operational matters. In this way decisions can be made promptly, but also with consultation amongst the directors concerned where necessary and appropriate.

The board comprises three executive directors and four non-executive directors, a structure which the board considers to be appropriate. Bill Hooley is the chief executive and John Kearney, formerly chairman and chief executive, is the chairman, a role he has held since 1994. He divides his time between a number of mineral companies and other activities. The board values the participation of directors on the boards of other companies in the mineral industry as this provides exposure to developments and other opportunities which is useful to enhance the experience of the directors and advantageous to the group.

The board is satisfied that each of the non-executive directors commits sufficient time to the business of the group and contributes materially to the governance and operations of the group. All the current directors are willing to stand and all are recommended for re-election at the AGM. In line with the Code's best practice recommendation it is now the company's procedure to submit re-election resolutions for all directors at each AGM.

The board considers that Howard Miller is the senior independent non-executive director and David Lean and Roger Turner are independent directors. Danesh Varma is not deemed to be independent. Howard Miller and David Lean have now served for more than ten years and Roger Turner has served for more than six years as independent non-executive directors however it is the board's opinion, after reviewing all the relevant factors, that this does not disqualify them from categorisation as independent directors.

There are cases where board members are also directors of other companies; the board does not believe that these instances in any way compromise the independence or ability of the directors to carry out their duties in respect of the company and as mentioned above it regards this outside experience as beneficial to the group.

The board meets when required, usually on at least four occasions each year, and all board members are supplied with relevant and timely information. The company's strategy is always determined by the whole board and the schedule of matters reserved to the board is therefore comprehensive. The board approves detailed budgets and activities and any material changes to budgets or planned activities are also approved by the whole board.

There is an established procedure by which directors may, at the company's expense, take independent advice in the furtherance of their duties. They also have access to the advice and services of the company secretary who is charged with ensuring that board procedures are followed.

There are written terms of reference for the remuneration, audit and nomination committees, each of which deals with specific aspects of the group's affairs. The board receives periodic reports from all committees.

The matter of going concern is dealt with in the directors' report.

Remuneration committee

The remuneration committee comprises Howard Miller and Danesh Varma. It is responsible for making recommendations to the board on the company's executive remuneration. The committee determines any contract terms, remuneration and other benefits, including share options, for each of the executive directors. The board itself determines the remuneration of the non-executive directors and directors may not vote in respect of their own remuneration. The report on directors' remuneration is set out in the previous section.

Audit committee

The committee's terms of reference have been approved by the board and follow published guidelines. The audit committee comprises Danesh Varma and David Lean. Both are chartered accountants with extensive mineral industry experience and have the necessary recent and relevant experience required by the Code.

The audit committee reviews the half-yearly and annual accounts before they are presented to the board, focusing in particular on accounting policies and areas of management judgement and estimation. The committee is responsible for monitoring the controls which are in force to ensure the information reported to the shareholders is accurate and complete. The committee discusses internal control issues and contributes to the board's review of the effectiveness of the group's internal control and risk management systems. It also considers the need for an internal audit function, which it believes is not required at present due to the limited staff and operations of the group. The members of the committee have agreed to make themselves available should any member of staff wish to make representations to them about the conduct of the affairs of the group.

The committee notes that the consolidation schedules are prepared by the finance director and is satisfied that no further internal controls over this process are required.

The committee advises the board on the appointment of external auditors and on their remuneration for both audit and non-audit work and discusses the nature and scope of the audit with the external auditors. It meets formally at least once a year with the group's external auditors. During the period, the audit committee has reviewed the effectiveness of the system of internal control. An analysis of the fee payable to the external audit firm in respect of both audit and non-audit services during the year is set out in note 4 to the financial statements.

The audit committee also undertakes a formal assessment of the auditors' independence each year which includes: a review of any non-audit services provided to the group; discussion with the auditors of all relationships with the company and any other parties that could affect independence or the perception of independence; a review of the auditors' own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner; and obtaining written confirmation from the auditors that, in their professional judgement, they are independent. The committee considered and approved the provision of taxation services by Mazars during the year which were routine in nature.

Nomination committee

The nomination committee comprises John Kearney (chairman), David Lean and Howard Miller. It is now the company's procedure to submit re-election resolutions for all directors at each AGM. The nomination committee makes recommendations to the board on the appointment of new executive and non-executive directors, including making recommendations as to the composition of the board and its committees and the balance between executive and non-executive directors. The nomination committee meets as and when required. It has not met in the year and has not yet engaged external consultants to identify appropriate candidates. The board considers that two of the committee members are independent non-executive directors.

Directors' contracts

It is group policy that the period of notice for executive directors will not exceed 12 months and that the employment contracts of the executive directors are terminable at 364 days' notice by either party. The contracts of executive directors do not provide for any enhanced payments in the event of a change of control of the company, nor for liquidated damages. All non-executive directors have letters of appointment with the company for an initial period of three years from their date of appointment, subject to reappointment at the AGM and thereafter can be terminated with one month's notice.

Assessment of directors' performance

The performance of the non-executive directors is assessed by the chairman and is discussed with the senior independent director. The performance of executive directors is discussed and assessed by the remuneration committee or the board as a whole. The directors may take outside advice in reviewing performance when they consider this necessary, which has not been the case to date.

Internal control

The board of directors is responsible for and annually reviews the group's systems of internal control, financial and otherwise. Such systems provide reasonable but not absolute assurance of the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information. The key feature of the group's financial control system is that board members directly monitor all payments and transactions as well as budgets and annual accounts. The board, advised by the audit committee, considers it inappropriate to establish an internal audit function at present because of the group's limited operations, however this decision is reviewed annually.

There are no significant issues disclosed in the report and financial statements for the year and up to the date of approval of the report and financial statements that have required the board to deal with any related material internal control issues. The directors confirm that the board has reviewed the effectiveness of the system of internal control as described during the period.

The disclosures made here with regard to internal control do not extend to LIM which is an associate company.

Risks and uncertainties

In reviewing the other risks facing the group, the board considers it is sufficiently close to the group's operations and aware of its activities to be able to adequately monitor risk without the establishment of any formal process. The group may become subject to risks against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons. The board believes the significant risks facing the group are adequately disclosed in these financial statements and that there are no other risks of comparable magnitude which need to be disclosed.

Communication with shareholders

Extensive information about the group and its activities is given in the annual report and accounts and the interim report which are sent to shareholders. Further information is available on the company's website, www.angleseymining.co.uk, which is updated whenever announcements or press releases are made. Presentations on the group's activities are made at the AGM. Two all-day investor events and two evening investor presentations were made during the year and discussions are held with shareholders at or after all these occasions.

The chairman and/or the chief executive meet with substantial shareholders at least once per year, more often when appropriate, and other directors join these and other meetings with shareholders, whose views are relayed to all the directors at board meetings.

Every effort is made to reply promptly and effectively to enquiries from shareholders on matters relating to their shareholdings and the business of the group.

Directors' appointment and attendance at board and committee meetings

During the year attendance at meetings was as follows:

			Meetings		
Director	**Date appointed**	**Next election**	**Board**	**Audit**	Remuneration
Total number of meetings:			4	2	1
John Kearney	10 November 1994	2013	4		
Ian Cuthbertson	22 December 1997	2013	4		
Bill Hooley	10 January 2006	2014	4		
Howard Miller	20 September 2001	2012	4		1
David Lean	20 September 2001	2012	4	2	
Roger Turner	10 January 2006	2012	4		
Danesh Varma	15 November 1994	2012	4	2	1

Ian Cuthbertson was appointed as company secretary on 21 October 1988.

Compliance with the Combined Code

The directors believe that the group has complied with the requirements of the Code during the year with the following exceptions:

- A.2.1 – the responsibilities of the chairman are not set out in writing.
- B.1.1 – Non-executive directors hold options over shares; these were granted before the Code came into effect. It is not the intention of the board to grant further options to non-executive directors.
- B.1.1 and C.3.1 - Danesh Varma is a member of the audit and remuneration committees: because he has been on the board for more than nine years and is connected with Juno Limited, under the Code provisions he is not regarded as independent.
- B.1.2 – Two of the three non-executive directors the board considers to be independent have served for more than 9 years.
- B.2 - There were no meetings of the nomination committee during the year. The board as a whole has reviewed the progressive refreshing of its membership and this re-evaluation is continuing.
- B.6 - There has been no formal and rigorous annual evaluation of the performance of the board, its committees or the individual directors. In a group of this size such a review is largely a matter of judgement however this matter is to be carefully examined in the coming few months.
- D.1.2 – Executive directors' remuneration from other sources: John Kearney divides his time between a number of mineral companies and other activities; his remuneration from the group is only by means of share options. Bill Hooley receives remuneration from LIM, an associate company. The amount of their other remuneration is disclosed by LIM and is not in this report.

By order of the board

Ian Cuthbertson

Company Secretary

24 July 2012

We have audited the financial statements of Anglesey Mining plc for the year ended 31 March 2012 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Statement of Financial Position, the Group and Company Statement of Changes in Equity, the Group and Company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement on pages 9 and 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2012 and of the group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement with respect to internal control and risk management systems in relation to financial reporting processes and about share capital is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Statement has not been prepared by the company.

Under the Listing Rules we are required to review:

- the directors' statement, set out on pages 9 and 10, in relation to going concern;
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code for reporting periods commencing on or after 29 June 2010 specified for our review; and
- certain elements of the report to the shareholders by the Board on directors' remuneration.

Richard Metcalfe (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House, St. Katharine's Way, London, E1W 1DD

24 July 2012

Group income statement

All attributable to equity holders of the company

All operations are continuing	Notes	Year ended 31 March 2012 £	Year ended 31 March 2011 £
Revenue		-	-
Expenses		(396,807)	(476,139)
Share of loss of associate	14	(3,484,140)	(1,104,453)
Gains on deemed disposals in associate	14	23,374,274	294,560
Investment income	6	49,041	19,308
Finance costs	7	(113,899)	(117,014)
Foreign exchange loss		(41,914)	(61,919)
Profit/(loss) before tax	4	19,386,555	(1,445,657)
Tax	8	-	-
Profit/(loss) for the period		19,386,555	(1,445,657)
Profit/(loss) per share			
Basic - pence per share	9	12.2 p	(0.9)p
Diluted - pence per share	9	11.6 p	(0.9)p

Consolidated statement of comprehensive income

	Notes	Year ended 31 March 2012 £	Year ended 31 March 2011 £
Profit/(loss) for the period		19,386,555	(1,445,657)
Other comprehensive income:			
Exchange difference on translation of foreign holding	14	(379,827)	(360,273)
Total comprehensive income/(loss) for the period		19,006,728	(1,805,930)

Statement of financial position of the group

	Notes	31 March 2012 £	31 March 2011 £
Assets			
Non-current assets			
Mineral property development	10	14,255,818	13,900,593
Property, plant and equipment	11	204,687	204,687
Interest in associate	14	41,240,859	21,073,132
Deposit	15	121,685	121,146
		55,823,049	35,299,558
Current assets			
Other receivables	16	64,991	22,469
Cash and cash equivalents	17	3,150,644	3,671,247
		3,215,635	3,693,716
Total assets		59,038,684	38,993,274
Liabilities			
Current liabilities			
Trade and other payables	18	(1,040,961)	(791,148)
		(1,040,961)	(791,148)
Net current assets		2,174,674	2,902,568
Non-current liabilities			
Loan	19	(2,191,260)	(2,077,361)
Long term provision	20	(42,000)	(42,000)
		(2,233,260)	(2,119,361)
Total liabilities		(3,274,221)	(2,910,509)
Net assets		55,764,463	36,082,765
Equity			
Share capital	21	7,096,914	7,092,414
Share premium		9,634,231	9,621,181
Currency translation reserve		3,241,170	3,620,997
Retained earnings		35,792,148	15,748,173
Total shareholders' equity		55,764,463	36,082,765

The financial statements of Anglesey Mining plc were approved by the board of directors, authorised for issue on 24 July 2012 and signed on its behalf by:

John F. Kearney, Chairman

Ian Cuthbertson, Finance Director

Statement of financial position of the company

	Notes	31 March 2012 £	31 March 2011 £
Assets			
Non-current assets			
Investments	13	13,698,575	13,630,271
		13,698,575	13,630,271
Current assets			
Other receivables	16	24,071	15,031
Cash and cash equivalents	17	1,063,330	1,498,137
		1,087,401	1,513,168
Total Assets		14,785,976	15,143,439
Liabilities			
Current liabilities			
Trade and other payables	18	(107,418)	(100,371)
		(107,418)	(100,371)
Net current assets		979,983	1,412,797
Non-current liabilities			
Loan	19	(2,191,260)	(2,077,361)
		(2,191,260)	(2,077,361)
Total liabilities		(2,298,678)	(2,177,732)
Net assets		12,487,298	12,965,707
Equity			
Share capital	21	7,096,914	7,092,414
Share premium		9,634,231	9,621,181
Retained losses		(4,243,847)	(3,747,888)
Shareholders' equity		12,487,298	12,965,707

The financial statements of Anglesey Mining plc registered number 1849957 were approved by the board of directors and authorised for issue on 24 July 2012, and signed on its behalf by:

John F. Kearney, Chairman

Ian Cuthbertson, Finance Director

Statements of changes in equity

All attributable to equity holders of the company.

Group	Share capital £	Share premium £	Currency translation reserve £	Retained earnings £	Total £
Equity at 1 April 2010	7,042,414	8,097,973	3,981,270	16,818,846	35,940,503
Total comprehensive income for the year:					
Loss for the year	-	-	-	(1,445,657)	(1,445,657)
Exchange difference on translation of foreign holding	-	-	(360,273)	-	(360,273)
Total comprehensive income for the year	-	-	(360,273)	(1,445,657)	(1,805,930)
Shares issued for cash	50,000	1,528,225	-	-	1,578,225
Share issue costs	-	(5,017)	-	-	(5,017)
Equity-settled benefits credit:					
- associate	-	-	-	374,984	374,984
Equity at 31 March 2011	7,092,414	9,621,181	3,620,997	15,748,173	36,082,765
Total comprehensive income for the year:					
Profit for the year	-	-	-	19,386,555	19,386,555
Exchange difference on translation of foreign holding	-	-	(379,827)	-	(379,827)
Total comprehensive loss for the year	-	-	(379,827)	19,386,555	19,006,728
Shares issued for cash	4,500	19,073	-	-	23,573
Share issue costs	-	(6,023)	-	-	(6,023)
Equity-settled benefits credit:					
- associate	-	-	-	657,420	657,420
Equity at 31 March 2012	7,096,914	9,634,231	3,241,170	35,792,148	55,764,463

Company	Share capital £	Share premium £	Retained losses £	Total £
Equity at 1 April 2010	7,042,414	8,097,973	(3,145,657)	11,994,730
Total comprehensive income for the year:				
Loss for the year	-	-	(602,231)	(602,231)
Total comprehensive loss for the year	-	-	(602,231)	(602,231)
Shares issued for cash	50,000	1,528,225	-	1,578,225
Share issue costs	-	(5,017)	-	(5,017)
Equity at 31 March 2011	7,092,414	9,621,181	(3,747,888)	12,965,707
Total comprehensive income for the year:				
Loss for the year	-	-	(495,959)	(495,959)
Total comprehensive loss for the year	-	-	(495,959)	(495,959)
Shares issued for cash	4,500	19,073	-	23,573
Share issue costs	-	(6,023)	-	(6,023)
Equity at 31 March 2012	7,096,914	9,634,231	(4,243,847)	12,487,298

Statement of cash flows of the group

	Notes	Year ended 31 March 2012 £	Year ended 31 March 2011 £
Operating activities			
Profit/(loss) for the period		19,386,555	(1,445,657)
Adjustments for non-cash items:			
Investment revenue	6	(49,041)	(19,308)
Finance costs	7	113,899	117,014
Share of loss of associate	14	3,484,140	1,104,453
Gain on deemed disposal in associate	14	(23,374,274)	(294,560)
Foreign exchange loss		41,914	61,919
		(396,807)	(476,139)
Movements in working capital			
Increase in receivables		(42,522)	(14,142)
Increase/(decrease) in payables		7,047	(26,721)
Net cash used in operating activities		(432,282)	(517,002)
Investing activities			
Investment revenue	6	48,502	18,736
Mineral property development	10	(112,459)	(107,850)
Net cash used in investing activities		(63,957)	(89,114)
Financing activities			
Net proceeds from issue of shares		17,550	1,573,208
Net cash generated from financing activities		17,550	1,573,208
Net (decrease)/increase in cash and cash equivalents		(478,689)	967,092
Cash and cash equivalents at start of period		3,671,247	2,766,074
Foreign exchange movement		(41,914)	(61,919)
Cash and cash equivalents at end of period	17	3,150,644	3,671,247

Statement of cash flows of the company

	Notes	Year ended 31 March 2012 £	Year ended 31 March 2011 £
Operating activities			
Loss for the period	23	(495,959)	(602,231)
Adjustments for non-cash items:			
Investment revenue		(26,969)	(3,545)
Finance costs		113,899	117,014
		(409,029)	(488,762)
Movements in working capital			
Increase in receivables		(9,040)	(10,777)
Decrease/(increase) in payables		7,047	(65,994)
Net cash used in operating activities		(411,022)	(565,533)
Investing activities			
Interest received		26,969	3,545
Investments and long term loans		(161,904)	(31,500)
Net cash used in investing activities		(134,935)	(27,955)
Financing activities			
Net proceeds from issue of shares		17,550	1,573,208
Inter-company loan received		93,600	511,216
Net cash generated from financing activities		111,150	2,084,424
Net (decrease)/increase in cash and cash equivalents		(434,807)	1,490,936
Cash and cash equivalents at start of period		1,498,137	7,201
Cash and cash equivalents at end of period		1,063,330	1,498,137

1 General information

Anglesey Mining plc is domiciled and incorporated in the United Kingdom under the Companies Act. The nature of the group's operations and its principal activities are set out in note 3 and in the business review section of the directors' report. The registered office address is as shown on the rear cover.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the group has been operating. Foreign operations are included in accordance with the policies set out in note 2.

2 Significant accounting policies

Basis of Accounting

The group and company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and therefore the group financial statements comply with Article 4 of the EU IAS Regulation.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

Going concern

The financial statements are prepared on a going concern basis. The validity of the going concern basis is dependent on finance being available for the continuing working capital requirements of the group for a period of twelve months from the date of approval of the accounts. For the reasons set out in the directors' report, the directors believe that the going concern basis is appropriate for these accounts.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries) made up to 31 March each year. Control is achieved where the company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the income statement in the period of acquisition. The results of subsidiaries acquired or disposed of during the year are included in the group income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

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

Investment in associate

An associate is an entity over which the group exercises, or is in a position to exercise, significant influence, but not control or joint control, through participation in the financial or operating policy of the investee. In considering the degree of control, any options or warrants over ordinary shares which are capable of being exercised at the period end are taken into consideration.

Where material, the results and assets and liabilities of associates are incorporated in the financial statements using the equity method of accounting, except when these associates are classified as held for sale. Investments in associates are carried in the statement of financial position at cost adjusted by any material post-acquisition changes in the net assets of the associates, less any impairment of value in the individual investments.

Revenue recognition

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Foreign currencies

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the period end date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period.

On consolidation, the assets and liabilities of the group's overseas operations are translated at exchange rates prevailing on the period end date. Exchange differences arising, if any, are classified as equity and transferred to the group's translation reserve. Such translation differences are recognised as income or as expense in the period in which the operation is disposed.

Significant accounting policies - continued

Segmental analysis

Operating segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision-maker.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. There are no defined benefit retirement schemes.

Equity-settled employee benefits

The group provides equity-settled benefits to certain employees. Equity-settled employee benefits are measured at fair value at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured by use of a Black-Scholes model. The expected life used in the model has been adjusted from the longer historical average life, based on directors' estimates of the effects of non-transferability, exercise restrictions, market conditions, age of recipients and behavioural considerations.

Taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the period end liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of any deferred tax assets is reviewed at each period end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Property, plant and equipment

The group's freehold land is stated in the statement of financial position at cost. The directors consider that the residual value of buildings, based on prices prevailing at the date of acquisition, is such that any depreciation would not be material. The carrying value is reviewed annually and any impairment in value would be charged immediately to the income statement.

Plant, equipment, fixtures and motor vehicles are stated in the statement of financial position at cost, less depreciation. Depreciation is charged on a straight line basis at the following annual rates: plant and equipment 25% and motor vehicles 25%. Residual values and the useful lives of these assets are also reviewed annually.

Intangible assets - mineral property development costs

Intangible assets are stated in the statement of financial position at cost, less accumulated amortisation and provisions for impairment.

Costs incurred prior to obtaining the legal rights to explore a mineral property are expensed immediately to the income statement. Mineral property development costs are capitalised until the results of the projects, which are usually based on geographical areas, are known. Mineral property development costs include an allocation of administrative and management costs as determined appropriate to the project by management.

Where a project is successful, the related exploration costs are amortised over the life of the estimated mineral reserve on a unit of production basis. Where a project is terminated, the related exploration costs are expensed immediately. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Impairment of tangible and intangible assets

The values of mineral properties are reviewed annually for indications of impairment and when these are present a review to determine whether there has been any impairment is carried out. They are written down when any impairment in their value has occurred and are written off when abandoned. Where a provision is made or reversed it is dealt with in the income statement in the period in which it arises.

Significant accounting policies – continued

Investments

Investments in subsidiaries are shown at cost less provisions for impairment in value. Income from investments in subsidiaries together with any related withholding tax is recognised in the income statement in the period to which it relates.

Provisions

Provisions are recognised when the group has a present obligation as a result of a past event and it is probable that the group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle that obligation at the end of the reporting period and are discounted to present value where the effect is material.

Financial instruments

Financial assets and liabilities are initially recognised and subsequently measured based on their classification as "loans and receivables" or "other financial liabilities".

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except where they mature more than 12 months after the period end date: these are classified as non-current assets.

(a) *Trade and other receivables.* Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired.

(b) *Cash and cash equivalents.* The group considers all highly liquid investments which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents. The management believes that the carrying amount of cash equivalents approximates fair value because of the short maturity of these financial instruments.

(c) *Trade and other payables.* Trade payables are not interest bearing and are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

(d) *Deposits.* Deposits are recognised at fair value on initial recognition and are subsequently measured at amortised cost using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Mining lease payments are recognised as an operating expense in the income statement on a straight line basis over the lease term. There are no finance leases or other operating leases.

New accounting standards

The group and company have adopted the amendments to the following interpretation;

- IFRS 19 Extinguishing Liabilities with Equity Instruments; Effective annual periods beginning on or after 1 July 2010

The amendments resulting from the May 2010 annual improvement projects have also been adopted in the year. These amendments are to IFRS 3, IFRS 7, IAS 1, IAS 24, IAS 27 and IAS 34.

The impact of adopting the interpretation and amendments has been purely presentational.

The group and the company have not applied the following IFRS, IAS and IFRICs that are applicable and have been issued but are not yet effective.

- IFRS 7 Financial Instruments: Amendments enhancing disclosure about transfers of financial assets; Issued – October 2010; Effective – Annual period beginning on or after 1 January 2011
- IFRS 7 Financial Instruments: Amendments related to the offsetting of assets and liabilities; Issued – December 2011; Effective – Annual periods beginning on or after 1 July 2011
- IFRS 9 Financial Instruments; Original issue; Issued – November 2009; Effective – Annual periods beginning on or after 1 January 2015
- IFRS 10 Consolidated Financial Statements: Original issue; Issued – May 2011; Effective – Annual periods beginning on or after 1 January 2013
- IFRS 11 Joint Arrangements: Original issue; Issued – May 2011; Effective – Annual periods beginning on or after 1 January 2013

Significant accounting policies – continued

- IFRS 12 Disclosure of Interests in Other Entities: Original issue; Issued – May 2011; Effective – Annual periods beginning on or after 1 January 2013
- IFRS 13 Fair Value Measurement: Original issue; Issued – May 2011; Effective – Annual periods beginning on or after 1 January 2013
- IAS 1 Presentation of Financial Statements: Amendments to revise the way other comprehensive income is presented; Issued – June 2011; Effective – Annual periods beginning on or after 1 July 2012
- IAS 12 Income Taxes: Limited scope amendments (recovery of underlying assets); Issued – December 2010; Effective – Annual periods beginning on or after 1 January 2012
- IAS 19 Employee Benefits: Amendment standard resulting from the post-employment benefits and termination projects; Amended – June 2011; Effective – Annual periods beginning on or after 1 January 2013
- IAS 27 Separate Financial Statements (as amended in 2011): Original issue; Issued – May 2011; Effective – Annual periods beginning on or after 1 January 2013
- IAS 28 Investments in Associated and Joint Ventures: Original issue; Issued – May 2011; Effective – Annual periods beginning on or after 1 January 2013
- IAS 32 Financial Instruments: Presentation: Amendments relating to the offsetting of assets and liabilities; Issued – December 2011; Effective – Annual periods beginning on or after January 2014
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine: Effective – Annual periods beginning on or after 1 January 2013

The directors expect that the adoption of the above pronouncements will have no material impact to the financial statements in the period of initial application other than disclosure.

There have been no other new or revised International Financial Reporting Standards, International Accounting Standards or Interpretations that are in effect since that last annual report that have a material impact on the financial statements.

Judgements made in applying accounting policies and key sources of estimation uncertainty

The following critical judgements have been made in the process of applying the group's accounting policies:

(a) The directors' believe, after careful consideration, that the group could influence but does not control the activities and operations of Labrador Iron Mines Holdings Limited (LIM), and that it is correctly accounted for on an equity basis as an associate company.

(b) In determining the treatment of exploration, evaluation and development expenditures the directors are required to make estimates and assumptions as to future events and circumstances. There are uncertainties inherent in making such assumptions, especially with regard to: ore resources and the life of a mine; recovery rates; production costs; commodity prices and exchange rates. Assumptions that are valid at the time of estimation may change significantly as new information becomes available and changes in these assumptions may alter the economic status of a mining unit and result in resources or reserves being restated. Operation of a mine and the receipt of cashflows from it are dependent on finance being available to fund the development of the property.

(c) In connection with possible impairment of assets the directors assess each potentially cash generating unit annually to determine whether any indication of impairment exists. The judgements made when doing so are similar to those set out above and are subject to the same uncertainties.

Nature and purpose of equity reserves

The share premium reserve represents the consideration that has been received in excess of the nominal value of shares on issue of new ordinary share capital.

The currency translation reserve represents the revaluation of overseas foreign subsidiaries and associates.

The retained earnings reserve represents profits and losses retained in previous and the current period.

3 Segmental information

The group is engaged in the business of operating the Labrador iron project in eastern Canada in which it had a 26% interest at 31 March 2012 and developing the wholly-owned Parys Mountain project in North Wales. In the opinion of the directors, the group's activities comprise one class of business which is mine development. The group reports geographical segments; these are the basis on which information is reported to the board.

Income statement analysis

	2012			2011		
	UK	Canada - associate	Total	UK	Canada - associate	Total
	£	£	£	£	£	£
Expenses	(396,807)	-	(396,807)	(476,139)	-	(476,139)
Share of loss in associate	-	(3,484,140)	(3,484,140)	-	(1,104,453)	(1,104,453)
Gain on deemed disposals	-	23,374,274	23,374,274	-	294,560	294,560
Investment income	49,041	-	49,041	19,308	-	19,308
Finance costs	(113,899)	-	(113,899)	(117,014)	-	(117,014)
Exchange rate loss	(41,914)	-	(41,914)	(61,919)	-	(61,919)
Loss/(profit) for the year	(503,579)	19,890,134	19,386,555	(635,764)	(809,893)	(1,445,657)

Assets and liabilities

	31 March 2012			31 March 2011		
	UK	Canada - associate	Total	UK	Canada - associate	Total
	£	£	£	£	£	£
Assets	17,797,825	41,240,859	59,038,684	17,920,142	21,073,132	38,993,274
Liabilities	(3,274,221)	-	(3,274,221)	(2,910,509)	-	(2,910,509)
Net assets	14,523,604	41,240,859	55,764,463	15,009,633	21,073,132	36,082,765

4 Operating result

The operating result for the year has been arrived at after charging:

	2012	2011
	£	£
Fees payable to the group's auditors:		
for the audit of the annual accounts	28,871	27,795
for the audit of subsidiaries' accounts	5,000	5,000
for other services - taxation	9,547	15,000
Directors' remuneration	112,297	92,478
Foreign exchange loss	41,914	61,919

5 Staff costs

The average monthly number of persons employed (including executive directors) was:

	2012	2011
Administrative	3	3
	3	3

Their aggregate remuneration was:	£	£
Wages and salaries	73,297	53,478
Social security costs	12,868	58,308
Other pension costs	20,000	20,547
	106,165	132,333

Details of directors' remuneration and share options are given in the directors' remuneration report.

6 Investment income

	2012	2011
	£	£
Loans and receivables		
Interest on bank deposits	48,502	18,736
Interest on site re-instatement deposit	539	572
	49,041	19,308

7 Finance costs

	2012	2011
Loans and payables	£	£
Loan interest to Juno Limited	113,899	117,014

8 Taxation

Activity during the year has generated trading losses for taxation purposes which may be offset against investment income and other revenues. Accordingly no provision has been made for Corporation Tax. There is an unrecognised deferred tax asset at 31 March 2012 of £1.2 million *(2011 - £1.1 million)* which, in view of the group's trading results, is not considered by the directors to be recoverable in the short term. There are also capital allowances, including mineral extraction allowances, of £11.8 million unclaimed and available at 31 March 2012 *(2011 - £11.4 million)*. No deferred tax asset is recognised in respect of these allowances.

	2012	2011
	£	£
Current tax	-	-
Deferred tax	-	-
Total tax	-	-

Domestic income tax is calculated at 26% of the estimated assessed profit for the year. In 2011 the rate used was 28% and the change this year is due to a change in Corporation Tax rates. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the accounting profit or loss as follows:

Profit/(loss) for the year	19,386,555	(1,445,657)
Tax at the domestic income tax rate of 26% (2011 - 28%)	5,040,504	(404,784)
Tax effect of:		
Expenses that are not deductible in determining taxable result	-	271
Gains on deemed disposals in associate	(6,077,311)	(82,477)
Share of loss of associate	905,876	309,247
Tax losses for which no deferred tax asset was recognised	130,931	177,743
Total tax	-	-

9 Earnings per ordinary share

	2012	2011
	£	£
Earnings		
Profit/(loss) for the year	19,386,555	(1,445,657)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	158,403,406	154,199,146
Shares deemed to be issued for no consideration in respect of employee options	8,884,238	-
Weighted average number of ordinary shares for the purposes of diluted earnings per share	167,287,644	154,199,146
Basic earnings per share	12.2p	(0.9)p
Diluted earnings per share	11.6p	(0.9)p

10 Mineral property development costs - group

	Parys Mountain	Dolaucothi	Total
Cost	**£**	**£**	**£**
At 1 April 2010	13,792,743	194,065	13,986,808
Additions - site	27,693	-	27,693
Additions - rentals & charges	80,157	-	80,157
At 31 March 2011	13,900,593	194,065	14,094,658
Additions - site	259,156	-	259,156
Additions - rentals & charges	96,069	-	96,069
Write off	-	(194,065)	(194,065)
At 31 March 2012	14,255,818	-	14,255,818
Impairment provision			
At 1 April 2010 and 2011	-	(194,065)	(194,065)
Write back	-	194,065	194,065
At 31 March 2012	-	-	-
Carrying amount			
Net book value 2012	14,255,818	-	14,255,818
Net book value 2011	*13,900,593*	-	*13,900,593*

Included in the additions are mining lease expenses of £11,225 *(2011 - £10,925).*

The Parys Mountain property is currently being explored and evaluated and there are no grounds to believe that the discounted present value of the future cash flows from the project is less than the carrying value, so no impairment review has been presented.

11 Property, plant and equipment

Group	**Freehold land and property**	**Plant & equipment**	**Office equipment**	**Total**
Cost	**£**	**£**	**£**	**£**
At 1 April 2010	204,687	17,434	5,487	227,608
At 31 March 2010, 2011 and 2012	204,687	17,434	5,487	227,608
Depreciation				
At 1 April 2010	-	17,434	5,487	22,921
At 31 March 2010, 2011 and 2012	-	17,434	5,487	22,921
Carrying amount				
At 31 March 2010, 2011 and 2012	204,687	-	-	204,687

Property, plant and equipment - continued

Company	Freehold land and property	Plant & equipment	Office equipment	Total
Cost	£	£	£	£
At 1 April 2010	-	17,434	5,487	22,921
At 31 March 2010, 2011 and 2012	-	17,434	5,487	22,921
Depreciation				
At 1 April 2010	-	17,434	5,487	22,921
At 31 March 2010, 2011 and 2012	-	17,434	5,487	22,921
Carrying amount				
At 31 March 2010, 2011 and 2012	-	-	-	-

12 Subsidiaries - company

The subsidiaries of the company at 31 March 2011 and 2012 were as follows:

Name of company	Country of incorporation	Percentage owned	Principal activity
Labrador Iron plc	Isle of Man	100%	Holder of the company's investment in Labrador Iron Mines Holdings Limited, an associated company
Anglo Canadian Exploration (Ace) Limited	England & Wales	100%	Holder of the Dolaucothi property
Parys Mountain Mines Limited	England & Wales	100%	Development of the Parys Mountain mining property
Parys Mountain Land Limited	England & Wales	100%	Holder of part of the Parys Mountain property
Parys Mountain Heritage Limited	England & Wales	100%	Holder of part of the Parys Mountain property

13 Investments - company

	Shares at cost	Loans	Total
	£	£	£
At 1 April 2010	100,103	14,009,884	14,109,987
Advanced	-	31,500	31,500
Repaid	-	(511,216)	(511,216)
At 31 March 2011	100,103	13,530,168	13,630,271
Advanced	-	161,904	161,904
Repaid	-	(93,600)	(93,600)
At 31 March 2012	100,103	13,598,472	13,698,575

The realisation of investments is dependent on finance being available for development and other factors as set out in more detail in note 10.

No interest was charged in the year on inter-company loans.

14 Investment in associate

At 31 March 2012 the group had a 26% interest in Labrador Iron Mines Holdings Limited (LIM), a company registered in Ontario Canada, which is independently managed and is accounted for in these financial statements as an associate company. LIM is the 100% owner and operator of a series of iron ore properties in Labrador and Quebec, many of which were formerly held and initially explored by the group.

At 31 March 2011 the group's interest in LIM was 40%, however following further issues of shares by LIM in April and May 2011 and March 2012, the group's interest was reduced to 26%. The fully diluted interest of the group was 25% *(2011 - 38%)*. The group's holding of 17,789,100 LIM shares has remained unchanged since 31 March 2010.

	31 March 2012	31 March 2011
	£	£
Values in group financial statements:		
Value brought forward from previous period	21,073,132	21,868,314
Group's share of (losses), adjusted to eliminate any fair value uplift in associate's accounts	(3,484,140)	(1,104,453)
Group's share of equity-settled benefits included in (losses) above and now added back	657,420	374,984
Profit on deemed disposals following LIM share issues	23,374,274	294,560
Exchange rate movement	(379,827)	(360,273)
Amount carried in the group accounts - being the value of group's share of net assets of the associate without any fair value adjustment in respect of mineral properties	41,240,859	21,073,132

The group's interest in LIM is held in these financial statements at original cost to the group, adjusted by material post-acquisition changes in the net assets of the associate and any impairment of value in the individual investments. It is adjusted to reflect the exchange rate current at the end of the accounting period.

The profit on deemed disposal shown above is an adjustment to the group's carrying value of the associate arising as a result of LIM's issue of new shares. This dilutes the group's holding in LIM, however since the shares were issued at a price per share which exceeds the group's carrying value per share, the effect on the group's investment is an increase in the carrying value.

The published fair value of the group's investment in LIM at 31 March 2012 is £51 million *(2011 - £156 million).* This is derived by valuing the group's shareholding in LIM at the LIM share price quoted in Toronto on 31 March 2012 of C$4.59 *(2011 - $13.69)* per common share.

At 5 July 2012 the published fair value of the group's investment in LIM was £28 million based on a share price of C$2.57 per common share at that date. The carrying value of the interest in LIM would be affected by this price only if there were considered to be an impairment of the underlying assets to LIM or a disposal of LIM.

The directors have considered whether there has been any impairment to the carrying value of the group's investment in LIM; in their opinion there is none.

Values as shown in the published accounts of the associate (100%) including a fair value uplift in respect of mineral properties, after conversion into sterling:	31 March 2012 £	31 March 2011 £
Total assets	238,839,086	144,330,241
Total liabilities	(29,348,232)	(32,512,158)
Total net assets	209,490,854	111,818,083
	2012	**2011**
Revenues	-	-
(Loss) for the year	(9,285,932)	(2,512,113)

Investment in associate – continued

Reconciliation of values shown in the associate's published accounts with the group accounts	**C$**	**C$**
Shareholders' equity in associate	$333,090,458	$174,436,210
Less: fair value uplift net of tax - see note below	$(84,891,020)	$(92,773,711)
	$248,199,438	$81,662,499
Group share - 26% (2011 - 40%)	$65,572,966	$32,874,088
Group carrying value after conversion to sterling	£41,240,859	£21,073,132

In the financial statements of LIM the Labrador mineral properties are carried at a fair value derived from the value ascribed to the Labrador companies in the December 2007 Canadian flotation, after subsequent adjustments. If the group were to use a similar basis for its accounts, its share of this fair value uplift, net of tax, would add approximately £14 million *(2011 - £24 million)* to group net assets.

The associated undertakings of the group were as follows:

Name of company	**Country of incorporation**	**Percentage owned 31 March 2012**	**31 March 2011**	**Principal activity**
Labrador Iron Mines Holdings Limited (LIM)	Canada	26%	40%	Holding company
Labrador Iron Mines Limited, a 100% owned subsidiary of LIM	Canada	26%	40%	Development of iron mines in Labrador
LabRail Inc, a 100% owned subsidiary of LIM	Canada	26%	40%	Transport operations
Centre Ferro Ltd, a 100% owned subsidiary of LIM	Canada	26%	40%	Property holding
Schefferville Mines Inc, a 100% owned subsidiary of LIM	Canada	26%	40%	Development of iron mines in Quebec

The group holds its interest in these associated companies through Labrador Iron plc, a 100% owned subsidiary.

15 Deposit

	Group		**Company**	
	2012	**2011**	**2012**	**2011**
	£	**£**	**£**	**£**
Site re-instatement deposit	121,685	121,146	-	-

This deposit was required and made under the terms of a Section 106 Agreement with the Isle of Anglesey County Council which has granted planning permissions for mining at Parys Mountain. The deposit is refundable upon restoration of the permitted area to the satisfaction of the Planning Authority. The carrying value of the deposit approximates to its fair value.

16 Other receivables

	Group		**Company**	
	2012	**2011**	**2012**	**2011**
	£	**£**	**£**	**£**
Other	64,991	22,469	24,071	15,031

The carrying value of the receivables approximates to their fair value.

17 Cash

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Held in sterling	1,092,216	1,498,838	1,063,330	1,498,137
Held in Canadian dollars	2,058,428	2,172,409	-	-
	3,150,644	3,671,247	1,063,330	1,498,137

The carrying value of the cash approximates to its fair value.

18 Trade and other payables

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	(207,331)	(32,319)	(41,021)	(30,494)
Property royalties and rentals - note 26 d	(759,680)	(681,398)	-	-
Taxes	(30,398)	(33,881)	(30,398)	(33,881)
Other accruals	(43,552)	(43,550)	(35,999)	(35,996)
	(1,040,961)	(791,148)	(107,418)	(100,371)

The carrying value of the trade and other payables approximates to their fair value.

19 Loan

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Loan from Juno Limited	(2,191,260)	(2,077,361)	(2,191,260)	(2,077,361)

The loan from Juno Limited is provided under a working capital agreement, denominated in sterling, unsecured and carries interest at 10% per annum on the principal only. It is repayable from any future financing undertaken by the company, or on demand following a notice period of 367 days. The terms of the facility were approved by an independent committee of the board. The carrying value of the loan approximates to its fair value.

20 Long term provision

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Provision for site reinstatement	(42,000)	(42,000)	-	-

The provision for site reinstatement covers the estimated costs of reinstatement at the Parys Mountain site of the work done and changes made by the group up to the date of the accounts. These costs would be payable on completion of mining activities (which is estimated to be in more than 20 years' time) or on earlier abandonment of the site. There are significant uncertainties inherent in the assumptions made in estimating the amount of this provision, which include judgements of changes to the legal and regulatory framework, magnitude of possible contamination and the timing, extent and costs of required restoration and rehabilitation activity. There has been no movement during the year.

21 Share capital

	Ordinary shares of 1p		Deferred shares of 4p		Total
	Nominal value £	Number	Nominal value £	Number	Nominal value £
Issued and fully paid					
At 1 April 2010	1,531,581	153,158,051	5,510,833	137,770,835	7,042,414
Issued 14 January 2011	50,000	5,000,000	-	-	50,000
At 31 March 2011	1,581,581	158,158,051	5,510,833	137,770,835	7,092,414
Issued 5 April 2011	2,500	250,000	-	-	2,500
Issued 22 March 2012	2,000	200,000			2,000
At 31 March 2012	1,586,081	158,608,051	5,510,833	137,770,835	7,096,914

The deferred shares are non-voting, have no entitlement to dividends and have negligible rights to return of capital on a winding up.

The issues of shares on 5 April 2011 and 22 March 2012 were in respect of the exercise of directors' share options for total proceeds to the group of £23,573.

22 Equity-settled employee benefits

2004 Unapproved share option plan

The group plan provides for a grant price equal to or above the average quoted market price of the ordinary shares for the three trading days prior to the date of grant. All options granted to date have carried a performance criterion, namely that the company's share price performance from the date of grant must exceed that of the companies in the top quartile of the FTSE 100 index. The vesting period for any options granted since 2004 has been one year. If the options remain unexercised after a period of 10 years from the date of grant, they expire. Options are forfeited if the employee leaves employment with the group before the options vest.

		2012		2011
	Options	Weighted average exercise price in pence	Options	Weighted average exercise price in pence
Outstanding at beginning of period	12,000,000	10.69	14,500,000	10.07
Granted during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Exercised during the period	450,000	5.24	2,500,000	7.13
Expired during the period	-	-	-	-
Outstanding at the end of the period	11,550,000	10.90	12,000,000	10.69
Exercisable at the end of the period	11,550,000	10.90	12,000,000	10.69

No options were granted, forfeited or expired during the year or the prior year. The options outstanding at 31 March 2012 had a weighted average exercise price of 10.90 pence *(2011 – 10.69 pence)*, and a weighted average remaining contractual life of 4.0 years *(2011 – 5 years)*. As all options had vested by 31 March 2010, the group recognised no expenses in respect of equity-settled employee remuneration in respect of the years ended 31 March 2011 and 2012.

A summary of options granted and outstanding, all of which are over ordinary shares of 1 pence, is as follows:

Scheme	Number	Nominal Value £	Exercise price	Exercisable from	Exercisable until
2004 Unapproved	5,500,000	55,000	4.13p	22 October 2004	21 October 2014
2004 Unapproved	1,550,000	15,500	10.625p	15 January 2007	14 January 2016
2004 Unapproved	3,800,000	38,000	21.90p	26 November 2008	26 November 2017
2004 Unapproved	700,000	7,000	5.00p	27 March 2010	27 March 2019
Total	11,550,000	115,500			

23 Results attributable to Anglesey Mining plc

The loss after taxation in the parent company amounted to £495,959 *(2011 loss £602,231)*. The directors have taken advantage of the exemptions available under section 408 of the Companies Act 2006 and not presented an income statement for the company alone.

24 Financial instruments

Capital risk management

There have been no changes during the year in the group's capital risk management policy.

The group manages its capital to ensure that entities in the group will be able to continue as going concerns while optimising the debt and equity balance. The capital structure of the group consists of debt, which includes the borrowings disclosed in note 19, the cash and cash equivalents and equity comprising issued capital, reserves and retained earnings.

The group does not enter into derivative or hedging transactions and it is the group's policy that no trading in financial instruments be undertaken. The main risks arising from the group's financial instruments are currency risk and interest rate risk. The board reviews and agrees policies for managing each of these risks and these are summarised below.

Interest rate risk

The Juno loans are at a fixed rate of interest of 10% per annum and as a result the group is not exposed to interest rate fluctuations. Interest received on cash balances is not material to the group's operations or results.

Liquidity risk

The group has ensured continuity of funding through a mixture of issues of shares, sales of shares in the group's associate LIM and the working capital agreement with Juno Limited.

Trade creditors are payable on normal credit terms which are usually 30 days. The loans due to Juno carry a notice period of 367 days; in keeping with its practice since drawdown commenced more than 10 years ago, Juno has indicated that it has no current intention of demanding repayment and no such notice had been received by 5 July 2012. However the Juno loan is classified as having a maturity date between one and two years from the period end date.

Currency risk

The functional currency of the company is pounds sterling. The loan from Juno Limited is denominated in pounds sterling. As a result, the group has no currency exposure in respect of this loan.

At the year end the group held C$3,272,849 in Canadian dollars, equivalent to £2,058,428. If the rate of exchange between Canadian dollars and sterling were to move against sterling by 10% there would be a loss to the group of £187,000 and if it were to move in favour of sterling by a similar amount there would be a gain of £229,000.

The company (Anglesey Mining plc) is not exposed to interest rate risks.

Credit risk

The directors consider that the entity has limited exposure to credit risk as the entity has immaterial receivable balances at the year-end on which a third party may default on its contractual obligations. The carrying amount of the group's financial assets represents its maximum exposure to credit risk. Cash is deposited with BBB or better rated banks.

The financial instruments of the group and the company are:

	Group				Company			
	Loans & receivables		Other financial liabilities		Loans & receivables		Other financial liabilities	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	£	£	£	£	£	£	£	£
Financial assets								
Deposit	121,685	121,146	-	-	-	-	-	-
Other debtors	64,991	22,469	-	-	24,071	15,031	-	-
Cash and cash equivalents	3,150,644	3,671,247	-	-	1,063,330	1,498,137	-	-
Financial liabilities								
Trade creditors	-	-	(207,331)	(32,319)	-	-	(41,021)	(30,494)
Loans due to Juno	-	-	(2,191,260)	(2,077,361)	-	-	(2,191,260)	(2,077,361)
	3,337,320	3,814,862	(2,398,591)	(2,109,680)	1,087,401	1,513,168	(2,232,281)	(2,107,855)

25 Related party transactions

Transactions between Anglesey Mining plc and its subsidiaries are summarised in note 13.

Juno Limited

Juno Limited (Juno) which is registered in Bermuda holds 36.5% of the company's issued ordinary share capital. The group has the following agreements with Juno: (a) a controlling shareholder agreement dated September 1996 and (b) a consolidated working capital agreement of 12 June 2002. Interest payable to Juno is shown in note 7 and the balance due to Juno is shown in note 19. There were no transactions between the group and Juno or its group during the year other than the accrual of interest due to Juno. Danesh Varma is a director and, through his family interests, a significant shareholder of Juno.

Labrador Iron

Labrador Iron Mines Holdings Limited (LIM) is a related party. There are no transactions between LIM, the group and the company which are required to be disclosed.

John Kearney is chairman of LIM, Bill Hooley is a director and chief operations officer of LIM and Danesh Varma is chief financial officer of LIM. All three are shareholders of LIM, are entitled to remuneration from LIM and have been granted options over the shares of LIM.

Key management personnel

All key management personnel are directors and appropriate disclosure with respect to them is made in the directors' remuneration report. There are no other contracts of significance in which any director has or had during the year a material interest.

26 Mineral holdings

Parys

(a) Most of the mineral resources delineated to date are under the western portion of Parys Mountain, the freehold and minerals of which are owned by the group. A royalty of 6% of net profits after deduction of capital allowances, as defined for tax purposes, from production of freehold minerals is payable. The mining rights over and under this area, and the leasehold area described in (b) below, are held in the Parys Mountain Mines Limited subsidiary.

(b) Under a lease from Lord Anglesey dated December 2006, the subsidiary Parys Mountain Land Limited holds the eastern part of Parys Mountain, formerly known as the Mona Mine. An annual certain rent of £5,725 is payable for the year beginning 23 March 2011; the base part of this rent increases to £10,000 from 23 March 2012 and to £20,000 when extraction of minerals at Parys Mountain commences; all of these rental figures are index-linked. A royalty of 1.8% of net smelter returns from mineral sales is also payable. The lease may be terminated at 12 months' notice and otherwise terminates in 2070.

(c) Under a mining lease from the Crown dated December 1991 there is an annual lease payment of £5,000. A royalty of 4% of gross sales of gold and silver from the lease area is also payable. The lease may be terminated at 12 months' notice and otherwise terminates in 2020.

(d) A royalty agreement with Intermine Limited required annual payments of C$50,000 (approximately £31,000) until production commences at the Parys Mountain mine and a royalty of 4% of net profits (as defined after various deductions) generated from production at the mine. The royalty agreement also provided an option to buy out the royalty and advance payments.

The agreement may be terminated at 12 months' notice on abandonment of the property. At 31 March 2012 the group had not paid all of the amounts under this agreement. Intermine Limited holds a charge over the mining rights held by Parys Mountain Mines Limited to secure the payment of royalties in respect of minerals produced in the areas described in (a) and (b) above.

In July 2012 an agreement was reached with Intermine Limited in respect of this net profits royalty. A cash payment of C$1,000,000 (£630,000) was made and 2,000,000 ordinary shares in the company issued to discharge the amount due to Intermine of £759,680 at 31 March 2012 and to buy out and cancel the royalty in its entirety and release the charge.

Dolaucothi

Under a mining lease from the Crown dated August 1997, a subsidiary, Anglo Canadian Exploration (Ace) Limited, had an obligation to make annual lease payments of £4,200 and to pay a royalty of 4% of gross sales of gold and silver from production at the Dolaucothi mine. This lease terminated in May 2012 and no further amounts are payable.

Lease payments

All the group's leases and the royalty agreement may be terminated with 12 months' notice. If they are not so terminated, the minimum payments due in respect of the leases and royalty agreement are analysed as follows: within the year commencing 1 April 2012 - £46,500; between 1 April 2013 and 31 March 2018 - £236,000. Thereafter the payments will continue at proportionate annual rates, in some cases with increases for inflation, so long as the leases and royalty agreement are retained or extended.

27 Material non cash transactions

There were no material non-cash transactions in the year.

28 Commitments

Other than commitments under leases (note 26) there is no capital expenditure authorised or contracted which is not provided for in these accounts *(2011 - nil)*.

29 Contingent liabilities

There are no contingent liabilities *(2011 - nil)*.

30 Events after the period end

Since the year end the market value of the group's shareholding in LIM has fallen below the amount at which it is held in the statement of financial position – see note 14.

In July 2012 an agreement was reached with Intermine Limited. A cash payment of C$1,000,000 (£630,000) was made and 2,000,000 ordinary shares in the company issued – see note 26(d).

Otherwise there are no events after the period end to report.

Notice is given that the 2012 annual general meeting of the company will be held at the offices of the company's lawyers, DLA Piper UK LLP, One London Wall, London, EC2Y 5BD on 6 September 2012 at 11.00 a.m. to consider and, if thought fit, to pass the following resolutions. Resolutions 1 to 11 will be proposed as ordinary resolutions and resolution 12 will be proposed as a special resolution:

As ordinary business:

1. To receive the annual accounts and directors' and auditors' reports for the year ended 31 March 2012.
2. To approve the directors' remuneration report for the year ended 31 March 2012.
3. To reappoint John F. Kearney as a director.
4. To reappoint Bill Hooley as a director.
5. To reappoint Ian Cuthbertson as a director.
6. To reappoint David Lean as a director.
7. To reappoint Howard Miller as a director.
8. To reappoint Roger Turner as a director.
9. To reappoint Danesh Varma as a director.
10. To reappoint Mazars LLP as auditors.
11. To authorise the directors to determine the remuneration of the auditors.

As special business

12. That pursuant to section 570 of the Companies Act 2006 ("Act"), the directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted under section 551 of the Act at the 2010 AGM as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

    (a) in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise) (i) to holders of ordinary shares in the capital of the company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and (ii) to holders of other equity securities in the capital of the company, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

    (b) otherwise than pursuant to paragraph 12(a) above, up to an aggregate nominal amount of £396,000.

And (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next annual general meeting of the company after the passing of this resolution or on 6 December 2013 (whichever is the earlier), save that the company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired. This power is in substitution for all existing powers under s570 of the Act which, to the extent effective at the date of this resolution, are revoked with immediate effect.

By order of the board
Ian Cuthbertson
Company secretary
24 July 2012

Notes to the notice of AGM

Entitlement to attend and vote

1. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at 11.00 a.m. on 4 September 2012 (or, if the meeting is adjourned, 48 hours before the date and time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

Proxies

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a member of the Company. A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid. A proxy may only be appointed in accordance with the procedures set out in note 3 and the notes to the proxy form. The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.
3. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar Capita Registrars, Proxies, The Registry, 34 Beckenham Road, Kent BR3 4TU or the proxy form may be photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed. To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, Capita Registrars, Proxies, The Registry, 34 Beckenham Road, Kent BR3 4TU, no later than 11.00 a.m. on 4 September 2012 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).

Corporate representatives

4. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

Total voting rights

5. As at 20 July 2012 (being the last practicable date before the publication of this notice), the issued share capital consists of 158,608,051 ordinary shares of £0.01 each, carrying one vote each and 21,529,451 Deferred A Shares and 116,241,384 Deferred B Shares which do not carry any rights to vote. Therefore, the total voting rights as at 20 July 2012 are 158,608,051.

Nominated Persons

6. Where a copy of this notice is being received by a person who has been nominated to enjoy information rights under section 146 of the Companies Act 2006 ("Act") ("Nominated Person"):

   (a) the Nominated Person may have a right under an agreement between him/her and the shareholder by whom he/she was nominated, to be appointed, or to have someone else appointed, as a proxy for the meeting; or

   (b) if the Nominated Person has no such right or does not wish to exercise such right, he/she may have a right under such an agreement to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in note 2 does not apply to a Nominated Person. The rights described in such notes can only be exercised by shareholders of the Company.

Website publication of audit concerns

7. A shareholder or shareholders having a right to vote at the meeting and holding at least five per cent of the total voting rights of the company (see note 5 above) or at least 100 shareholders having a right to vote at the meeting and holding, on average, at least £100 of paid up share capital, may require the company to publish on its website a statement setting out any matter that such shareholders propose to raise at the meeting relating to either the audit of the accounts (including the auditors' report and the conduct of the audit) that are to be laid before the meeting or any circumstances connected with an auditor ceasing to hold office since the last annual general meeting in accordance with section 527 of the Act.

   Any such request must:

   (a) identify the statement to which it relates, by either setting out the statement in full or, if supporting a statement requested by another shareholder, clearly identifying the statement which is being supported; (b) comply with the requirements set out in note 8; and (c) be received by the company at least one week before the meeting.

   Where the company is required to publish such a statement on its website:

   (a) it may not require the shareholders making the request to pay any expenses incurred in complying with the request; (b) it must forward the statement to the auditors no later than the time when it makes the statement available on the website; and (c) the statement may be dealt with as part of the business of the meeting.

8. Any request by a shareholder or shareholders to require the publication of audit concerns as set out in note 7:

   (a) may be made either: (i) in hard copy, by sending it to Tower Bridge House, St Katharine's Way, London E1W 1DD (marked for the attention of the Company Secretary); or (ii) in electronic form, by sending an email to mail@angleseymining.co.uk marked for the attention of Ian Cuthbertson, Company Secretary;

   (b) must state the full name(s) and address(es) of the shareholder(s); and

   (c) where the request is made in hard copy form or by fax, must be signed by the shareholder(s).

Questions at the meeting

9. Shareholders have the right to ask questions at the meeting relating to the business being dealt with at the meeting in accordance with section 319A of the Act. The company must answer any such question unless:

   (a) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential

   information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Documents available for inspection

10. The following documents will be available for inspection during normal business hours at the registered office of the company from the date of this notice until the time of the meeting. They will also be available for inspection at the place of the meeting from at least 15 minutes before the meeting until it ends: (a) copies of the service contracts of the executive directors, (b) copies of the letters of appointment of the non-executive directors and (c) the Articles of Association of the company.

Biographical details of directors

11. Biographical details of all those directors who are offering themselves for reappointment at the meeting are set out in the enclosed annual report and accounts.

Website providing information about the meeting

12. The information required by section 311A of the Act to be published in advance of the meeting, which includes the matters set out in this notice and information relating to the voting rights of shareholders, is available at www.angleseymining.co.uk.

John F. Kearney	Irish, aged 61, chairman, is a mining executive with more than 39 years' experience in the mining industry and is chairman and CEO of the company's associate Labrador Iron Mines Holdings Limited. He is also chairman of Canadian Zinc Corporation, Minco plc, Xtierra plc and Conquest Resources Limited. He is a director of Vatakoula Gold Mines plc, Avnel Gold Mining Limited and the Mining Association of Canada and has degrees in law and economics from University College Dublin and an MBA from Trinity College Dublin. He is a member of the nomination committee and is resident in Canada.
Bill Hooley	aged 65, chief executive, is a mining engineering graduate from the Royal School of Mines and has extensive experience in many countries including the UK and Australia. He is vice-chairman and a director of the company's associate Labrador Iron Mines Holdings Limited. He has been a director of a number of companies involved in the minerals industry and is a Fellow of the Australasian Institute of Mining and Metallurgy.
Ian Cuthbertson	aged 65, finance director and company secretary, is a chartered accountant. He has extensive previous experience in the international oilfield and construction industries and has been secretary of the company since 1988.
David Lean	Australian, aged 65, non-executive director, is a chartered accountant. He has over 30 years' experience in the commercial aspects of the mining industry most of which was with major base and precious metal mining houses. Currently he is involved in trading mineral products. He is a member of the audit and nomination committees.
Howard Miller	aged 68, non-executive director, a lawyer with over 40 years' experience in the legal and mining finance sector in Africa, Canada and the UK. He has extensive experience in the financing of resource companies. He is chairman of Avnel Gold Mining Limited. He is a member of the remuneration and nomination committees and the senior independent director.
Roger Turner	aged 69, non-executive director, is a mining engineer with more than 40 years' experience in engineering, management and project development. He is a Camborne School of Mines graduate and has an MSc in economic geology. He was previously President and CEO of Nelson Gold Corporation and Oxus Gold plc.
Danesh Varma	Canadian, aged 62, non-executive director, is a chartered accountant and a member of the Chartered Institute of Taxation. He is chief financial officer of the company's associate Labrador Iron Mines Holdings Limited. He is also chief financial officer of Minco plc, Xtierra Inc. and Conquest Resources Limited. He is a member of the audit and remuneration committees.

Solicitors	**Auditors**	**Bankers**
DLA Piper UK LLP	Mazars LLP	HSBC
101 Barbirolli Square	Tower Bridge House,	Dinorben Square
Manchester	St. Katharine's Way, London	Amlwch, Anglesey
M2 3DL	E1W 1DD	LL68 9AH

Anglesey Mining plc

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	Phone 01248 361333 mail@angleseymining.co.uk
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Labrador Iron - Toronto	220 Bay Street, Suite 700 Toronto, Ontario, M5J 2W4, Canada Phone +1 647 728 4107
Registrars	Capita Registrars Northern House, Woodsome Park Fenay Bridge, Huddersfield, HD8 0LA Phone 0871 664 0300
	Calls cost 10p per minute plus network extras From overseas +44 208 639 3399
	Fax 01484 600911
Registered office	Tower Bridge House, St. Katharine's Way, London, E1W 1DD
Web site	www.angleseymining.co.uk
Company registered number	1849957
Shares listed	The London Stock Exchange - LSE:AYM

www.angleseymining.co.uk
www.labradorironmines.ca