

Anglesey Mining plc

Annual Report 2013

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Glossary

AGM - the annual general meeting to be held on 24 September 2013.

C\$ - Canadian dollars. At 31 March 2013 £1 sterling was equivalent to C\$1.55 (2012 - C\$1.59).

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.



Anglesey Mining plc

A UK mining company listed on the London Stock Exchange

Anglesey is the founder and holder of 15% of Toronto-listed Labrador Iron Mines Holdings Limited (TSX:LIM) which is producing iron ore from its James deposit, one of LIM's direct shipping iron ore deposits in western Labrador and north-eastern Quebec. Development of other deposits is planned and production of the high grade hematite iron ore is targeted to grow from 1.7 million tonnes in 2012 to between 1.75 and 2 million tonnes in 2013.

Anglesey is 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 19.3m LIM shares (15%) and has issued 161m of its own shares all of which are admitted to trading on the London Stock Exchange.

Chairman's Statement

In a year of difficult trading conditions in all resource sectors I am pleased to report that the company is weathering the storm and will see through the remainder of this current downturn. At Labrador Iron which we formed in 2007 and is today Canada's only independent iron ore producer, the significant variability in iron ore prices during the second half of 2012 resulted in large reported losses and put a drain on the cash resources of that company. However four major funding events in late 2012 and early 2013 provided LIM with the necessary capital to enable it to enter its third year of mining operations which I am happy to report is now well under way. At Parys Mountain, following last summer's successful exploration programme, we are taking the opportunity to review all the information available on the project and to consider the best alternatives whilst minimising expenditure at the current time.

All mining stocks are suffering in the current marketplace and both Labrador Iron and Anglesey Mining have been part of this severe downturn. We hope that as LIM demonstrates its current production capability, and with the benefit of a price protection programme in place to guard against any repeat of last year's low prices, that the market will recognise the inherent value in LIM which should be reflected in the Anglesey share price.

There is undoubtedly pressure on commodity prices largely as a result of some reduction in the growth rate in China, however we do not support the notion that there will be a return to the levels of the early years of this century. Iron ore prices have come off from their all-time highs but remain relatively strong and it is far from certain that the forecast increase in supply will actually occur since many of the previously announced large undeveloped projects are likely to find financing impossible to obtain. Meanwhile base metals, which have slipped from their highs, also remain firm and with limited new production coming on line or even planned, we look for significant improvement in the middle term.

Our strategy therefore is to weather the current turbulent times, to retain cash where possible, to maintain our holding in Labrador Iron which today has a market value of almost £7 million and to leave ourselves ready and able to move forward when metal prices and capital markets return to more positive territory.

Labrador Iron

Following the initial production year in 2011, 2012 began well and production was on target to meet the target of 2.0 million tonnes of saleable product. However a major downturn in iron ore prices in August and September which saw spot prices for 62% Fe CFR China fall from around \$120 per tonne to \$85 per tonne in just four weeks left LIM in a vulnerable position in which it had no alternative but to cut all expenditure and curtail some production. Nevertheless iron ore sales for the year amounted to just over 1.5 million tonnes and LIM reported revenues from mining operations of C\$96 million.

Last year was also very successful on the exploration front with new techniques permitting more and better drilling to be carried out for lower costs, and all this new information led to significant increases in compliant resources particularly on the Houston and Malcolm deposits, which will form the core of the next ten years production, and on the development of a maiden 620 million tonne taconite deposit close to LIM's current infrastructure.

After the financial difficulties in late 2012 it was necessary to rebuild the LIM balance sheet and I am pleased to report that very encouraging support was received from the market place and \$C59 million was raised in two equity issues in late 2012 and early 2013. LIM also entered into a strategic agreement with Tata Steel Canada regarding cooperation on a number of matters including the sale of a 51% interest in the Howse property which will result in the payment to LIM of \$C30 million on completion. After the end of the financial year LIM also received a \$35 million prepayment from RB Metalloyd as part of a two year iron ore sales agreement.

LIM began its third year of mining operations in late March 2013 and is now in full swing. Sales of between 1.75 and 2.0 million tonnes of iron ore are targeted this year. To guard against what now looks to be an annual dip in iron ore prices during the autumn period, LIM has put in place a price protection programme for 825,000 tonnes of iron ore at a floor price of \$105 per tonne.

Parys Mountain

During the summer of 2012 we completed a successful exploration drilling programme at Parys Mountain. This work demonstrated that mineralisation at economic grades exists across at least 1.5 kilometres from the Morris Shaft area in the west of the property to the Pearl engine house area in the east. This work was followed by the production by Micon International of a JORC compliant resource estimate on the majority of the known and readily reachable development targets. Micon had produced a JORC resource for White

Rock previously but this new estimate also brought both the Engine zone and Garth Daniel resources into a modern compliant basis compared to the historical estimates upon which the company had been reliant since 1990.

Micon had also made progress on a scoping study for Parys Mountain but given the current market conditions the company has decided to have a fundamental review of the technical and geological information available and to evaluate all the options for moving this project forward to production.

In July 2012 a net profits royalty on production from Parys Mountain was bought out and cancelled and outstanding advance royalty payments of £759,680 were settled for a cash payment of £630,000 and the issue of 2,000,000 ordinary shares. Cancellation of that royalty will improve both the economics and the ability to finance the Parys Mountain project.

We hold freehold title to the area of Parys Mountain that contains all our known resources and infrastructure. We have very low on-going cash commitments and these remain well within the current financial capability of the company, allowing us the benefit of time to make assessment without any risk of loss of resources.

We continue to closely watch base metal markets both from a price perspective as well as from a materials supply view. We remain confident that the zinc copper and lead in Parys Mountain will improve firstly in relative demand which will flow through to higher prices in the medium term and we will be well prepared to take advantage of this at the appropriate time.

Financial Results

There was a large loss after tax of £31,451,398 for the year ended 31 March 2013. This compared to a profit of £19,386,555 reported in 2012. In both years a major factor was non-cash charges in respect of the accounting treatment of deemed disposals in LIM. These arise when LIM issues new shares to third parties; in 2012 they resulted in profits and in 2013 in losses due to the lower share prices at which these issues were made in that year. In addition, LIM reported significant operating losses in 2013 as well as amortisation charges and write downs in intangible assets.

During the year the group's holding in LIM was diluted from 26% to 15% as a result of the new share issues by LIM. Consequently LIM ceased to be treated as an associate for accounting purposes and an accounting loss of £16,149,722 was recorded on recognition of the associate as an investment accounted for at fair value through profit and loss. There was a further non-cash loss of £3,791,439 over the period following the reclassification as an investment at fair value.

The group's cash balance at 31 March 2013 was £670,345 (2012 - £3,150,644). The decrease from last year was due to the investment in LIM shares in November 2012 for £950,927, the buy-out of the Parys net profits royalty, Parys development expenditures and administrative expenses.

The group's operating and administrative costs for the year were £398,428 (2012 - £396,807).

Ian Cuthbertson

It would be remiss of me not to mention that Ian Cuthbertson will be leaving us at the end of July. Ian has been with Anglesey since its flotation in 1988 and has been much involved with all the developments with their highs and lows since then. During this time he has held the posts of accountant, company secretary and finance director. However this does not tell the full story and during this 25 year period of service he has been a central part, and indeed for much of that time the major part, of the management of the company. Ian will still be available give us on-going advice using his extensive knowledge of the history and activities of the company - we wish him the very best of good fortune in his retirement and in the years to come.

Outlook

We are in a period in which patience will be a great virtue. We certainly need to see how LIM develops during 2013 but with its current year production plan well under way and with autumn prices protected we remain comfortable that an improvement is ahead. At Parys Mountain we do have the benefit of time if needed and we will take that opportunity to develop the most rational approach available under current and predicted price and market scenarios.

John F. Kearney

Chairman

23 July 2013

The directors are pleased to submit their report and the audited accounts for the year ended 31 March 2013.

Principal activities and business review

The group is engaged in the business of developing the wholly-owned Parys Mountain project in North Wales and has a 15% holding (2012 - 26%) in the Labrador iron project in eastern Canada.

Labrador Iron Mines is currently producing from its James deposit in Labrador, LIM's target is to ship between 1.75 and 2 million tonnes of iron ore in the 2013 season.

At Parys Mountain a programme of geophysical and overburden sampling work was completed and 1,815 metres of diamond coring in 11 holes was drilled between January and the end of June 2012.

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

The aim of the group is to continue its participation in 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

Production commenced at the James mine in June 2011 and up to the end of 2012 two million dry tonnes of iron ore has been produced and sold into the Chinese spot market in 13 cape-size shipments. Operations are seasonal, from approximately the beginning of April to the end of November each year, with a planned winter shut down.

During the year ended 31 March 2013 significant operational progress was made and necessary decisive action was taken to respond to severe market conditions. LIM met its reduced production target of 1.7 million wet tonnes of iron ore production and sold a total of just over 1.5 million dry tonnes of iron ore products, a substantial improvement from the 385,898 dry tonnes sold in fiscal 2012. The reduction of the original planned target of 2 million tonnes for 2012 was in response to market conditions and weaker spot iron ore prices during the second half of calendar 2012. Five million tonnes of ship loading capacity was secured at the new multi-user berth being built by the Port of Sept-Iles, providing the opportunity to load cape size shipments when the berth and terminal handling facility are completed.

LIM had a very successful exploration season, which included extensive drilling of Houston, Malcolm, James North and James South, as well as bulk sampling historic stockpiles. Exploration work also resulted in an initial resource of 620 million tonnes on the Elizabeth taconite deposit located near the currently producing James mine.

Despite the many operational accomplishments, the year ended 31 March 2013 was adversely impacted by the rapid and severe drop in spot iron ore prices which occurred between August 2012 and November 2012. Iron ore spot prices and transaction volumes suffered a sharp decline in August, with spot prices dropping 33% during that quarter to below US\$90 per tonne on a 62% Fe CFR China basis. In response revised strategies were implemented in the mine, process plant and rail transport areas and a critical review of operating and capital spending resulted in decisive measures to reduce costs and conserve cash. These included utilization of the new lower cost dry classifying system to produce sinter and lump ore only; deferring all non-committed capital expenditures relating to the Silver Yards processing plant and also deferring approximately \$52 million of additional planned capital investment originally budgeted for 2012 largely on the Houston project.

In addition a \$30 million equity financing was completed in November 2012 and a further \$29 million equity financing was completed in February 2013. LIM believes that the cost reductions in operations combined with the deferral of capital expenditures were necessary steps and will ensure continued sustainable activities. In March 2013 a strategic relationship arrangement with Tata Steel was agreed whereby the two companies will cooperate with each other in various aspects of their respective iron ore operations in the Labrador Trough and as part this, upon completion of the formal agreements, LIM will receive \$30 million for the sale of a 51% interest in LIM's Howse deposit.

Subsequent to the fiscal year-end a US\$35 million advance payment against the sale of iron ore to be delivered in 2013 and 2014 was secured and a new two year iron ore sales agreement with Iron Ore Company of Canada was agreed.

Full scale production of iron ore re-commenced as planned in April 2013 and production of approximately 1.75 to 2.0 million tonnes of saleable product during the 2013 operating season is targeted.

Resources

As at 31 March 2013, LIM has confirmed a total of approximately 59.5 million tonnes at an average grade of 56.7% Fe of NI 43-101 compliant, measured and indicated mineral resources on the Schefferville Projects. Of this total, approximately 36.9 million tonnes are measured mineral resources and approximately 22.5 million tonnes are indicated resources. There is also a total of approximately 4.7 million tonnes of inferred resources at an average grade of 55.8% Fe. In addition to the foregoing, there are previously mined historical stockpiles, with a NI 43-101 compliant, indicated resource of approximately 3.5 million tonnes at an average grade of 49.1% Fe and an inferred resource of approximately 2.9 million tonnes at an average grade of 48.8% Fe.

LIM Financial

Revenues from mining operations for the year were \$95.7 million, net of ocean freight and IOC's participation, on sales of approximately 1.56 million dry tonnes of iron ore in ten shipments completed during fiscal 2013. Revenues were negatively impacted by a decline of 33% in the spot price of iron ore during the period from August to October 2012.

For 2013 LIM reported a loss of \$129.7 million, or \$1.56 per share, compared to a loss of \$14.7 million, or \$0.27 per share, during the previous fiscal year. The variance in the results of operations relates largely to an operating loss before depletion and depreciation of \$28.9 million in fiscal 2013, depletion and depreciation of \$29.7 million, a write-down of mineral property interests of \$58.1 million and a \$3.1 million provision against certain doubtful receivables. In the previous year, no operating loss or depletion and depreciation charges were recorded, since the commencement of commercial production for accounting purposes began on 1 April 2012.

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, 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.

During the year drilling continued as part of the programme commenced in January 2012. Initially this was in the shallower White Rock area to the west of the property after which the rig was moved to two locations near the Great Open Cast pit and ended the programme with three holes from a location adjacent to the Pearl engine house in the east of the property, the last of these being completed in July 2012.

All the stages of this programme are considered to have been successful. Whilst it was a little disappointing that the upper portions of the Engine zone, near the White Rock zone in the west, could not be established at economic grades and widths at higher levels, the results in the first two holes did extend the potentially viable zone upwards.

The Pearl area drilling is particularly encouraging as it opens up an area that is more than one kilometre away from the Morris Shaft and in conjunction with previous results from the Garth Daniel area which lie midway between the Pearl engine house and Morris Shaft locations demonstrates that mineralisation at potentially economic grades and widths occurs across the entire property.

Following the drilling programme the first property-wide JORC Code-compliant resource estimate was prepared by Micon International Co Limited ("Micon"):

Parys Mountain Mineral Resource estimate at \$80 per tonne GMPV* cut-off

Zone	Category	Tonnes	Cu %	Pb %	Zn %	Ag g/t	Au g/t
Engine	Indicated	489,000	1.38	2.61	4.99	92.80	0.50
	Inferred	121,000	1.74	3.42	6.74	70.00	0.50
Deep Engine	Inferred	618,000	1.95	1.90	4.22	23.00	0.20
White Rock	Indicated	1,625,000	0.34	2.05	3.84	33.00	0.50
	Inferred	534,000	0.38	1.93	4.04	41.00	0.40
Garth Daniel	Inferred	299,000	2.06	3.07	6.43	75.00	0.20
Northern	Inferred	2,542,000	1.48	0.56	0.94	6.00	0.40
Total	Indicated	2,114,000	0.58	2.18	4.11	46.00	0.50
	Inferred	4,114,000	1.46	1.20	2.40	20.00	0.30

Source: Micon. GMPV (gross mineral product value) based on Cu \$3.50/lb, Pb \$1.00/lb, Zn \$0.90/lb, Ag \$33/oz, Au \$1700/oz;

This new estimate follows a previous report by Micon in 2007 that dealt only with the White Rock deposit. The current estimate includes all the known contiguous deposits on site and is reported on a JORC Code-compliant basis. With the exception of the 2007 White Rock estimate, the previous resource was historical (estimated in 1990) and was not JORC Code-compliant. In now reporting all estimates on a JORC Code-compliant basis the project has been brought up to date and put in a position to be properly recognised for future funding.

The Garth Daniel zone had been partially identified in 1990 but benefitted from a further drilling programme in 2005 and 2006. The current estimate draws all this information together. The Northern zone was previously poorly identified and without any significant continuity. Micon has now shown such continuity to exist and has defined a major resource for two discreet overlapping structures.

There are several other areas on Parys Mountain that have had exploration and drilling carried out on them that have not been included in these estimates. These include the area between the Deep Engine zone and Garth Daniel, and the area around the Pearl Engine House that was drilled earlier this year. These and other targets will be subject to additional exploration in the future, and it is hoped that additional data will enable further continuity to be demonstrated with subsequent additions to the resource base. There is a plan showing the location of the more recent Parys drilling at the end of this annual report.

At the appropriate time it is planned to carry out additional development and drilling to bring some or all of the Inferred mineral resource in to the Indicated mineral resource category. This will be dependent on funding and, in some cases, underground access to these areas.

In producing its estimates, Micon has followed all the normal procedures required to make a JORC Code-compliant estimate. These have included a validation of the drill hole database, construction of wireframes around the various deposits, basic statistical analysis of the resultant assay data to identify the extent to which top-cutting was required, the basis for assay compositing, detailed variography analysis to identify the principal trends of the mineralisation, appropriate block sizes to represent the volume of the mineralisation and a determination of the appropriate search ellipsoid to be applied for grade interpolation in each deposit. Grade interpolation using Ordinary Kriging was then applied to the block model and the data was validated. Specific gravity data was reviewed to develop bulk densities for tonnage calculations.

A mineral resource estimate was then made based on a suite of metal prices. These metal prices were assigned to each block and the sum of the products of these prices and the various block grades produced a single Gross Metal Product Value ("GMPV") value for each block. Micon reported the mineral resources by category following the guidelines of the JORC Code, for a range of GMPV cut-off values from \$0 per tonne to \$200 per tonne.

The resource estimate methodology employed now is quite different from that used in 1990 and provides a higher degree of confidence than previously enjoyed. This methodology has resulted in differing grade:tonnage combinations than previously reported.

There are technical and other matters to be addressed to ensure that the project moves towards production, however the directors are of the opinion that this project is at an advanced state and the existence of the original feasibility study, together with the valid planning permissions, will do much to reduce both the volume of work required to move the project into production and the risks associated with this work.

In July 2012 an agreement was reached with Intermine Limited in respect of the termination of a net profits royalty on production from Parys Mountain. 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 cancel the royalty in its entirety and release the charge.

After due consideration the directors have decided that an impairment review is not required in respect of the Parys Mountain mineral asset on the balance sheet.

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

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 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.

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 (*2012 - nil*).

Financial position

The group has no revenues from the operation of its properties. The loss for the year after tax was £31,451,398 compared to a profit of £19,386,555 in 2012. The profit in 2012 was primarily due to the effects of gains on deemed disposals which resulted from LIM's fund raisings during that year. Similar LIM share issues in 2013 have also diluted the company's holding but have resulted in substantial losses due to the lower share prices at which these issues were made in this current period. LIM's own losses increased significantly in 2013 as did the group's share of those losses for the period during which LIM remained as an associate.

During the year the group's holding in LIM has been diluted from 26% to 15%. From the date on which this holding fell below 20% in November 2012, its accounting treatment has changed and LIM is now held as an investment. This change resulted in charges to the income statement of £16,677,214 in 2013 (2012 - *nil*) and there was a further loss in value for the period from November 2012 to 31 March 2013 charged to the income statement.

Administrative and other costs in the UK excluding investment income and finance charges were £398,428 compared to £396,807 in the previous year.

During the year there were no additions to fixed assets (2012 - *nil*) and £497,748 (2012 - £355,225) was capitalised in respect of the development of the Parys Mountain property. As in 2012 most of this cost was in respect of the drilling programme at Parys Mountain however in 2013 there were also charges for resource estimations and scoping studies, and for the cancellation of a net profits royalty interest in Parys Mountain held by Intermine Limited.

The group's cash balance at 31 March 2013 was £670,345 (2012 - £3,150,644), this decrease from last year being due to the purchase of LIM shares in November 2012, the net profits royalty cancellation referred to above, expenditures on the development of Parys Mountain (including drilling costs and feasibility study fees) and administrative expenses. The foreign exchange gain of £11,196 (2012 - *loss* £41,914) shown in the income statement arises on the cash balances held in Canadian dollars.

At 31 March 2013 the company had 160,608,051 ordinary shares in issue, 2,000,000 more than last year as a result of the issue of shares to Intermine Limited.

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, 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. 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

LIM is a Canadian company and the value of the group's holding in LIM 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 sterling - see notes 17 and 24.

Permitting, environment and social

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.

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.

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 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. Ian Cuthbertson who has been employed by the company since July 1988 is to retire on 31 July 2013 and Danesh Varma will take over his duties as finance director and company secretary. Ian will continue to provide services to the company in connection with the Parys Mountain project under a consulting agreement.

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. However it is now the company's practice to submit re-election resolutions for all directors at each AGM.

Directors' interests in material contracts

Juno Limited (Juno), which is registered in Bermuda, holds 36.1% 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 a director of LIM. All three are shareholders of LIM, are entitled to remuneration from 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:

Director	17 July 2013	31 March 2013	31 March 2012			
	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	200,000	2,500,000	200,000	2,500,000	100,000
Ian Cuthbertson	1,500,000	1,120,300	1,500,000	1,120,300	1,500,000	1,120,300
David Lean	450,000	-	450,000	-	450,000	-
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	1,320,300	11,550,000	1,320,300	11,550,000	1,220,300

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

Substantial shareholders

At 17 July 2013 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	36.1%

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 £401,500 of share capital being 40,150,000 ordinary shares, which is equivalent to 25% of the issued ordinary share capital at 17 July 2013. 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 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 (2012 - 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 2013 was 17 days (2012 - 113 days).

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 to December 2014, 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.

Post balance sheet events

See note 30.

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;
- 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; and
- make an assessment of the company's ability to continue as a going concern.

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 auditor 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

23 July 2013

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 form a major part of executive directors' remuneration. Share options were granted to non-executive directors in the past however a fee payment is now being made to non-executive directors 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

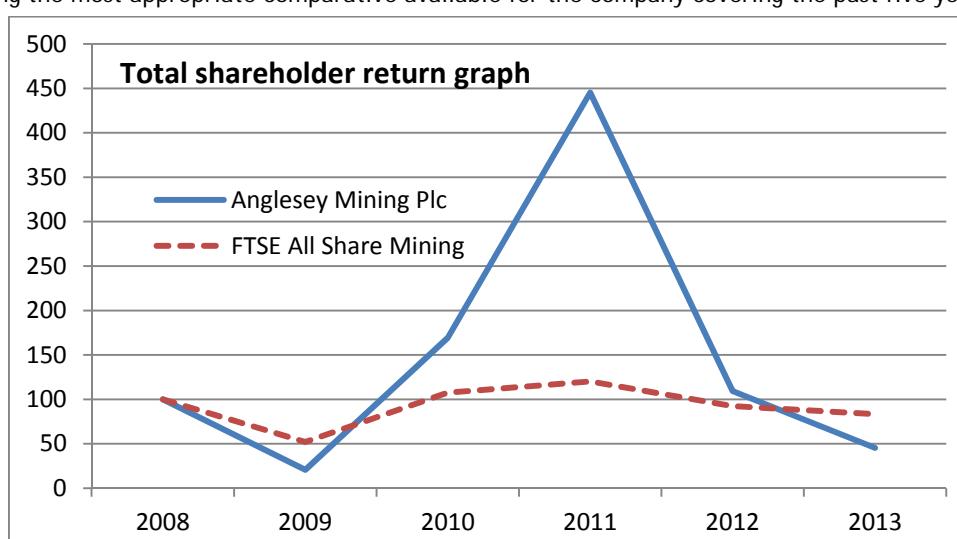
John Kearney, the chairman, does not receive fees; he has been remunerated by the grant of options over the company's shares. Bill Hooley and Ian Cuthbertson have written terms of employment with rolling notice periods of 12 months and no other entitlement to termination payments. They are eligible to receive performance bonuses when key corporate targets are attained. Ian Cuthbertson is retiring on 31 July 2013.

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	2013			2012		
	Salary and fees	Pension	Total	Salary and fees	Pension	Total
	£	£	£	£	£	£
Executive						
John Kearney	-	-	-	-	-	-
Ian Cuthbertson	40,000	20,000	60,000	40,000	20,000	60,000
Bill Hooley	60,000	-	60,000	33,297	-	33,297
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	139,000	20,000	159,000	112,297	20,000	132,297

Pension contributions are to a money purchase pension scheme.

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 2012	Granted in year	Exercised in year	Price on exercise	Lapsed in year	Options at 31 March 2013	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	400,000	-	-		-	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	50,000	-	-		-	50,000	10.625p	15 Jan 07	15 Jan 16
David Lean	400,000	-	-		-	400,000	21.900p	26 Nov 07	26 Nov 17
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
<hr/>		<hr/>	<hr/>		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	11,550,000	-	-		-	11,550,000			

The market price of the ordinary shares at 31 March 2013 was 8.50 pence, the high for the year to 31 March 2013 was 23.12 pence and the low for the year was 6.35 pence. The mid-market price at 17 July 2013 was 6.8 pence.

By order of the board

Ian Cuthbertson

Company Secretary

23 July 2013

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 2013 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.

During the year the board comprised three executive directors and four non-executive directors, a structure which the board considered 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 was not deemed to be independent during the year and with effect from 1 August 2013 takes over as finance director. 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. During the year the audit committee comprised Danesh Varma and David Lean. With effect from 1 August 2013 Howard Miller replaces Danesh Varma on the audit committee. All members have extensive mineral industry experience and 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 have been 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 auditor. It meets formally at least once a year with the group's external auditor. 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 auditor's independence each year which includes: a review of any non-audit services provided to the group; discussion with the auditor of all relationships with the company and any other parties that could affect independence or the perception of independence; a review of the auditor's 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 auditor that, in his professional judgement, he is 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 met once 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.

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. As well as attendance at the annual Mines and Money Show, an all-day investor event and an evening investor presentation 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:

Director	Date appointed	Next election	Meetings			
			Board	Audit	Remuneration	Nomination
Total number of meetings:			6	3	0	1
John Kearney	10 November 1994	2013	6			1
Ian Cuthbertson	22 December 1997	2013	6			
Bill Hooley	10 January 2006	2013	6			
Howard Miller	20 September 2001	2013	6			1
David Lean	20 September 2001	2013	5	3		1
Roger Turner	10 January 2006	2013	6			
Danesh Varma	15 November 1994	2013	6	3		

Ian Cuthbertson was appointed as company secretary on 21 October 1988 and will retire on 31 July 2013.

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:

- 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 - During the year Danesh Varma was 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.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.
- 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.

By order of the board

Ian Cuthbertson

Company Secretary

23 July 2013

We have audited the financial statements of Anglesey Mining plc for the year ended 31 March 2013 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2013 and of the group's loss 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 and rules 7.2.5 and 7.2.6 of the Disclosure and Transparency Rules.

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

23 July 2013

Group income statement

All attributable to equity holders of the company

	Notes	Year ended 31 March 2013	Year ended 31 March 2012
All operations are continuing			
Revenue		-	-
Expenses		(398,428)	(396,807)
Share of loss of associate	14a	(4,572,320)	(3,484,140)
(Losses)/gains on deemed disposals in associate	14a	(6,793,789)	23,374,274
Loss on reclassification of associate as an investment	14b	(16,149,722)	-
Loss on fair value of investment	14b	(3,791,439)	-
Exchange difference on loss above	14b	321,186	-
Investment income	6	36,941	49,041
Finance costs	7	(115,023)	(113,899)
Foreign exchange profit/(loss)		11,196	(41,914)
(Loss)/profit before tax	4	(31,451,398)	19,386,555
Tax	8	-	-
(Loss)/profit for the period		(31,451,398)	19,386,555
(Loss)/profit per share			
Basic - pence per share	9	(19.7)p	12.2 p
Diluted - pence per share	9	(19.7)p	11.6 p

Group consolidated statement of comprehensive income

(Loss)/profit for the period	(31,451,398)	19,386,555
Other comprehensive income:		
Exchange difference on translation of foreign holding in year	975,771	(379,827)
Exchange difference on translation of foreign holding reclassified to income statement	(4,216,941)	-
Total comprehensive (loss)/income for the period	(34,692,568)	19,006,728

Statement of financial position of the group

	Notes	31 March 2013	31 March 2012
		£	£
Assets			
Non-current assets			
Mineral property development	10	14,753,566	14,255,818
Property, plant and equipment	11	204,687	204,687
Interest in associate	14	-	41,240,859
Investment	14	7,964,532	-
Deposit	15	122,204	121,685
		<hr/> 23,044,989	<hr/> 55,823,049
Current assets			
Other receivables	16	40,239	64,991
Cash and cash equivalents	17	670,345	3,150,644
		<hr/> 710,584	<hr/> 3,215,635
Total assets		<hr/> 23,755,573	<hr/> 59,038,684
Liabilities			
Current liabilities			
Trade and other payables	18	(100,677)	(1,040,961)
		<hr/> (100,677)	<hr/> (1,040,961)
Net current assets		<hr/> 609,907	<hr/> 2,174,674
Non-current liabilities			
Loan	19	(2,306,283)	(2,191,260)
Long term provision	20	(42,000)	(42,000)
		<hr/> (2,348,283)	<hr/> (2,233,260)
Total liabilities		<hr/> (2,448,960)	<hr/> (3,274,221)
Net assets		<hr/> 21,306,613	<hr/> 55,764,463
Equity			
Share capital	21	7,116,914	7,096,914
Share premium		9,848,949	9,634,231
Currency translation reserve		-	3,241,170
Retained earnings		4,340,750	35,792,148
Total shareholders' equity		<hr/> 21,306,613	<hr/> 55,764,463

The financial statements of Anglesey Mining plc were approved by the board of directors, authorised for issue on 23 July 2013 and signed on its behalf by:

John F. Kearney, Chairman

Ian Cuthbertson, Finance Director

Statement of financial position of the company

	Notes	31 March 2013 £	31 March 2012 £
Assets			
Non-current assets			
Investments	13	13,956,680	13,698,575
		<u>13,956,680</u>	<u>13,698,575</u>
Current assets			
Other receivables	16	26,102	24,071
Cash and cash equivalents	17	623,215	1,063,330
		<u>649,317</u>	<u>1,087,401</u>
Total Assets		14,605,997	14,785,976
Liabilities			
Current liabilities			
Trade and other payables	18	(70,516)	(107,418)
		<u>(70,516)</u>	<u>(107,418)</u>
Net current assets		578,801	979,983
Non-current liabilities			
Loan	19	(2,306,283)	(2,191,260)
		<u>(2,306,283)</u>	<u>(2,191,260)</u>
Total liabilities		(2,376,799)	(2,298,678)
Net assets		12,229,198	12,487,298
Equity			
Share capital	21	7,116,914	7,096,914
Share premium		9,848,949	9,634,231
Retained losses		(4,736,665)	(4,243,847)
Shareholders' equity		12,229,198	12,487,298

The financial statements of Anglesey Mining plc registered number 1849957 were approved by the board of directors and authorised for issue on 23 July 2013, 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 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 income 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
Total comprehensive income for the year:					
(Loss) for the year	-	-	-	(31,451,398)	(31,451,398)
Exchange difference on translation of foreign holding	-	-	975,771	-	975,771
Eliminate foreign holding exchange difference	-	-	(4,216,941)	-	(4,216,941)
Total comprehensive loss for the year	-	-	(3,241,170)	(31,451,398)	(34,692,568)
Shares issued	20,000	220,000	-	-	240,000
Share issue costs	-	(5,282)	-	-	(5,282)
Equity at 31 March 2013	7,116,914	9,848,949	-	4,340,750	21,306,613
Company	Share capital £	Share premium £	Retained losses £	Total £	
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	
Total comprehensive income for the year:					
Loss for the year	-	-	(492,818)	(492,818)	
Total comprehensive loss for the year	-	-	(492,818)	(492,818)	
Shares issued	20,000	220,000	-	240,000	
Share issue costs	-	(5,282)	-	(5,282)	
Equity at 31 March 2013	7,116,914	9,848,949	(4,736,665)	12,229,198	

Statement of cash flows of the group

	Notes	Year ended 31 March 2013	Year ended 31 March 2012
		£	£
Operating activities			
(Loss)/profit for the period		(31,451,398)	19,386,555
Adjustments for non-cash items:			
Investment revenue	6	(36,941)	(49,041)
Finance costs	7	115,023	113,899
Share of loss of associate	14a	4,572,320	3,484,140
Losses/(gains) on deemed disposals in associate	14a	6,793,789	(23,374,274)
Loss on reclassification of associate as an investment	14a	16,149,722	-
Loss on fair value of investment	14b	3,791,439	-
Exchange difference on loss above	14b	(321,186)	-
Foreign exchange movement		(11,196)	41,914
		(398,428)	(396,807)
Movements in working capital			
Decrease/(increase) in receivables		24,753	(42,522)
(Increase)/decrease in payables		(36,902)	7,047
Net cash used in operating activities		(410,577)	(432,282)
Investing activities			
Investment revenue		36,422	48,502
Mineral property development		(1,166,413)	(112,459)
Addition to AFS investment in LIM		(950,927)	-
Net cash used in investing activities		(2,080,918)	(63,957)
Financing activities			
Proceeds from issue of shares		-	17,550
Net cash generated from financing activities		-	17,550
Net decrease in cash and cash equivalents		(2,491,495)	(478,689)
Cash and cash equivalents at start of period		3,150,644	3,671,247
Foreign exchange movement		11,196	(41,914)
Cash and cash equivalents at end of period	17	670,345	3,150,644

Statement of cash flows of the company

	Notes	Year ended 31 March 2013 £	Year ended 31 March 2012 £
Operating activities			
Loss for the period	23	(492,818)	(495,959)
Adjustments for non-cash items:			
Investment revenue		(27,361)	(26,969)
Finance costs		115,023	113,899
		(405,156)	(409,029)
Movements in working capital			
Increase in receivables		(2,031)	(9,040)
(Increase)/decrease in payables		(36,902)	7,047
Net cash used in operating activities		(444,089)	(411,022)
Investing activities			
Interest received		27,361	26,969
Investments and long term loans		(1,122,585)	(161,904)
Net cash used in investing activities		(1,095,224)	(134,935)
Financing activities			
Proceeds from issue of shares		-	17,550
Inter-company loan received		1,099,198	93,600
Net cash generated from financing activities		1,099,198	111,150
Net decrease in cash and cash equivalents		(440,115)	(434,807)
Cash and cash equivalents at start of period		1,063,330	1,498,137
Cash and cash equivalents at end of period		623,215	1,063,330

1 General information

Anglesey Mining plc is domiciled and incorporated in England and Wales 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.

Investments in associates cease to be treated as associates using the equity method of accounting when the group loses significant influence. Any retained interest is treated as an investment in accordance with IAS 39 'Financial Instruments: Recognition and Measurement'. The transaction is treated as a disposal of interest in the associate, with any difference arising between the fair value of the retained interest, and the carrying value of the associate at the date significant influence is lost recognised as a profit or loss on reclassification within the income statement.

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 items of other comprehensive income and transferred to the group's translation reserve within equity.

Significant accounting policies - continued

Such translation differences are reclassified to profit or loss, and recognised as income or as expense, in the period in which the operation is disposed.

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", "available for sale financial assets" 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) *Available for sale financial assets*. Listed shares held by the group that are traded in an active market are classified as being AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve with the exception of impairment losses and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the group's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The foreign exchange gains and losses that are recognised in profit or loss are determined based on amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

(d) *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.

(e) *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 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

IAS 12 Income Taxes: Limited scope amendments (recovery of underlying assets); Issued - December 2010; Effective - Annual periods beginning on or after 1 January 2012

There has been no impact of adopting the amendments.

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 9 Financial Instruments; Original issue; Issued - November 2009; Effective - Annual periods beginning on or after 1 January 2015

Significant accounting policies - continued

IFRS 10 Consolidated Financial Statements: Original issue; Issued October 2012; Effective - Annual periods beginning on or after 1 January 2014

IFRS 11 Joint Arrangements: Original issue; Issued - May 2011; Effective - Annual periods beginning on or after 1 January 2013

IFRS 12 Disclosure of Interests in Other Entities: Original issue; Issued - May 2011; Effective - Annual periods beginning on or after 1 January 2014

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 19 Employee Benefits: Original issue; Issued - Amended June 2011; Effective - Annual periods 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

IAS 36 Impairment of Assets: Amendments arising from Recoverable Amounts Disclosure for Non-financial Assets; Issued - 2004, Amended - May 2013; Effective Annual periods beginning on or after 1 January 2014

IAS 39 Financial Instruments: Amendments for novation of derivatives; Amended June 2013; Effective for Annual periods beginning on or after 1 January 2014

IAS 39 Financial Instruments: Recognition and Measurement; Original issue; Issued - June 2013; Effective for Annual periods beginning on or after 1 January 2014

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine; Effective - Annual periods beginning on or after 1 January 2013

IFRIC 21 Levies; Effective - Annual periods beginning on or after 1 January 2014.

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.

The directors do not consider the adoption of the amendments resulting from the Annual Improvements 2009 - 2011 cycle will result in a material impact on the financial information of the group and company. These amendments to IAS 1, IAS 16 and IAS 32 are effective for accounting periods beginning on or after 1 January 2013.

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) Following the reduction in the group's holding in Labrador Iron Mines Holdings Limited to less than 20% in November 2012, the directors' believe that the group does not have significant influence and does not control the activities and operations of LIM, and that this holding should be accounted for as an investment.

(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 developing the wholly-owned Parys Mountain project in North Wales and has an investment in the Labrador iron project in eastern Canada. During the year the group's holding in LIM has been diluted from 26% to 15%. From the date on which this holding fell below 20%, its accounting treatment has changed and LIM is now held as an investment. 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

	2013			2012		
	UK	Canada -	Total	UK	Canada -	Total
		investment			investment	
Expenses	(398,428)	-	(398,428)	(396,807)	-	(396,807)
Share of loss in associate	-	(4,572,320)	(4,572,320)	-	(3,484,140)	(3,484,140)
(Loss)/gain on deemed disposals	-	(6,793,789)	(6,793,789)	-	23,374,274	23,374,274
Loss on recognition of associate as an investment	-	(16,149,722)	(16,149,722)	-	-	-
Loss on fair value of investment	-	(3,791,439)	(3,791,439)	-	-	-
Exchange difference on loss above	-	321,186	321,186	-	-	-
Investment income	36,941	-	36,941	49,041	-	49,041
Finance costs	(115,023)	-	(115,023)	(113,899)	-	(113,899)
Exchange rate loss	11,196	-	11,196	(41,914)	-	(41,914)
(Loss)/profit for the year	(465,314)	(30,986,084)	(31,451,398)	(503,579)	19,890,134	19,386,555

Assets and liabilities

	31 March 2013			31 March 2012		
	UK	Canada -	Total	UK	Canada -	Total
		investment			investment	
Assets	15,791,041	7,964,532	23,755,573	17,797,825	41,240,859	59,038,684
Liabilities	(2,448,960)	-	(2,448,960)	(3,274,221)	-	(3,274,221)
Net assets	13,342,081	7,964,532	21,306,613	14,523,604	41,240,859	55,764,463

4 Operating result

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

	2013	2012
	£	£
Fees payable to the group's auditors:		
for the audit of the annual accounts	30,329	28,871
for the audit of subsidiaries' accounts	5,000	5,000
for other services - taxation compliance	6,551	9,547
Directors' remuneration	139,000	112,297
Director's pension contributions	20,000	20,000
Foreign exchange (gain)/loss	(11,196)	41,914

5 Staff costs

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

	2013	2012
Administrative	3	3
	3	3

Their aggregate remuneration was:	£	£
Wages and salaries	100,000	73,297
Social security costs	11,733	12,868
Other pension costs	20,000	20,000
	131,733	106,165

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

6 Investment income

	2013	2012
	£	£
Loans and receivables		
Interest on bank deposits	36,423	48,502
Interest on site re-instatement deposit	15	539
	36,941	49,041

7 Finance costs

	2013	2012
	£	£
Loans and payables		
Loan interest to Juno Limited	19	115,023
		113,899

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 2013 of £1.2 million (2012 - £1.2 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 £12.3 million unclaimed and available at 31 March 2013 (2012 - £11.8 million). No deferred tax asset is recognised in respect of these allowances.

	2013	2012
	£	£
Current tax	-	-
Deferred tax	-	-
Total tax	-	-

Domestic income tax is calculated at 24% of the estimated assessed profit for the year. In 2012 the rate used was 26% 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:

(Loss)/profit for the year	(34,692,568)	19,386,555
Tax at the domestic income tax rate of 24% (2012 - 26%)	(8,326,216)	5,040,504
Tax effect of:		
Losses/(gains) on deemed disposals in associate	1,630,509	(6,077,311)
Share of loss of associate	1,097,357	905,876
Losses on interest in associates and investments	5,598,350	130,931
Total tax	-	-

9 Earnings per ordinary share

	2013	2012
	£	£
Earnings		
(Loss)/profit for the year	(31,451,398)	19,386,555
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	159,966,407	158,403,406
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	<u>159,966,407</u>	<u>167,287,644</u>
Basic earnings per share	(19.7)p	12.2p
Diluted earnings per share	(19.7)p	11.6p

As the group has a loss for the year ended 31 March 2013 the effect of the 11.55 million options outstanding is anti-dilutive and diluted earnings are reported to be the same as basic earnings.

10 Mineral property development costs - group

Parys Mountain	
Cost	£
At 1 April 2011	13,900,593
Additions - site	259,156
Additions - rentals & charges	96,069
At 31 March 2012	14,255,818
Additions - site	468,837
Additions - rentals & charges	28,911
At 31 March 2013	14,753,566
Carrying amount	
Net book value 2013	14,753,566
Net book value 2012	13,900,593

Included in the additions are mining lease expenses of £15,500 (2012 - £11,225) and £113,241 for the cancellation of the Intermine net profits royalty agreement (2012 - nil).

The Parys Mountain property is currently being explored and evaluated and there are no grounds to believe that the asset is impaired.

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 2011, 2012 and 2013	204,687	17,434	5,487	227,608
Depreciation				
At 1 April 2010	-	17,434	5,487	22,921
At 31 March 2011, 2012 and 2013	-	17,434	5,487	22,921
Carrying amount				
At 31 March 2011, 2012 and 2013	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 2011, 2012 and 2013	-	17,434	5,487	22,921
Depreciation				
At 1 April 2010	-	17,434	5,487	22,921
At 31 March 2011, 2012 and 2013	-	17,434	5,487	22,921
Carrying amount				
At 31 March 2011, 2012 and 2013	-	-	-	-

12 Subsidiaries - company

The subsidiaries of the company at 31 March 2013 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
Anglo Canadian Exploration (Ace) Limited	England & Wales	100%	Dormant
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 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
Advanced	-	1,357,303	1,357,303
Repaid	-	(1,099,198)	(1,099,198)
At 31 March 2013	100,103	13,856,577	13,956,680

The realisation of investments is dependent on finance being available for development and on a number of other factors.

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

14 a Interest in associate

LIM is a company registered in Ontario Canada, which is independently managed and 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. On 6 November 2012 the group's holding in LIM was diluted from 26% to 15% as a result of LIM share issues to third party interests. From that date its accounting treatment has changed and LIM is now held as an investment.

Value in group financial statements while held as an associate:	31 March 2013	31 March 2012
	£	£
Value brought forward from previous period	41,240,859	21,073,132
Group's share of losses of associate	(4,786,514)	(3,484,140)
Group's share of equity-settled benefits included in losses above and now added back	214,194	657,420
(Loss)/profit on deemed disposals following LIM share issues	(6,793,789)	23,374,274
Exchange rate movement	975,771	(379,827)
Loss on adjustment to fair value at date of recognition as an investment	<u>(20,366,663)</u>	
Value of group's share of net assets at the date on which LIM ceased to be an associate	10,483,858	
Amount carried in the group accounts		41,240,859

14 b Investments

Value in group financial statements while held as an investment:	31 March 2013
	£
Value of investment upon recognition as a financial investment	10,483,858
Addition to investment	950,927
Loss on adjustment to fair value at year end	(3,791,439)
Exchange difference arising on adjustment above	321,186
Amount carried in the group accounts	<u>7,964,532</u>

The published fair value of the group's investment in LIM at 31 March 2013 is £7.9 million (*2012 - £51 million*). The shares included above represent an investment in listed equity securities that present the group with opportunity for return through dividend income and trading gains. The group holds a strategic non-controlling interest, following the dilution of its interest in Labrador Iron Holdings Limited (see note 14a) to 15.3%. These shares are not held for trading and accordingly are classified as 'available for sale' which is deemed to be the most appropriate classification under IFRS. The fair values of all equity securities are based on quoted market prices.

The above investment is measured subsequent to initial recognition at fair value as 'Level 1' AFS based on the degree to which the fair value is observable. Level 1 fair value measurements are those derived from quoted priced (unadjusted) in active markets.

Investments - continued

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 2013	31 March 2012
	£	£
Total assets	191,199,592	238,839,086
Total liabilities	(21,655,917)	(29,348,232)
Total net assets	169,543,674	209,490,854
	2013	2012
Revenues	60,573,862	-
(Loss) for the year	(82,072,824)	(9,285,932)

15 Deposit

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Site re-instatement deposit	122,204	121,685	-	-

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	
	2013	2012	2013	2012
	£	£	£	£
Other	40,239	64,991	26,102	24,071

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

17 Cash

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Held in sterling	646,760	1,092,216	623,215	1,063,330
Held in Canadian dollars	23,585	2,058,428	-	-
	670,345	3,150,644	623,215	1,063,330

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

18 Trade and other payables

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Trade creditors	(33,860)	(207,331)	(10,700)	(41,021)
Property royalties and rentals	-	(759,680)	-	-
Taxes	(13,064)	(30,398)	(13,064)	(30,398)
Other accruals	(53,753)	(43,552)	(46,752)	(35,999)
	(100,677)	(1,040,961)	(70,516)	(107,418)

The carrying value of the trade and other payables approximates to their fair value. During the year the amounts due in respect of property royalties and rentals were discharged - see note 26 (d).

19 Loan

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Loan from Juno Limited	(2,306,283)	(2,191,260)	(2,306,283)	(2,191,260)

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 Provision

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
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

Issued and fully paid	Ordinary shares of 1p		Deferred shares of 4p		Total Nominal value £
	Nominal value £	Number	Nominal value £	Number	
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
Issued 11 July 2012	20,000	2,000,000	-	-	20,000
At 31 March 2013	1,606,081	160,608,051	5,510,833	137,770,835	7,116,914

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

The issue of 2,000,000 shares on 24 July 2012 was to Intermine Limited at the then market price of 12 pence per share for consideration of £240,000 as part of the discharge of amounts due and cancellation of a royalty agreement - see note 26 (d).

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.

	Options	Weighted average exercise price in pence	2013		2012	
			Options	Weighted average exercise price in pence	Options	Weighted average exercise price in pence
Outstanding at beginning of period	11,550,000	10.90	12,000,000		10.69	
Granted during the period	-	-	-	-	-	-
Forfeited during the period	-	-	-	-	-	-
Exercised during the period	-	-	450,000		5.24	
Expired during the period	-	-	-	-	-	-
Outstanding at the end of the period	11,550,000	10.90	11,550,000		10.90	
Exercisable at the end of the period	11,550,000	10.90	11,550,000		10.90	

No options were granted, forfeited or expired during the year or the prior year. The options outstanding at 31 March 2013 had a weighted average exercise price of 10.90 pence (2012 - 10.90 pence), and a weighted average remaining contractual life of 3.0 years (2012 - 4 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 2012 and 2013.

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 £492,818 (*2012 loss £495,959*). 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 amounts advanced under 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.

The company (Anglesey Mining plc) is exposed to minimal interest rate risks.

Liquidity risk

The group has ensured continuity of funding through a mixture of issues of shares and the working capital agreement with Juno Limited. The group could consider sale of shares in the group's investment to provide continued funding.

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 17 July 2013. 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.

The investment in LIM is denominated in Canadian dollars and amounts to C\$12,325,025 equivalent to £7,964,532. If the rate of exchange between the Canadian dollar and sterling were to move against sterling by 10% there would be a loss to the group of £724,000 and if it were to move in favour of sterling by a similar amount there would be a gain of £885,000.

At the year end the group held C\$36,555 in Canadian dollars, equivalent to £22,990. If the rate of exchange between the Canadian dollar and sterling were to move against sterling by 10% there would be a loss to the group of £2,100 and if it were to move in favour of sterling by a similar amount there would be a gain of £2,600.

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.

A table showing the financial instruments of the group and the company is set out on the next page.

Financial instruments - continued

Group	Available for sale asset		Loans & receivables		Other financial liabilities	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	£	£	£	£	£	£
Financial assets						
Investment	7,964,532	-	-	-	-	-
Deposit	-	-	122,204	121,685	-	-
Other debtors	-	-	40,239	64,991	-	-
Cash and cash equivalents	-	-	670,345	3,150,644	-	-
Financial liabilities						
Trade creditors	-	-	-	-	(33,860)	(207,331)
Loans due to Juno	-	-	-	-	(2,306,283)	(2,191,260)
	7,964,532	-	832,788	3,337,320	(2,340,143)	(2,398,591)
Company						
	Loans & receivables		Other financial liabilities			
	31 March 2013	31 March 2012	31 March 2013	31 March 2012		
	£	£	£	£		
Financial assets						
Other debtors	26,102	24,071	-	-		
Cash and cash equivalents	623,215	1,063,330	-	-		
Financial liabilities						
Trade creditors	-	-	(10,700)	(41,021)		
Loans due to Juno	-	-	(2,306,283)	(2,191,260)		
	649,317	1,087,401	(2,316,983)	(2,232,281)		

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 36.1% 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.

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 £10,000 is payable for the year beginning 23 March 2012; the base part of this rent increases to £20,000 when extraction of minerals at Parys Mountain commences; this rental is 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.

In July 2012 under an agreement 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 to cancel the royalty in its entirety, release the charge and discharge the amount due of £759,680 at 31 March 2012.

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 2013 - £15,500; between 1 April 2014 and 31 March 2019 - £82,000. 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

Other than the issue of shares to Intermine (see note 26d) 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 (*2012 - nil*).

29 Contingent liabilities

There are no contingent liabilities (*2012 - 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 14b.

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

Notice is given that the 2013 annual general meeting of Anglesey Mining plc will be held at the offices of the company's lawyers, DLA Piper UK LLP, 3 Noble Street, London, EC2V 7EE on 24 September 2013 at 11.00 a.m. to consider and, if thought fit, to pass the following resolutions. Resolutions 1 to 10 will be proposed as ordinary resolutions and resolution 11 will be proposed as a special resolution:

As ordinary business

1. To receive the annual accounts and directors' and auditor's reports for the year ended 31 March 2013.
2. To approve the directors' remuneration report for the year ended 31 March 2013.
3. To reappoint John F. Kearney as a director.
4. To reappoint Bill Hooley as a director.
5. To reappoint David Lean as a director.
6. To reappoint Howard Miller as a director.
7. To reappoint Roger Turner as a director.
8. To reappoint Danesh Varma as a director.
9. To reappoint Mazars LLP as auditor.
10. To authorise the directors to determine the remuneration of the auditor.

As special business

11. 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 £401,500.

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 24 December 2014 (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

23 July 2013

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 20 September 2013 (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 be appointed only 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 20 September 2013 (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 17 July 2013 (being the last practicable date before the publication of this notice), the issued share capital consists of 160,608,051 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 17 July 2013 are 160,608,051.

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.

Shareholders' right to require circulation of resolutions to be proposed at the meeting

7. A shareholder or shareholders meeting the qualification criteria set out in note 10 below may require the Company to give shareholders notice of a resolution which may properly be proposed and is intended to be proposed at the meeting in accordance with section 338 of the Act. A resolution may properly be proposed unless (i) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (ii) it is defamatory of any person, or (iii) it is frivolous or vexatious. The business which may be dealt with at the meeting includes a resolution circulated pursuant to this right. Any such request must (i) identify the resolution of which notice is to be given, by either setting out the resolution in full or, if supporting a resolution requested by another shareholder, clearly identifying the resolution which is being supported (ii) comply with the requirements set out in note 11 below, and (iii) be received by the Company no later than six weeks before the meeting.

Shareholders' right to have a matter of business dealt with at the meeting

8. A shareholder or shareholders meeting the qualification criteria set out in note 10 below may require the Company to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may properly be included in the business in accordance with section 338A of the Act. A matter may properly be included unless (i) it is defamatory of any person, or (ii) it is frivolous or vexatious. Any such request must (i) identify the matter to be included in the business, by either setting out the matter in full or, if supporting a matter requested by another shareholder, clearly identifying the matter which is being supported (ii) set out the grounds for the request (iii) comply with the requirements set out in note 11 below and (iv) be received by the Company no later than six weeks before the meeting.

Website publication of audit concerns

9. A shareholder or shareholders who meet the qualification criteria set out in note 10 below 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 Company's 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 of the Company ceasing to hold office since the last annual general meeting of the Company in accordance with section 527 of the Act. Any such request must (i) 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 (ii) comply with the requirements set out in note 11 below and (iii) 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 (i) it may not require the shareholders making the request to pay any expenses incurred by the Company in complying with the request (ii) it must forward the statement to the Company's auditors no later than the time when it makes the statement available on the website and (iii) the statement may be dealt with as part of the business of the meeting.]

Notes 7, 8 and 9 above: qualification criteria and methods of making requests

10. In order to require the company (i) to circulate a resolution to be proposed at the meeting as set out in note 7, (ii) to include a matter in the business to be dealt with at the meeting as set out in note 8, or (iii) to publish audit concerns as set out in note 9, the relevant request must be made by (i) 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 or (ii) at least 100 shareholders having a right to vote at the meeting and holding, on average, at least £100 of paid up share capital. For information on voting rights, including the total voting rights of the Company, see note 5 above and the website referred to in note 15 below.
11. Any request by a shareholder or shareholders to require the Company (i) to circulate a resolution to be proposed at the meeting as set out in note 7 (ii) to include a matter in the business to be dealt with at the meeting as set out in note 8 or (iii) to publish audit concerns as set out in note 9 may be made either (a) in hard copy, by sending it to Anglesey Mining plc, Tower Bridge, St Katharine's Way, London E1W 1DD (marked for the attention of the Company Secretary); or (b) in electronic form, by sending an email to mail@angleseymining.co.uk (marked for the attention of the Company Secretary); and must state the full name(s) and address(es) of the shareholder(s) and (where the request is made in hard copy form) must be signed by the shareholder(s).

Questions at the meeting

12. 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

13. 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

14. 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

15. 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.

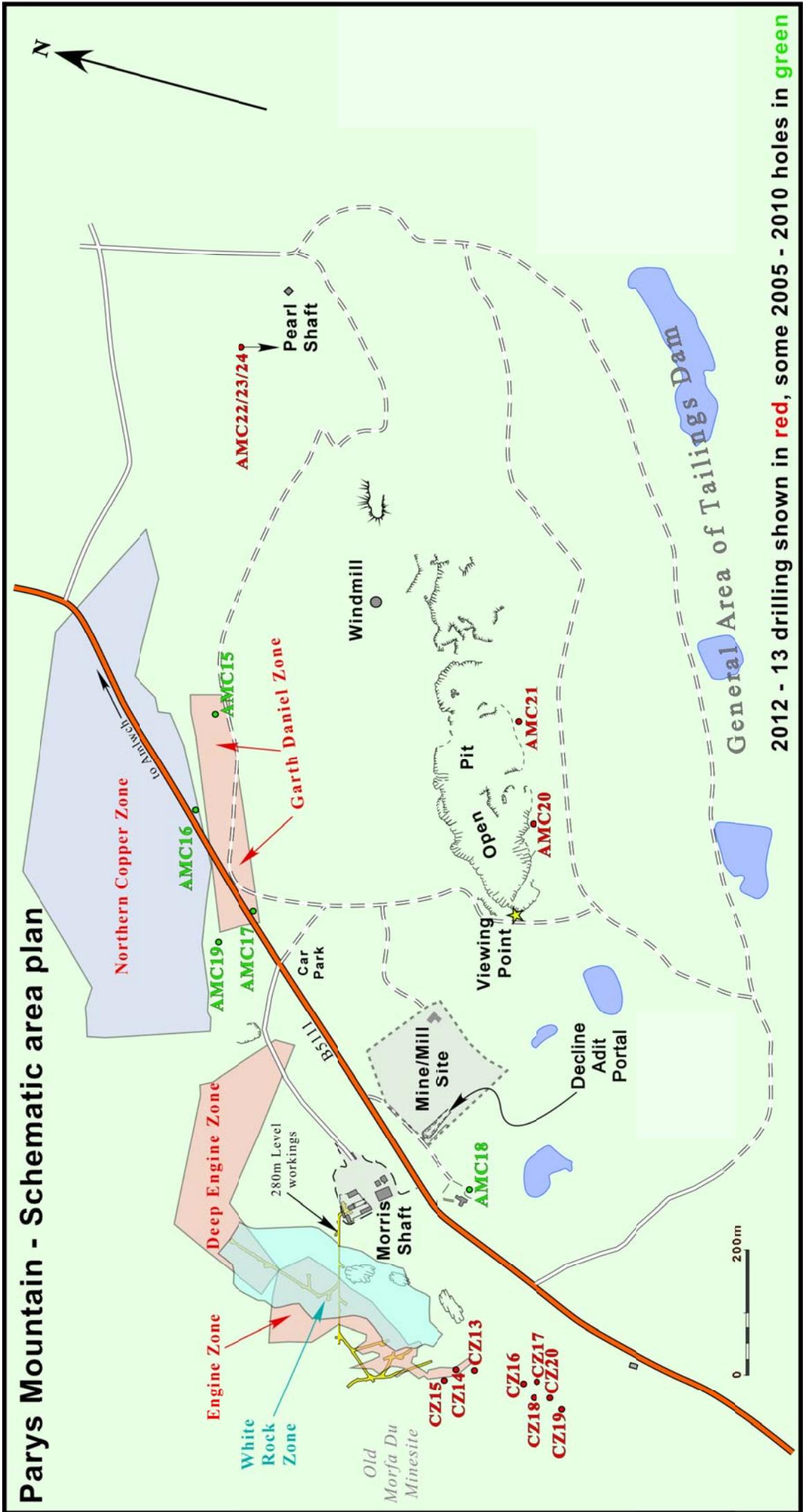
John F. Kearney	Irish, aged 62, chairman, is a mining executive with more than 39 years' experience in the mining industry and is chairman and CEO of Labrador Iron Mines Holdings Limited. He is also chairman of Canadian Zinc Corporation, Minco plc, Xtierra plc and Conquest Resources Limited. He is a director of 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 66, 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 66, (retiring 31 July 2013) 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 66, 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 69, 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. From 1 August 2013 he becomes a member of the audit committee.
Roger Turner	aged 70, 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 63, non-executive director, is a chartered accountant and a member of the Chartered Institute of Taxation. He is a director 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. During the year he was a member of the audit and remuneration committees. From 1 August 2013 he will take over as finance director and company secretary and leave the audit committee.

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Parys Mountain - Schematic area plan



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Company registered number

1849957

Shares listed

The London Stock Exchange - LSE:AYM

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