

Annual Report 2011



Anglesey Mining plc

Front cover: Aerial view of the Silveryards processing and loading area, with ore stockpiles and railcars ready for departure.



Above: Blast hole drilling rig above exposed dark hematite ore face at the James Pit.

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Glossary

AGM - the annual general meeting to be held on 6 September 2011.

C\$ - Canadian dollars. At 31 March 2011 £1 sterling was equivalent to C\$1.56 (2010 - C\$1.535).

DSO - direct shipping ore - ore which can be sold either without any further processing or 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.

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

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



Anglesey Mining plc

A UK mining company listed on the London Stock Exchange

33% interest in Labrador Iron Mines Holdings Limited, a TSX quoted Canadian company with 39 million tonnes of compliant direct shipping hematite iron ore and 125 million tonnes of historical resources near Schefferville in Canada, where production and processing of iron ore is now underway.

The market value of the group's investment in LIM at 31 March 2011 was £156 million compared with £75 million at the same date in 2010. At 19 July 2011 this value was £129 million, equivalent to 81 pence per Anglesey share.

The first of LIM's iron ore deposits has now been brought into production and LIM is moving towards becoming a significant producer.

100% of the Parys Mountain copper-lead-zinc project in North Wales with a total historical resource of 7.76 million tonnes at 9.3% combined copper, lead and zinc, held awaiting development.

Chairman's Statement

This has been the most successful year that Anglesey Mining has ever experienced with the Schefferville iron ore mining operations of Labrador Iron Mines ("LIM"), in which the group holds 33% of the equity, moving into production. The first rail shipment of iron ore to the port of Sept-Iles was despatched in June 2011 and LIM is now on track to produce over one million tonnes of iron ore this year, with plans for expansion to enable production of 2.5 million tonnes in 2012.

The key developments and progress since the last Annual Report were:

- LIM's steady progress towards production saw the price of LIM shares continue to increase and at 19 July 2011 the market value of the group's holding in LIM was C\$199 million (£129 million) equivalent to 81 pence per Anglesey share.
- LIM completed a share placement in April 2011 in which it raised C\$121 million (£78.5 million). It is now well financed to carry through its expansion plans.
- The price of iron ore has remained strong and currently stands at around US\$175 per tonne (CFR China) and the consensus of forecasts by respected market analysts is for trading in the range of \$150 - \$200 per tonne for a number of years. This should be very positive for the future of LIM.
- In January 2011 Anglesey raised £1.6 million through the exercise of share options with a concurrent private placing and now has a total of around £3.5 million in cash.

Parys Mountain

At Parys Mountain, the group holds 100% of the largest known base metal deposit in the United Kingdom. Resources of zinc, copper and lead with small but significant amounts of silver and gold total 7.76 million tonnes, most of which are historic resources, but which include 1.75 million tonnes of JORC compliant resource in the indicated category.

The prices for copper, zinc, lead, gold and silver, which are the major metals to be mined at Parys Mountain have remained strong. We believe that the Parys project has the potential to become a very significant base metal producer with by-products of gold and silver which would generate a substantial value for shareholders.

It is intended to undertake a detailed review of the resources and the development options for Parys Mountain during the remainder of 2011. This review will include the reappraisal of the previously proposed White Rock mine which would target near surface resources as a first stage development option, which would lead to the subsequent development of the deeper lying resources. The review will also include the identification of drilling targets close to the White Rock with the objective of increasing the near surface resources.

Financial

The results of Anglesey are dominated by those of its associate LIM, which during the financial year was a development company with no revenues and significant expenses in respect of its administrative costs. Primarily as a result of the losses reported by LIM, Anglesey recorded an overall loss of £1.44 million for the year ended 31 March 2011.

With a total of around £3.5 million in cash and administrative cash costs of less than £0.4 million per year the group is well placed to finance the review and the first stages of any subsequent development of Parys Mountain.

I look forward to the on-going success of Anglesey in what are truly exciting times.

John F. Kearney

Chairman

27 July 2011

The directors have pleasure in submitting their report and the audited accounts for the year ended 31 March 2011.

Principal activities and business review

The group's principal activities are the development and operation of the Labrador iron project in eastern Canada in which the group now has a 33% interest, and the Parys Mountain project in North Wales which is wholly owned.

Development of the Labrador properties is proceeding rapidly and the James deposit, the first to go into production, dispatched the first train carrying iron ore on 29 June 2011. Output is expected to build up during the remainder of the operating season.

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

The aim of the group is to continue to develop and operate the Labrador projects, to create value in the Parys Mountain property, including by co-operative arrangements, 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

Anglesey Mining now holds a 33% interest in Toronto-listed LIM which is developing and operating direct shipping iron ore deposits in western Labrador and north-eastern Quebec near Schefferville in Canada. At 31 March 2011 the group's interest was 40% (2010 - 41%); this was diluted after the year end following a major fund raising by LIM in April 2011.

The Schefferville Projects are located in the west-central part of the Labrador Trough iron range, one of the major iron ore producing regions in the world, and are divided into two separate portions, one within the Province of Newfoundland and Labrador, and the other within the Province of Quebec, both located near the town of Schefferville, Quebec.

The iron ore deposits forming the Schefferville Projects are predominantly hematite ore and were part of the original Iron Ore Company of Canada direct-shipping Schefferville operations conducted from 1954 to 1982.

A total of 39.6 million tonnes of measured and indicated resources have now been estimated in the James, Redmond, Houston and Denault deposits (NI 43-101 compliant). The remaining deposits have a historical resource estimated at approximately 125 million tons of direct shipping iron ore, based on work carried out by IOC prior to the closure of its Schefferville operations in 1984. The historical estimate was prepared according to the standards used by IOC and, while still considered relevant, is not compliant with NI 43-101.

The plans for the Schefferville Projects envision the mining of the deposits in stages. Stage 1 comprises the James deposit which is closest to existing infrastructure.

Development progress during the year has been rapid and substantial, such that the project is now, post year end, operational and is mining, processing and shipping iron ore. C\$13/£8 million was capitalised in respect of mineral property development and exploration costs (2010 - C\$7/£4 million) and C\$29/£18 million (2010 - C\$7/£4 million) was capitalised in respect of property, plant and equipment.

Mining

Ore mining at the James deposit commenced in April 2011 and is planned to be carried out for seven to eight months per year from April to November (depending on weather conditions) at a mining rate of approximately 15,000 tonnes of ore per day, using conventional open-pit mining methods and where necessary employing standard drilling and blasting practices. Overburden and waste mining, and some ore mining, will continue through the winter period. Ore mined will be classed into three products for direct shipping, plant feed and stockpiling for later treatment.

Silver Yards processing plant

The beneficiation plant, where Stage 1 ore will be crushed, washed and screened, is situated within an area called the Silver Yards approximately 1 km northeast of the James mine. The first phase of the Silver Yards plant has been constructed and commissioned including the primary and secondary crushers, screens, scrubbers, stackers and conveyers. Residual material from the plant is being pumped to the old Ruth Pit.

The Silver Yards plant has a planned initial processing rate of 6,000 tonnes per day, increasing to 10,000 tonnes per day. It is expected that the plant will continue to operate through to November. In future years the planned annual seasonal processing schedule will cover a period of seven to eight months, or approximately 210 to 240 days per year, from April to November or December, depending on weather conditions.

The ore which contains higher levels of silica will not be processed in the first year of operations but will be stockpiled for treatment later when the plant is expanded with the addition of a third processing line together a number of refinements to the plant.

Rail transportation

The 560 km main rail line between Schefferville and Sept-Iles was originally constructed for the shipment of iron ore from the Schefferville area and has been in continuous operation for over fifty years. LIM has constructed a five mile spur line which connects Silver Yards to the main rail line.

LIM has agreements covering access to all of the track required for iron ore transportation and for the rental of five locomotives to haul its trains. In addition LIM has purchased a fleet of 400 previously used rail cars of which the first consignment of rail cars has been delivered to Sept-Iles where modifications are being carried out.

LIM's first ore train, loaded with direct shipping ore, departed Silver Yards for Sept-Iles on 29 June 2011. This train represents the first commercial iron ore train movement from the Schefferville area in almost 30 years.

Port

LIM has an arrangement with the Sept-Iles Port Authority for the use of the Pointe aux Basques terminal for handling and ship loading of LIM's iron ore for the 2011 season and potentially beyond. Use of the Pointe aux Basques facilities requires train shunting and unloading in the adjacent rail yard and loading the iron ore onto barges or lakers and transshipping to larger vessels within the deeper waters of the bay or at another port. The port handling arrangements are currently being finalised. It is expected that the first shipment of iron ore will be loaded at the Port of Sept Iles in August 2011.

Exploration program

LIM has commenced a large exploration program on its Schefferville Area projects. A total of 17,500 metres of drilling is planned for the 2011 season, using four drill rigs, and a further 4,000 metres of exploration trenching will be carried out.

First Nations

The Schefferville Projects are located in an area over which claims for traditional aboriginal rights are asserted by four First Nations groups. LIM has signed impact benefits agreements ("IBAs") with three of these groups and an Agreement in Principle with the fourth group.

Marketing

It is expected that iron ore products produced in 2011 will be sold into the spot market on a "FOB Sept- Iles" basis. LIM has had detailed discussions with a number of internationally recognised companies with specialist knowledge of the iron and steel industry and expects to finalise marketing arrangements with one of these companies for the sale of its initial 2011 ore production.

Iron Ore Price

The viability and profitability of LIM's Schefferville Projects is dependent on the sale price of iron ore.

The world-wide iron-ore market remains positive though spot prices for 62% Fe sinter fines have fallen from highs of around US\$190 per tonne (CFR China) during the first quarter of calendar 2011 to around US\$170 per tonne in recent weeks. High demand for iron ore in recent years has been driven primarily by China. Current efforts by the Chinese government to slow down some aspects of growth of the Chinese economy, including restricting credit and raising base interest rates, has likely been the reason for some slowing in Chinese purchases and hence the recent reduction in spot prices. These reduced purchases have reportedly resulted in some levels of destocking. There are signs that this destocking is now being reversed which should lead to stronger prices in months to come.

The recent medium term increases in iron ore costs will inevitably lead to continuing increases in steel prices, which under normal circumstances would lead to reduced levels in steel demand in subsequent periods. Demand for steel and therefore for iron ore appears likely to remain strong, and is likely to continue to grow in the coming years. In the short to medium term, with demand remaining strong, prices are forecast to only retract marginally. In the longer term as major new production capacity comes on line in Brazil and Australia, the balance between supply and the continuing increasing demand is likely to remain close. The extent to which demand continues to exceed supply will be influenced by new and increased growth from other markets, including south-east Asia, and renewed growth in Europe led by Germany, and particularly by the level at which new iron ore supply from West Africa may emerge. There are now signs that some of this new African production will take longer to come on stream than previously forecast thereby extending the period during which demand is expected to equal or exceed supply. The latest consensus of current forecasts indicate that iron ore supply and demand will remain generally in balance until around 2015 to 2016, with prices only dropping 10-15% in that period, possibly followed by a supply surplus, with prices declining somewhat thereafter.

Full details of LIM's operations and financial position are available in LIM's financial statements, management's discussion and analysis and annual information form, all of which cover the period to 31 March 2011, published on LIM's website at http://www.labradorironmines.ca/invest_financials.php.

Parys Mountain

The Parys Mountain property is the largest known base metal deposit in the United Kingdom. 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 1991 feasibility 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. However there was limited development over the period from 1991 to 2003 chiefly due to poor metal prices. This historic resource

together with the White Rock JORC compliant resource identified more recently, amounts in aggregate to 7.8 million tonnes at 9.3% combined metals.

The prices for copper, zinc, lead, gold and silver, which are the major metals to be mined at Parys Mountain have remained strong. It is intended to undertake a detailed review of the resources and the development options for Parys Mountain during the remainder of 2011. This review will include the reappraisal of the previously proposed White Rock mine which would target near surface resources as a first stage development option, which would lead to the subsequent development of the deeper lying resources. The review will also include the identification of drilling targets close to the White Rock with the objective of increasing the near surface resources.

The directors considered the carrying value of the Parys Mountain property and carried out an impairment review the detail of which is set out in note 10. The review indicated that no impairment provision was required or justified. Operation of the mine and the receipt of cashflows from it are dependent on finance being available to fund the development of the property.

Dolaucothi

In addition to its other mineral assets, the group holds the Dolaucothi gold property in South Wales. It is not the company's current intention to incur significant expenditures on this property, however this situation will be kept under review.

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

So far as the directors are aware, there are no standardised indicators which can usefully be employed to gauge the performance of the group at this stage of its development other than the performance of the parent company's listed shares. The directors expect to be judged by their success in creating value for shareholders.

The chief external factors affecting the ability of the group to move forward are the availability of finance, 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 (2010 - nil).

Financial position

The group has no revenues from the operation of its properties. The loss for the year after tax was £1,445,657 compared to a profit of £8,204,337 in 2010. Of the 2010 profit, £8,788,063 was attributable to the effects of the LIM financing and to Anglesey's sale of part of its LIM shareholding in March 2010; the only comparable transactions in 2011 resulted in a profit of £294,560. After excluding the effects of these transactions the comparable figures were losses of £1,740,217 in 2011 and £583,726 in 2010. The increased loss in the Labrador associate was due to higher administration and corporate expenses incurred there as activities increased during the project's movement towards production. The company's own expenses were increased by national insurance charges connected with the exercise of share options by directors and higher investor relations costs.

During the year there were no additions to fixed assets (2010 - nil) and £107,850 (2010 - £175,994) was capitalised in respect of the development of the Parys Mountain property. The Labrador properties are held in an associated company.

The group's cash position at 31 March 2011 was £3,671,247 (2010 - £2,766,074), this increase from last year being due to the receipt of proceeds from the placing of shares in January 2011. The foreign exchange loss of £61,919 (2010 - nil) shown in the income statement arises for the first time this year on the cash balances held in Canadian dollars. There were no cash balances held in Canadian dollars until 31 March 2010.

At 31 March 2011 the company had 158,158,051 ordinary shares in issue, 5,000,000 more than in 2010 as a result of a cash placing of 2,500,000 shares and the exercise of share options over a further 2,500,000 shares. Following the year end a further 250,000 shares were issued in respect of the exercise of a director's share options.

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

Risks and uncertainties

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

General mining risks

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

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

Development and liquidity risk

The company has adequate funds for its current and planned operations which do not at present include the development to production of the Parys Mountain property. LIM is believed to be fully funded for the foreseeable future.

Exploration and development

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

Metal prices

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

Foreign exchange

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

Permitting, environment and social

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

LIM conducts its operations in Labrador and Quebec, in areas which are subject to conflicting First Nations land claims. There are 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 develop the Schefferville deposits.

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

Employees and personnel

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

Financial instruments

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

Directors

The names of the directors with biographical details are shown on the inside rear cover. In accordance with the company's practice, Bill Hooley and Roger Turner retire by rotation and, being eligible, offer themselves for re-election. Since Danesh Varma, Howard Miller and David Lean have served for more than nine years as non-executive directors, the Corporate Governance Code requires that they be re-elected annually, and, being eligible, they are also proposed for re-election.

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 and were in fact so amended at the AGM held in September 2010. Under the Articles, any director appointed by the board during the year must retire at the Annual General Meeting following his appointment. In addition, the Articles require that one-third of the remaining directors retire by rotation at each general meeting and seek re-appointment.

Directors' interests in material contracts

Juno Limited (Juno), which is registered in Bermuda, holds 36.6% 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 chief operations officer of LIM and Danesh Varma is chief financial officer of LIM. All three are shareholders of LIM, are entitled to remuneration from LIM and have been granted options over the shares of LIM. 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	19 July 2011		31 March 2011		31 March 2010	
	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	-	5,400,000	-
Bill Hooley	2,500,000	100,000	2,500,000	100,000	2,900,000	100,000
Ian Cuthbertson	1,700,000	1,027,300	1,700,000	1,027,300	2,100,000	1,027,300
David Lean	450,000	-	700,000	-	700,000	-
Howard Miller	600,000	-	600,000	-	900,000	-
Roger Turner	500,000	-	500,000	-	1,100,000	-
Danesh Varma	1,000,000	-	1,000,000	-	1,400,000	-

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

Substantial shareholders

At 19 July 2011 the following shareholders had advised the company of interests in the issued ordinary share capital of the company:

Name	Number of shares	Percentage of share capital
Juno Limited	57,924,248	36.6%
Passport Special Opportunities Master Fund	26,525,000	16.7%

Shares

Disapplication of pre-emption rights

The directors would usually wish to allot any new share capital on a pre-emptive basis, however in the light of the group's potential requirement to raise further funds for the acquisition of new mineral ventures, other activities and working capital, they believe that it is appropriate to have a larger amount available for issue at their discretion

without pre-emption than is normal for larger listed companies. In the case of allotments other than for rights or other pre-emptive issues, it is proposed that such authority will be for a nominal value of up to £390,000 of share capital being 39,000,000 ordinary shares, which is equivalent to 25% of the issued ordinary share capital at 19 July 2011. 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 (2010 - nil).

The group, which for these purposes does not include LIM, 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.

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 2011 was 47 days (2010 - 59 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 for a twelve month period from the date of this report, and after making due enquiry in the light of current and anticipated economic conditions, the directors consider that the group and company have adequate resources to continue in business for the foreseeable future. For this reason, the going concern basis continues to be adopted in the preparation of the financial statements.

Statement of directors' responsibilities

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

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

Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

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

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

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

Auditor

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

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

By order of the board

Ian Cuthbertson

Company Secretary

27 July 2011

Unaudited information:

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

Remuneration Committee policy and share options

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

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

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

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

Terms and conditions of service

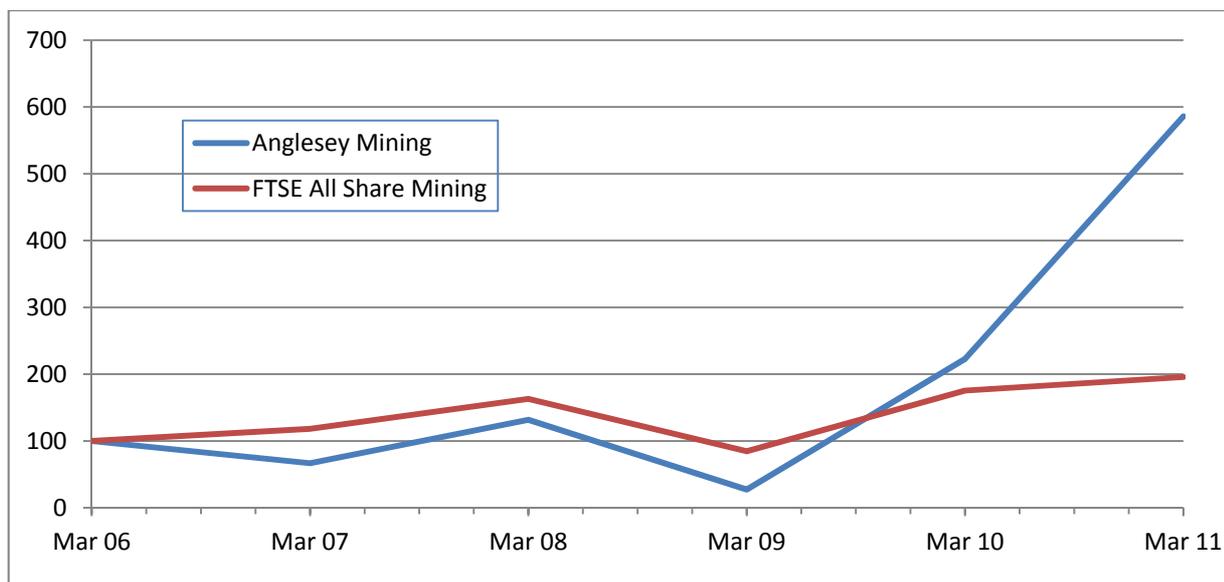
Bill Hooley and Ian Cuthbertson have written terms of employment with rolling notice periods of 12 months and no other entitlement to termination payments. They are eligible to receive performance bonuses when key corporate targets are attained.

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

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

Total shareholder return graph

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



Audited information:**Directors' emoluments**

Name	2011			2010		
	Salary and fees £	Pension £	Total £	Salary and fees £	Pension £	Total £
Executive						
John Kearney	-	-	-	-	-	-
Ian Cuthbertson	33,478	20,547	54,025	34,940	10,320	45,260
Bill Hooley	20,000	-	20,000	20,000	-	20,000
Non-executive						
Howard Miller	5,000	-	5,000	5,000	-	5,000
David Lean	5,000	-	5,000	5,000	-	5,000
Roger Turner	5,000	-	5,000	5,000	-	5,000
Danesh Varma	24,000	-	24,000	24,000	-	24,000
Totals	92,478	20,547	113,025	93,940	10,320	104,260

Pension contributions are to a money purchase pension scheme.

The amounts paid to Bill Hooley and Danesh Varma are in respect of their duties with the company; they also receive remuneration from LIM (see below). Included with Ian Cuthbertson's salary for 2011 is a bonus of £5,000 (2010 - nil).

Associate company

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

Audited information (continued):**Directors' share options**

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

Name	Options at 1 April 2010	Granted in year	Exercised in year	Price on exercise	Lapsed in year	Options at 31 March 2011	Exercise price	Date from which exercisable	Expiry date
John Kearney	5,000,000	-	-	-	-	5,000,000	4.13p	22 Oct 05	22 Oct 14
John Kearney	200,000	-	200,000	56p	-	-	21.90p	26 Nov 07	26 Nov 17
John Kearney	200,000	-	200,000	56p	-	-	5.00p	27 Mar 10	27 Mar 19
Bill Hooley	1,000,000	-	-	-	-	1,000,000	10.63p	15 Jan 07	15 Jan 16
Bill Hooley	1,500,000	-	-	-	-	1,500,000	21.90p	26 Nov 07	26 Nov 17
Bill Hooley	400,000	-	400,000	56p	-	-	5.00p	27 Mar 10	27 Mar 19
Ian Cuthbertson	1,000,000	-	400,000	56p	-	600,000	4.13p	22 Oct 05	22 Oct 14
Ian Cuthbertson	200,000	-	-	-	-	200,000	10.63p	15 Jan 07	15 Jan 16
Ian Cuthbertson	600,000	-	-	-	-	600,000	21.90p	26 Nov 07	26 Nov 17
Ian Cuthbertson	300,000	-	-	-	-	300,000	5.00p	27 Mar 10	27 Mar 19
David Lean	100,000	-	-	-	-	100,000	10.63p	15 Jan 07	15 Jan 16
David Lean	400,000	-	-	-	-	400,000	21.90p	26 Nov 07	26 Nov 17
David Lean	200,000	-	-	-	-	200,000	5.00p	27 Mar 10	27 Mar 19
Howard Miller	200,000	-	200,000	56p	-	-	4.13p	22 Oct 05	22 Oct 14
Howard Miller	100,000	-	100,000	56p	-	-	10.63p	15 Jan 07	15 Jan 16
Howard Miller	400,000	-	-	-	-	400,000	21.90p	26 Nov 07	26 Nov 17
Howard Miller	200,000	-	-	-	-	200,000	5.00p	27 Mar 10	27 Mar 19
Roger Turner	500,000	-	400,000	56p	-	100,000	10.63p	15 Jan 07	15 Jan 16
Roger Turner	400,000	-	-	-	-	400,000	21.90p	26 Nov 07	26 Nov 17
Roger Turner	200,000	-	200,000	56p	-	-	5.00p	27 Mar 10	27 Mar 19
Danesh Varma	500,000	-	400,000	56p	-	100,000	4.13p	22 Oct 05	22 Oct 14
Danesh Varma	200,000	-	-	-	-	200,000	10.63p	15 Jan 07	15 Jan 16
Danesh Varma	500,000	-	-	-	-	500,000	21.90p	26 Nov 07	26 Nov 17
Danesh Varma	200,000	-	-	-	-	200,000	5.00p	27 Mar 10	27 Mar 19

The market price of the ordinary shares at 31 March 2011 was 83.50 pence, the high for the year to 31 March 2011 was 92.00 pence and the low for the year was 20.50 pence. The mid-market price at 19 July 2011 was 57.25 pence. The aggregate result of the exercise of options by directors during the year was a gain for the option holders of £1,221,775 (2010 - £87,000). Following the year end, on 5 April 2011, 250,000 shares were issued in respect of the exercise of a director's share option for total proceeds of £190,000.

By order of the board

Ian Cuthbertson
Company Secretary

27 July 2011

Principles

The board bases its policies and practices in relation to corporate governance on the 2008 Financial Reporting Council Combined Code on Corporate Governance (the "Code"). The group has made use of the Guidance for Smaller Quoted Companies published by the Quoted Companies Alliance in 2004 which relates to the implementation of corporate governance for smaller quoted companies.

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

The Board

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

The board comprises three executive directors and four non-executive directors, a structure which the board considers to be appropriate. For the purposes of the Code Howard Miller is the senior independent non-executive director and David Lean and Roger Turner are independent directors. Danesh Varma is not deemed to be independent. Howard Miller and David Lean have now served for more than nine 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.

The board meets when required 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 is a system for the board to monitor its own performance, including that of the board committees, and a programme to develop directors' skills and expertise.

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

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

Remuneration committee

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

Audit committee

The committee's terms of reference have been approved by the board and follow published guidelines. The audit committee comprises Danesh Varma and David Lean. Both are chartered accountants with extensive mineral industry experience and have the necessary recent and relevant experience required by the Combined 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 advises the board on the appointment of external auditors and on their remuneration for both audit and non-audit work and discusses the nature and scope of the audit with the external auditors. It meets formally at

least once a year with the group's external auditors. During the period, the audit committee has reviewed the effectiveness of the system of internal control. An analysis of the fee payable to the external audit firm in respect of both audit and non-audit services during the year is set out in note 4 to the financial statements.

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

Nomination committee

The nomination committee comprises John Kearney (chairman), David Lean and Howard Miller. All directors are subject to re-election at least every three years. The nomination committee makes recommendations to the board on the appointment of new executive and non-executive directors, including making recommendations as to the composition of the board and its committees and the balance between executive and non-executive directors. The nomination committee meets as and when required. It has not met in the year and has not yet engaged external consultants to identify appropriate candidates. 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 12 months' 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 and 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 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 ended 31 March 2011 and up to the date of approval of the report and financial statements that have required the board to deal with any related material internal control issues. The directors confirm that the board has reviewed the effectiveness of the system of internal control as described during the period.

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

Risks and uncertainties

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

Communication with shareholders

Extensive information about the group and its activities is given in the annual report and accounts and the interim report which are sent to shareholders. Further information is available on the company's website, www.angleseymining.co.uk, which is updated whenever announcements or press releases are made.

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.

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
Total number of meetings:			5	3	1
John Kearney	10 November 1994	2013	5		
Ian Cuthbertson	22 December 1997	2013	5		
Bill Hooley	10 January 2006	2011	5		
Howard Miller	20 September 2001	2012	4		1
David Lean	20 September 2001	2012	5	3	
Roger Turner	10 January 2006	2011	5		
Danesh Varma	15 November 1994	2011	5	3	1

There were no meetings of the nomination committee.

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

Danesh Varma, Howard Miller and David Lean are non-executive directors who have served for more than 9 years and are therefore subject to annual re-election to the board.

Compliance with the Combined Code

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

- A.2 - Because of his long service with the group, John Kearney cannot be regarded as independent in his roles as director and chairman.
- A.6.1 - There has been no formal and rigorous annual evaluation of the performance of the board, its committees and the individual directors.
- B.2.1 and C.3.1 - Danesh Varma is a member of the audit and remuneration committees: because he has been on the board for more than nine years and is connected with Juno Limited, under the Code provisions he is not regarded as independent.
- B.1.3 - Non-executive directors hold options over shares.

By order of the board

Ian Cuthbertson

Company Secretary

27 July 2011

Independent auditor's report to the members of Anglesey Mining plc

We have audited the financial statements of Anglesey Mining plc for the year ended 31 March 2011 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 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Respective responsibilities of directors and auditor

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

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

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2011 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Emphasis of matter

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures in the financial statements concerning the valuation of intangible assets (note 10) of £13,900,593 in the group financial statements and the valuation of investment in subsidiary undertakings (note 13) of £13,630,271 in the company financial statements.

The financial statements and related notes have been prepared on the validity of the following:

- The successful development of Parys Mountain mineral property; and
- The raising of new finance to exploit mineral reserves.

No adjustments have been made to the statement of financial position and related notes to reflect changes to these assets' carrying value that might be necessary should the above conditions not be met.

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 set out on pages 4 to 10 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement with respect to internal control and risk management systems in relation to financial reporting processes and about share capital is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, 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 in the Directors' Report, in relation to going concern;
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code 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

27 July 2011

Group income statement

All attributable to equity holders of the company

	Notes	Year ended 31 March 2011 £	Year ended 31 March 2010 £
All operations are continuing			
Revenue		-	-
Expenses		(476,139)	(253,684)
Equity-settled employee benefits	22	-	(28,127)
Share of loss of associate	14	(1,104,453)	(203,173)
Gains on deemed disposals in associate	14	294,560	7,054,967
Profit on sale of shares in associate	14	-	1,733,096
Investment income	6	19,308	1,076
Finance costs	7	(117,014)	(99,818)
Foreign exchange loss		(61,919)	-
(Loss)/profit before tax	4	(1,445,657)	8,204,337
Tax	8	-	-
(Loss)/profit for the year		(1,445,657)	8,204,337
(Loss)/profit per share			
Basic - pence per share	9	(0.9)p	5.4 p
Diluted - pence per share	9	(0.9)p	5.3 p
Consolidated statement of comprehensive income			
(Loss)/profit for the year		(1,445,657)	8,204,337
Other comprehensive income:			
Exchange difference on translation of foreign holding	14	(360,273)	2,148,426
Total comprehensive (loss)/income for the year		(1,805,930)	10,352,763

Statement of financial position of the group

	Notes	31 March 2011 £	31 March 2010 £
Assets			
Non-current assets			
Mineral property development	10	13,900,593	13,792,743
Property, plant and equipment	11	204,687	204,687
Interest in associate	14	21,073,132	21,868,314
Deposit	15	121,146	120,574
		<u>35,299,558</u>	<u>35,986,318</u>
Current assets			
Other receivables	16	22,469	8,327
Cash and cash equivalents	17	3,671,247	2,766,074
		<u>3,693,716</u>	<u>2,774,401</u>
Total assets		<u>38,993,274</u>	<u>38,760,719</u>
Liabilities			
Current liabilities			
Trade and other payables	18	(791,148)	(817,869)
		<u>(791,148)</u>	<u>(817,869)</u>
Net current assets		<u>2,902,568</u>	<u>1,956,532</u>
Non-current liabilities			
Loan	19	(2,077,361)	(1,960,347)
Long term provision	20	(42,000)	(42,000)
		<u>(2,119,361)</u>	<u>(2,002,347)</u>
Total liabilities		<u>(2,910,509)</u>	<u>(2,820,216)</u>
Net assets		<u>36,082,765</u>	<u>35,940,503</u>
Equity			
Share capital	21	7,092,414	7,042,414
Share premium		9,621,181	8,097,973
Currency translation reserve		3,620,997	3,981,270
Retained earnings		15,748,173	16,818,846
Total shareholders' equity		<u>36,082,765</u>	<u>35,940,503</u>

The financial statements of Anglesey Mining plc registered number 1849957 were approved by the board of directors, authorised for issue on 27 July 2011 and signed on its behalf by:

John F. Kearney, Chairman

Ian Cuthbertson, Finance Director

Statement of financial position of the company

	Notes	31 March 2011 £	31 March 2010 £
Assets			
Non-current assets			
Investments	13	13,630,271	14,109,987
		<u>13,630,271</u>	<u>14,109,987</u>
Current assets			
Other receivables	16	15,031	4,254
Cash and cash equivalents	17	1,498,137	7,201
		<u>1,513,168</u>	<u>11,455</u>
Total Assets		15,143,439	14,121,442
Liabilities			
Current liabilities			
Trade and other payables	18	(100,371)	(166,365)
		<u>(100,371)</u>	<u>(166,365)</u>
Net current assets/(liabilities)		1,412,797	(154,910)
Non-current liabilities			
Loan	19	(2,077,361)	(1,960,347)
		<u>(2,077,361)</u>	<u>(1,960,347)</u>
Total liabilities		(2,177,732)	(2,126,712)
Net assets		12,965,707	11,994,730
Equity			
Share capital	21	7,092,414	7,042,414
Share premium		9,621,181	8,097,973
Retained losses		(3,747,888)	(3,145,657)
Shareholders' equity		12,965,707	11,994,730

The financial statements of Anglesey Mining plc registered number 1849957 were approved by the board of directors and authorised for issue on 27 July 2011, 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 2009	7,036,414	8,092,423	1,832,844	8,542,452	25,504,133
Total comprehensive income for the year:					
Profit for the year	-	-	-	8,204,337	8,204,337
Exchange difference on translation of foreign holding	-	-	2,148,426	-	2,148,426
Total comprehensive income for the year	-	-	2,148,426	8,204,337	10,352,763
Shares issued for cash	6,000	6,000	-	-	12,000
Share issue costs	-	(450)	-	-	(450)
Equity-settled benefits credit:					
- associate	-	-	-	43,930	43,930
- company	-	-	-	28,127	28,127
Equity at 31 March 2010	7,042,414	8,097,973	3,981,270	16,818,846	35,940,503
Total comprehensive income for the year:					
(Loss) for the year	-	-	-	(1,445,657)	(1,445,657)
Exchange difference on translation of foreign holding	-	-	(360,273)	-	(360,273)
Total comprehensive loss for the year	-	-	(360,273)	(1,445,657)	(1,805,930)
Shares issued for cash	50,000	1,528,225	-	-	1,578,225
Share issue costs	-	(5,017)	-	-	(5,017)
Equity-settled benefits credit:					
- associate	-	-	-	374,984	374,984
Equity at 31 March 2011	7,092,414	9,621,181	3,620,997	15,748,173	36,082,765
Company		Share capital £	Share premium £	Retained losses £	Total £
Equity at 1 April 2009		7,036,414	8,092,423	(2,782,905)	12,345,932
Total comprehensive income for the year:					
Loss for the year		-	-	(390,879)	(390,879)
Total comprehensive loss for the year		-	-	(390,879)	(390,879)
Shares issued for cash		6,000	6,000	-	12,000
Share issue costs		-	(450)	-	(450)
Equity-settled benefits credit		-	-	28,127	28,127
Equity at 31 March 2010		7,042,414	8,097,973	(3,145,657)	11,994,730
Total comprehensive income for the year:					
Loss for the year		-	-	(602,231)	(602,231)
Total comprehensive loss for the year		-	-	(602,231)	(602,231)
Shares issued for cash		50,000	1,528,225	-	1,578,225
Share issue costs		-	(5,017)	-	(5,017)
Equity at 31 March 2011		7,092,414	9,621,181	(3,747,888)	12,965,707

Statement of cash flows of the group

	Notes	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Operating activities			
(Loss)/profit for the year		(1,445,657)	8,204,337
Adjustments for non-cash items:			
Investment revenue	6	(19,308)	(1,076)
Finance costs	7	117,014	99,818
Equity-settled employee benefits		-	28,127
Share of loss of associate	14	1,104,453	203,173
Gain on deemed disposal in associate	14	(294,560)	(7,054,967)
Profit on sale of shares in associate	14	-	(1,733,096)
Foreign exchange loss		61,919	-
		(476,139)	(253,684)
Movements in working capital			
(Increase) in receivables		(14,142)	(5,412)
(Decrease)/increase in payables		(26,721)	209,187
Net cash used in operating activities		(517,002)	(49,909)
Investing activities			
Investment revenue	6	18,736	51
Net proceeds from sale of shares in associate	14	-	2,729,945
Mineral property development	10	(107,850)	(175,994)
Net cash (used in)/generated from investing activities		(89,114)	2,554,002
Financing activities			
Net proceeds from issue of shares		1,573,208	11,550
Loan received		-	100,000
Net cash generated from financing activities		1,573,208	111,550
Net increase in cash and cash equivalents		967,092	2,615,643
Cash and cash equivalents at start of period		2,766,074	150,431
Foreign exchange movement		(61,919)	-
Cash and cash equivalents at end of period	17	3,671,247	2,766,074

Statement of cash flows of the company

	Notes	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Operating activities			
Loss for the year	23	(602,231)	(390,879)
Adjustments for non-cash items:			
Investment revenue		(3,545)	(51)
Finance costs		117,014	99,818
Equity-settled benefits		-	28,127
		<u>(488,762)</u>	<u>(262,985)</u>
Movements in working capital			
(Increase) in receivables		(10,777)	(2,821)
(Increase)/decrease in payables		(65,994)	40,887
Net cash used in operating activities		<u>(565,533)</u>	<u>(224,919)</u>
Investing activities			
Interest received		3,545	51
Investments and long term loans		479,716	(28,591)
Net cash generated from/(used in) investing activities		<u>483,261</u>	<u>(28,540)</u>
Financing activities			
Net proceeds from issue of shares		1,573,208	11,550
Loan received		-	100,000
Net cash generated from financing activities		<u>1,573,208</u>	<u>111,550</u>
Net increase/(decrease) in cash and cash equivalents		<u>1,490,936</u>	<u>(141,909)</u>
Cash and cash equivalents at start of year		7,201	149,110
Cash and cash equivalents at end of year		<u>1,498,137</u>	<u>7,201</u>

1 General information

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

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

2 Significant accounting policies

Basis of Accounting

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

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

Going concern

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

Basis of consolidation

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

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

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

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

Investment in associate

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

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

Revenue recognition

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

Foreign currencies

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

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

Significant accounting policies - continued

Segmental analysis

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

Retirement benefit costs

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

Equity-settled employee benefits

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

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

Taxation

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

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

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

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

Property, plant and equipment

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

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

Intangible assets - mineral property development costs

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

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

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

Impairment of tangible and intangible assets

Mineral properties 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 in which it is recoverable.

Provisions

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

Financial instruments

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

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

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

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

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

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

Equity instruments

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

Leases

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

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

New accounting standards

The group and company have adopted the amendments to the following standards and interpretations;

IFRS 2	Share based payments - Amendments relating to group cash-settled share based payment transactions
IFRS 3	Business Combinations - Comprehensive revision on applying the acquisition method
IAS 27	Consolidated and Separate Financial Statements - Consequential amendments arising from amendments to IFRS 3
IAS 28	Investments in Associates - Consequential amendments arising from amendments to IFRS 3
IAS 31	Interests in Joint Ventures - Consequential amendments arising from amendments to IFRS 3
IAS 32	Financial Instruments: Presentation - Amendments relating to classification of rights issue
IAS 39	Financial Instruments: Recognition and Measurement - Amendments for eligible hedged items
IFRIC 17	Distribution of non cash assets to owners
IFRIC 18	Transfer of assets from customers

The amendments resulting from the April 2009 annual improvements projects have also been adopted in the year. These amendments are to IFRS 5, IFRS 8 IAS 1, IAS 7, IAS 17 and IAS 36. The impact of adopting the above amendments to standards has been purely presentational.

Significant accounting policies - continued

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

IFRS 7	Financial Instruments: Disclosures – Amendments enhancing disclosures about transfers of financial assets; Issued - October 2010; Effective - Annual periods beginning on or after 1 July 2011
IFRS 9	Financial Instruments – Classification and Measurement; Original issue November 2009; Effective - Annual periods beginning on or after 1 January 2013
IFRS 10	Consolidated Financial Statements; Original issue May 2011; Effective - Annual periods beginning on or after 1 January 2013
IFRS 11	Joint Arrangements; Original issue May 2011; Effective - Annual periods beginning on or after 1 January 2013
IFRS 12	Disclosure of Interests in Other Entities; Original issue May 2011; Effective - Annual periods beginning on or after 1 January 2013
IFRS 13	Fair Value Measurement; Original issue May 2011; Effective - Annual periods beginning on or after 1 January 2013
IAS 12	Income Taxes – Limited scope amendment (recovery of underlying assets); Revised - December 2010; Effective - Annual periods beginning on or after 1 January 2012
IAS 24	Related Party Disclosures – Revised definition of related parties; Revised - November 2009; Effective - Annual periods beginning on or after 1 January 2011
IAS 27	Consolidated and Separate Financial Statements – Reissued as IAS 27 Separate Financial Statements (as amended in 2011); Revised - May 2011; Effective - Annual periods beginning on or after 1 January 2013
IAS 28	Investments in Associates – Reissued as IAS 28 Investments in Associates and Joint Ventures (as amended in 2011); Revised - May 2011; Effective - Annual periods beginning on or after 1 January 2013
IFRIC 14	Prepayments of a minimum funding requirement; Effective - Annual period beginning on or after 1 January 2011
IFRIC 19	Extinguishing financial liabilities with equity instruments; Effective - Annual periods beginning on or after 1 July 2009

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 May 2010 Annual Improvement projects will result in a material impact on the financial information of the group and the company. These amendments to IFRS 7, IAS 1 and IAS 34, are effective for accounting periods beginning on or after 1 January 2011, with the exception of amendments to IFRS 3 and IAS 27, which are effective for accounting periods beginning on or after 1 July 2010.

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

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

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

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

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

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

Nature and purpose of equity reserves

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

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

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

3 Segmental information

The group is engaged in the business of developing the Labrador iron project in eastern Canada in which it had a 40% interest at 31 March 2011 and the wholly-owned Parys Mountain project in North Wales. Neither had any revenue generating operations during the year. In the opinion of the directors, the group's activities comprise one class of business - mine development - at present. As a result, the group reports geographical segments; these are the basis on which information is reported to Bill Hooley, the chief executive and chief operating decision maker.

Parys Mountain property expenses capitalised

	2011	2010
	£	£
Site activities	27,693	10,559
Insurance & legal	1,498	10,130
Property rentals and charges	78,659	155,305
Total capitalised	107,850	175,994

Income statement analysis

	2011			2010		
	UK	Canada - associate	Total	UK	Canada - associate	Total
	£	£	£	£	£	£
Expenses	476,139	-	476,139	253,684	-	253,684
Equity-settled employee benefits	-	-	-	28,127	-	28,127
Share of loss in associate	-	1,104,453	1,104,453	-	203,173	203,173
Gain on deemed disposals	-	(294,560)	(294,560)	-	(7,054,967)	(7,054,967)
Profit on sale of shares in associate	-	-	-	-	(1,733,096)	(1,733,096)
Investment income	(19,308)	-	(19,308)	(1,076)	-	(1,076)
Finance costs	117,014	-	117,014	99,818	-	99,818
Exchange rate loss	61,919	-	61,919	-	-	-
Loss/(profit) for the year	635,764	809,893	1,445,657	380,553	(8,584,890)	(8,204,337)

Assets and liabilities

	31 March 2011			31 March 2010		
	UK	Canada - associate	Total	UK	Canada - associate	Total
	£	£	£	£	£	£
Assets	17,920,142	21,073,132	38,993,274	16,892,405	21,868,314	38,760,719
Liabilities	(2,910,509)	-	(2,910,509)	(2,820,216)	-	(2,820,216)
Net assets	15,009,633	21,073,132	36,082,765	14,072,189	21,868,314	35,940,503

4 Operating result

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

	2011	2010
	£	£
Fees payable to the group's auditors:		
for the audit of the annual accounts	27,795	25,370
for the audit of subsidiary's accounts	5,000	4,500
for other services - taxation	15,000	-
Directors' remuneration	92,478	93,940
Equity-settled employee benefits	-	28,127
Foreign exchange loss	61,919	-

5 Staff costs

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

	2011	2010
Administrative	3	3
	3	3

Their aggregate remuneration was:

	£	£
Wages and salaries	53,478	54,940
Social security costs	58,308	6,044
Other pension costs	20,547	10,320
	132,333	71,304

Details of directors' remuneration and share options are given in the directors' remuneration report. Social security costs in 2011 included amounts in respect of employer's national insurance contributions on the gains on share option exercises.

6 Investment income

	2011	2010
	£	£
Loans and receivables		
Interest on bank deposits	18,736	51
Interest on site re-instatement deposit	572	1,025
	19,308	1,076

7 Finance costs

	2011	2010
	£	£
Loans and payables		
Loan interest to Juno Limited	117,014	99,818

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 2011 of £1.5 million (2010 - £1.5 million) which, in view of the group's trading results, is not considered by the directors to be recoverable in the short term. There are also capital allowances, including mineral extraction allowances, of £11.4 million unclaimed and available at 31 March 2011 (2010 - £11.2 million). No deferred tax asset is recognised in respect of these allowances.

	2011	2010
	£	£
Current tax	-	-
Deferred tax	-	-
Total tax	-	-

Domestic income tax is calculated at 28% (2010 - 28%) of the estimated assessed profit for the year. 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	(1,445,657)	8,204,337
Tax at the domestic income tax rate of 28%	(404,784)	2,297,214
Tax effect of:		
Expenses that are not deductible in determining taxable result	271	7,955
Gains on deemed disposals in associate	(82,477)	(1,975,391)
Profit on sale of shares in associate	-	(485,267)
Share of loss of associate	309,247	56,888
Tax losses for which no deferred tax asset was recognised	177,743	98,601
Total tax	-	-

9 Earnings per ordinary share

	2011 £	2010 £
Earnings		
(Loss)/profit for the year	(1,445,657)	8,204,337
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	154,199,146	152,845,722
Shares deemed to be issued for no consideration in respect of employee options	-	3,111,816
Weighted average number of ordinary shares for the purposes of diluted earnings per share	154,199,146	155,957,538
Basic earnings per share	(0.9)p	5.4p
Diluted earnings per share	(0.9)p	5.3p

As the group has a loss for the year ended 31 March 2011 and the effect of the outstanding options is anti-dilutive, diluted earnings per share for 2011 are the same as basic earnings per share.

10 Mineral property development costs - group

	Parys Mountain £	Dolaucothi £	Total £
Cost			
At 1 April 2009	13,616,749	194,065	13,810,814
Additions	175,994	-	175,994
At 31 March 2010	13,792,743	194,065	13,986,808
Additions	107,850	-	107,850
At 31 March 2011	13,900,593	194,065	14,094,658
Impairment provision			
At 1 April 2009, 2010 and 2011	-	(194,065)	(194,065)
Carrying amount			
Net book value 2011	13,900,593	-	13,900,593
<i>Net book value 2010</i>	<i>13,792,743</i>	-	<i>13,792,743</i>

Included in the additions are mining lease expenses of £5,925 (2010 - £5,925).

Impairment review

Accumulated development expenditure in respect of each project is carried in the financial statements at cost, less an impairment provision where there are grounds to believe that the discounted present value of the future cash flows from the project is less than the carrying value or there are other reasons to indicate that the carrying value is unsuitable. Each project or cash generating unit is reviewed separately in order to make a determination of whether any impairment of its value has occurred.

Mineral property development costs - continued

Parys Mountain

At Parys Mountain this year the directors carried out an impairment review with an effective date of 23 March 2011. As in previous years, this review was based on an estimate of discounted future cash flows from the development and operation of the Parys Mountain project. The directors have used past experience and an assessment of future conditions, together with external sources of information, to determine the assumptions which were adopted in the preparation of a financial model used to estimate the cashflows.

The key assumptions utilised were:

- The mine will be developed largely as envisaged in the Kilborn Feasibility Study prepared in 1991, except where management has determined otherwise.
- All the resources, both historical (including inferred resources) and those more recently estimated under JORC codes, will be developed and produced except that the tonnage of those classified as inferred in the 1991 Feasibility Study will be reduced by 20%.
- Capital costs will be estimated at current costs when the expenditure is planned to be incurred; neither revenues nor operating costs will take into account any inflation.
- The net present value is at 23 March 2011 and based on the assumption that mine development commences three years after that date.
- Base metal prices are based on the 27 month forward prices quoted on the London Metal Exchange at 23 March 2011 using the midpoint between buying and selling prices; the exchange rates used are those of the same day; gold and silver prices are spot rates on 23 March 2011; these rates and prices are tabulated below.
- The following principal smelter terms have been estimated by the directors: zinc \$250 pt treatment with a basis price of \$2,500 pt and a +9% / -6% variance; copper \$100 pt treatment, \$0.10 pt produced refining charge, lead \$170 pt.
- The discount rate of 10% applied to future cashflows is one which reflects the directors' current market assessment of the time value of money and any risk factors which have not been adjusted already in the preparation of the forecast.

Table of assumptions significantly affecting the discounted net present value of Parys cashflows

Parameter	Value	Unit	Sensitivity Factor*
Zinc price	\$2,473	\$/tonne 27 months forward	-
Copper price	\$9,395	\$/tonne 27 months forward	-
Lead price	\$2,580	\$/tonne 27 months forward	-
Silver price	\$36.00	Spot	-
Gold price	\$1,440	Spot	-
Exchange rate £/\$	1.62	LME rate	+230%
Capital expenditure			+560%
Operating costs			+290%
Discount rate	10%		+300%

* The sensitivity factor is the percentage change in each specific assumption which would, on its own, result in a net present value equal to the carrying value of the intangible asset in the accounts. Where no factor is shown, there is no change possible which would produce this result. All \$ figures are in US dollars.

Parys summary

The estimated net present value of the Parys Mountain project calculated by the directors and based on their estimates of all the required parameters, particularly those set out above, is US\$213 million, equivalent to £131 million. The carrying value of the Parys Mountain project is £13.9 million.

Estimates of the net present value of any project, and particularly one like Parys Mountain, are always subject to many factors and wide margins of error. The directors believe that the estimates and calculations supporting their conclusions have been carefully considered and are a fair representation of the projected financial performance of the project.

Mineral property development costs - continued

The calculations above have been repeated using the spot metal prices and exchange rates of 19 July 2011 (major factors: exchange rate £/US\$ 1.61, zinc price \$2,438 and copper price \$9,755) and the net present value at 10% on this basis was US\$228 million, equivalent to £141 million.

Based on the review set out above the directors have determined that no impairment provision is required in the financial statements at 31 March 2011 in respect of the carrying value of the Parys property. Operation of the mine and the receipt of cashflows from it are dependent on finance being available to fund the development of the property and if this were not the case, adjustments would have to be made to reduce the carrying value of the mineral property development to its realisable value.

Dolaucothi impairment

The group has no active plans to develop the Dolaucothi project in the near future and made a full impairment provision against the carrying value of the Dolaucothi expenditure in 2006.

11 Property, plant and equipment

Group	Freehold land and property	Plant & equipment	Office equipment	Total
Cost	£	£	£	£
At 1 April 2009	204,687	17,434	5,487	227,608
At 31 March 2009, 2010 and 2011	204,687	17,434	5,487	227,608
Depreciation				
At 1 April 2009	-	17,434	5,487	22,921
At 31 March 2009, 2010 and 2011	-	17,434	5,487	22,921
Carrying amount				
At 31 March 2009, 2010 and 2011	204,687	-	-	204,687

Company	Freehold land and property	Plant & equipment	Office equipment	Total
Cost	£	£	£	£
At 1 April 2009	-	17,434	5,487	22,921
At 31 March 2009, 2010 and 2011	-	17,434	5,487	22,921
Depreciation				
At 1 April 2009	-	17,434	5,487	22,921
At 31 March 2009, 2010 and 2011	-	17,434	5,487	22,921
Carrying amount				
At 31 March 2009, 2010 and 2011	-	-	-	-

12 Subsidiaries - company

The subsidiaries of the company at 31 March 2010 and 2011 were as follows:

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

13 Investments - company

	Shares at cost £	Amounts due £	Total £
At 1 April 2009	100,103	13,981,293	14,081,396
Added in year	-	28,591	28,591
At 31 March 2010	100,103	14,009,884	14,109,987
Repaid in year	-	(479,716)	(479,716)
At 31 March 2011	100,103	13,530,168	13,630,271

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

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

14 Investment in associate

At 31 March 2011 the group had a 40% interest in Labrador Iron Mines Holdings Limited (LIM), a company registered in Ontario Canada, which is independently managed and is accounted for in these financial statements as an associate company. LIM is the 100% owner and operator of a series of iron ore properties in Labrador and Quebec, many of which were formerly held and initially explored by the group. At 31 March 2010 the group's interest in LIM was 41%, however the issue of shares by LIM in respect of the exercise of share options has reduced the group's interest to 40%. The fully diluted interest of the group was 38% (2010 - 38%). Following further issues of shares by LIM in May 2011, the group's interest was reduced to 33%. The group's holding of 17,789,100 LIM shares has remained unchanged since 31 March 2010.

	31 March 2011	31 March 2010
	£	£
Values in group financial statements:		
Value brought forward from previous period	21,868,314	13,821,013
Group's share of (losses), adjusted to eliminate any fair value uplift and related taxation in associate's accounts	(1,104,453)	(203,173)
Group's share of equity-settled benefits included in (losses) above and now added back	374,984	43,930
Profit on deemed disposals following LIM share issues	294,560	7,054,967
Deduct: carrying value of LIM shares sold	-	(996,849)
Exchange rate movement	(360,273)	2,148,426
Amount carried in the group accounts - being the value of group's share of net assets of the associate without any fair value adjustment in respect of mineral properties	21,073,132	21,868,314

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

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

The published fair value of the group's investment in LIM at 31 March 2011 is £156 million (2010 - £75 million). This is derived by valuing the group's shareholding in LIM at the LIM share price quoted in Toronto on 31 March 2011 of C\$13.69 (2010 - \$6.50) per common share.

At 19 July 2011 the published fair value of the group's investment in LIM was £129 million based on a share price of C\$11.20 per common share at that date.

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

Values as shown in the published accounts of the associate (100%) including a fair value uplift in respect of mineral properties, after conversion into sterling:	31 March 2011	31 March 2010
	£	£
Total assets	144,330,241	136,829,785
Total liabilities	(32,512,158)	(22,426,183)
Total net assets	111,818,083	114,403,602
	2011	2010
Revenues	-	-
(Loss)/profit for the year	(2,512,113)	668,641

*Investment in associate - continued***Reconciliation of values shown in the associate's published accounts with the group accounts**

	C\$	C\$
Shareholders' equity in associate	\$174,436,210	\$175,609,529
Less: fair value uplift net of tax - see note below	<u>\$(92,773,711)</u>	<u>\$(93,770,841)</u>
	<u>\$81,662,499</u>	<u>\$81,838,688</u>
Group share - 40.256% (2010 - 41.017%)	<u>\$32,874,088</u>	<u>\$33,567,864</u>
Group carrying value after conversion to sterling	<u>£21,073,132</u>	<u>£21,868,314</u>

In the financial statements of LIM the Labrador mineral properties are carried at a fair value derived from the value ascribed to the Labrador companies in the December 2007 Canadian flotation, after subsequent adjustments. If the group were to use a similar basis for its accounts, its share of this fair value uplift, net of tax, would add approximately £24 million (2010 - £25 million) to group net assets.

The associated undertakings of the group were as follows:

Name of company	Country of incorporation	Percentage owned		Principal activity
		31 March 2011	31 March 2010	
Labrador Iron Mines Holdings Limited (LIM)	Canada	40%	41%	Holding company
Labrador Iron Mines Limited, a 100% owned subsidiary of LIM	Canada	40%	41%	Development of iron mines in Labrador
LabRail Inc, a 100% owned subsidiary of LIM	Canada	40%	41%	Transport operations
Centre Ferro Ltd, a 100% owned subsidiary of LIM	Canada	40%	41%	Property holding
Schefferville Mines Inc, a 100% owned subsidiary of LIM	Canada	40%	41%	Development of iron mines in Quebec

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

15 Deposit

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Site re-instatement deposit	121,146	120,574	-	-

This deposit was required and made under the terms of the group's 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	
	2011	2010	2011	2010
	£	£	£	£
Other	22,469	8,327	15,031	4,254

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

17	Cash	Group		Company	
		2011	2010	2011	2010
		£	£	£	£
	Held in sterling	1,498,838	10,070	1,498,137	7,201
	Held in Canadian dollars	2,172,409	2,756,004	-	-
		3,671,247	2,766,074	1,498,137	7,201

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

18	Trade and other payables	Group		Company	
		2011	2010	2011	2010
		£	£	£	£
	Trade creditors	(32,319)	(42,971)	(30,494)	(42,443)
	Property royalties and rentals - note 26 d	(681,398)	(613,665)	-	-
	Taxes	(33,881)	(7,459)	(33,881)	(7,459)
	Other accruals	(43,550)	(153,774)	(35,996)	(116,463)
		(791,148)	(817,869)	(100,371)	(166,365)

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

19	Loan	Group		Company	
		2011	2010	2011	2010
		£	£	£	£
	Loan from Juno Limited	(2,077,361)	(1,960,347)	(2,077,361)	(1,960,347)

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

20	Long term provision	Group		Company	
		2011	2010	2011	2010
		£	£	£	£
	Provision for site reinstatement	(42,000)	(42,000)	-	-

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

21 Share capital

	Ordinary shares of 1p		Deferred shares of 4p		Total Nominal value £
	Nominal value £	Number	Nominal value £	Number	
Issued and fully paid					
At 1 April 2009	1,525,581	152,558,051	5,510,833	137,770,835	7,036,414
Issued 23 April 2009	3,000	300,000	-	-	3,000
Issued 23 March 2010	3,000	300,000	-	-	3,000
At 31 March 2010	1,531,581	153,158,051	5,510,833	137,770,835	7,042,414
Issued 14 January 2011	50,000	5,000,000	-	-	50,000
At 31 March 2011	1,581,581	158,158,051	5,510,833	137,770,835	7,092,414

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

Of the share issues in the period, 2,500,000 were in respect of the exercise of directors' share options and 2,500,000 were shares issued by the company to two placees. The total gross proceeds were £1,578,225 and the expenses of the issue were £5,017.

Following the year end, on 5 April 2011, 250,000 shares were issued in respect of the exercise of a director's share option for total proceeds of £190,000.

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.

No options were granted, forfeited or expired during the year or the prior year. The options outstanding at 31 March 2011 had a weighted average exercise price of 10.69 pence (2010 - 10.07 pence), and a weighted average remaining contractual life of 5.0 years (2010 - 6.1 years). As all options had vested by 31 March 2010, the group recognised no expenses in respect of equity-settled employee remuneration (2010 - £28,127).

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	5,700,000	57,000	4.13p	22 October 2004	21 October 2014
2004 Unapproved	1,600,000	16,000	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	900,000	9,000	5.00p	27 March 2010	27 March 2019
Total	12,000,000	120,000			

23 Results attributable to Anglesey Mining plc

The loss after taxation in the parent company amounted to £602,231 (2010 loss £390,879). The directors have taken advantage of the exemptions available under section 408 of the Companies Act 2006 and not presented an income statement for the company alone.

24 Financial instruments

Capital risk management

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

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

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

Interest rate risk

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

Liquidity risk

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

Trade creditors are payable on normal credit terms which are usually 30 days. The loans due to Juno carry a notice period of 367 days; in keeping with its practice since drawdown commenced more than 10 years ago, Juno has indicated that it has no current intention of demanding repayment and no such notice had been received by 19 July 2011. However the Juno loan is classified as having a maturity date between one and two years from the period end date.

Currency risk

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

At the year end the group held C\$3,388,957 in Canadian dollars, equivalent to £2,172,409. If the rate of exchange between Canadian dollars and sterling were to move against sterling by 10% there would be a loss to the group of £197,000 and if it were to move in favour of sterling by a similar amount there would be a gain of £241,000.

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

Credit risk

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

The financial instruments of the group and the company are:

	Group				Company			
	Loans & receivables		Other financial liabilities		Loans & receivables		Other financial liabilities	
	31 March 2011 £	31 March 2010 £	31 March 2011 £	31 March 2010 £	31 March 2011 £	31 March 2010 £	31 March 2011 £	31 March 2010 £
Financial assets								
Deposit	121,146	120,574			-	-		
Other debtors	22,469	8,327			15,031	4,254		
Cash and cash equivalents	3,671,247	2,766,074			1,498,137	7,201		
Financial liabilities								
Trade creditors			(32,319)	(42,971)			(30,494)	(42,443)
Loans due to Juno			(2,077,361)	(1,960,347)			(2,077,361)	(1,960,347)
	3,814,862	2,894,975	(2,109,680)	(2,003,318)	1,513,168	11,455	(2,107,855)	(2,002,790)

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 36.6% of the company's issued ordinary share capital. The group has the following agreements with Juno: (a) a controlling shareholder agreement dated September 1996 and (b) a consolidated working capital agreement of 12 June 2002. Interest payable to Juno is shown in note 7 and the balance due to Juno is shown in note 19. There were no transactions between the group and Juno or its group during the year other than the accrual of interest due to Juno. Danesh Varma is a director and, through his family interests, a significant shareholder of Juno.

Labrador Iron

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

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

Key management personnel

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

26 Mineral holdings

Parys

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

(b) Under a lease from Lord Anglesey dated December 2006, the subsidiary Parys Mountain Land Limited holds the eastern part of Parys Mountain, formerly known as the Mona Mine. An annual certain rent of £5,425 is payable for the year beginning 23 March 2010; the base part of this rent increases to £10,000 in 2012 and to £20,000 when extraction of minerals at Parys Mountain commences; all of these rental figures are index-linked. A royalty of 1.8% of net smelter returns from mineral sales is also payable. The lease may be terminated at 12 months' notice but not before 2012 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) Under a royalty agreement with Intermine Limited the group is obligated to make payments of C\$50,000 (approximately £32,000) per annum until production commences at the Parys Mountain mine. A royalty of 4% of net profits (as defined after various deductions) generated from production at the mine is also payable. There is an option to buy out the royalty and advance payments. The agreement may be terminated at 12 months' notice on abandonment of the property. The group has not paid all of the amounts due under this agreement and has made settlement proposals to Intermine Limited but no understanding has yet been reached. Intermine Limited holds a charge over the mining rights held by Parys Mountain Mines Limited to secure the payment of royalties in respect of minerals produced in the areas described in (a) and (b) above.

Dolaucothi

Under a mining lease from the Crown dated August 1997, a subsidiary, Anglo Canadian Exploration (Ace) Limited, has an obligation to make annual lease payments of £4,200 and to pay a royalty of 4% of gross sales of gold and silver from production at the Dolaucothi mine. The lease may be terminated at 12 months' notice and otherwise terminates in 2012. Certain financial obligations relating to this lease have been guaranteed by the parent company.

Lease payments

All the group's leases may be terminated with 12 months' notice. If they are not so terminated, the minimum payments due in respect of the leases are analysed as follows: within the year commencing 1 April 2011 - £47,000; between 1 April 2012 and 31 March 2016 - £205,000. Thereafter the payments will continue at proportionate annual rates, in some cases with increases for inflation, so long as the leases are retained or extended.

- 27 Material non cash transactions
There were no material non-cash transactions in the year.
- 28 Commitments
Other than commitments under leases (note 26) there is no capital expenditure authorised or contracted which is not provided for in these accounts (2010 - nil).
- 29 Contingent liabilities
There are no contingent liabilities (2010 - nil).
- 30 Events after the period end
During April 2011, 250,000 shares were issued in respect of the exercise of share options - see note 21.
During April and May 2011 the group's interest in LIM was reduced to 33% as a result of share issues forming part of a major fund raising by LIM. Further details of this dilution of interest are contained in the directors' report.

Notice is given that the 2011 annual general meeting of the company will be held at the offices of the company's lawyers, DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE on 6 September 2011 at 11.00 a.m. to consider and, if thought fit, to pass the following resolutions. Resolutions 1 to 9 will be proposed as ordinary resolutions and resolution 10 will be proposed as a special resolution:

As ordinary business:

1. To receive the annual accounts and directors' and auditors' reports for the year ended 31 March 2011.
2. To approve the directors' remuneration report for the year ended 31 March 2011.
3. To reappoint Bill Hooley, who retires by rotation as a director.
4. To reappoint Roger Turner, who retires by rotation as a director.
5. To reappoint Danesh Varma, who retires by rotation, as a director.
6. To reappoint Howard Miller, who retires by rotation, as a director.
7. To reappoint David Lean, who retires by rotation, as a director.
8. To reappoint Mazars LLP as auditors.
9. To authorise the directors to determine the remuneration of the auditors.

As special business

10. 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 10(a) above, up to an aggregate nominal amount of £395,000.

And (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next annual general meeting of the company after the passing of this resolution or on 6 December 2012 (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

27 July 2011

Notes to the notice of AGM

Entitlement to attend and vote

1. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at 11.00 a.m. on 4 September 2011 (or, if the meeting is adjourned, 48 hours before the date and time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

Proxies

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a member of the Company. A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid. A proxy may only be appointed in accordance with the procedures set out in note 3 and the notes to the proxy form. The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.

3. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar Capita Registrars, Proxies, The Registry, 34 Beckenham Road, Kent BR3 4TU or the proxy form may be photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed. To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, Capita Registrars, Proxies, The Registry, 34 Beckenham Road, Kent BR3 4TU, no later than 11.00 a.m. on 4 September 2010 (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 25 July 2010 (being the last practicable date before the publication of this notice), the issued share capital consists of 153,408,051 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 25 July 2010 are 153,408,051.

Nominated Persons

6. Where a copy of this notice is being received by a person who has been nominated to enjoy information rights under section 146 of the Companies Act 2006 ("Act") ("Nominated Person"):
 - (a) the Nominated Person may have a right under an agreement between him/her and the shareholder by whom he/she was nominated, to be appointed, or to have someone else appointed, as a proxy for the meeting; or
 - (b) if the Nominated Person has no such right or does not wish to exercise such right, he/she may have a right under such an agreement to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in note 2 does not apply to a Nominated Person. The rights described in such notes can only be exercised by shareholders of the Company.

Website publication of audit concerns

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

Any such request must:

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

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

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

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

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

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

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

Questions at the meeting

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

- (a) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Documents available for inspection

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

Biographical details of directors

11. Biographical details of all those directors who are offering themselves for reappointment at the meeting are set out in the enclosed annual report and accounts for the year ended 31 March 2010.

Website providing information about the meeting

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

Directors

John F. Kearney	Irish, aged 60, chairman, is a mining executive with more than 36 years' experience in the mining industry and is chairman of the company's associate Labrador Iron Mines Holdings Limited. He is also chairman of Canadian Zinc Corporation, Minco plc and Conquest Resources Limited. He is a director of 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 64, 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 chief operating officer 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. He is a Fellow of the Australasian Institute of Mining and Metallurgy.
Ian Cuthbertson	aged 64, 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 64, 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 67, 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 Avne! Gold Mining Limited. He is a member of the remuneration and nomination committees and the senior independent director.
Roger Turner	aged 68, 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 61, executive director, is a chartered accountant and a member of the Chartered Institute of Taxation. He is chief financial officer of the company's associate Labrador Iron Mines Holdings Limited. He is also chief financial officer of Minco plc, Xtierra Inc. and Conquest Resources Limited. He is a member of the audit and remuneration committees.

Solicitors

DLA Piper UK LLP
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Auditors

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Anglesey Mining plc

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Web site	<p>www.angleseymining.co.uk</p>
Company registered number	<p>1849957</p>
Shares listed	<p>The London Stock Exchange - LSE:AYM</p>

www.angleseymining.co.uk
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