

Anglesey Mining plc

Annual Report 2014

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As a result of legislative changes the layout of the first part of this annual report has changed this year.

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Glossary

AGM - the annual general meeting to be held on 30 September 2014.

C\$ - Canadian dollars. At 31 March 2014 £1 sterling was equivalent to C\$1.84 (2013 - C\$1.55).

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

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

Hematite or haematite - iron oxide Fe₂O₃, one of the most abundant forms of iron ore. Chemically pure hematite is about 71% iron.

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

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

mtpa - million tonnes per annum

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

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



Anglesey Mining plc

A UK mining company listed on the London Stock Exchange

In May 2014 Anglesey entered into agreements giving it the right to acquire a controlling interest in the Grangesberg Iron project in Sweden.

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

Anglesey holds 15% of Toronto-listed Labrador Iron Mines Holdings Limited (TSX:LIM) which has direct shipping iron ore deposits in western Labrador and north-eastern Quebec.

In what has been a quiet year in the resources sector the company maintained steady progress on a number of fronts whilst awaiting a general turnaround in the underlying markets. Parys Mountain has seen limited activity during the year while operations at Labrador Iron have been disappointing and continued to suffer from low product prices.

After the year end we began participation in the Grangesberg Iron operation in Sweden, which has been a major producer in the past and over the coming year we plan to fully evaluate this opportunity and if justified increase our interest to a majority position. We believe that Grangesberg should become a very exciting project for the company in the future.

Whilst metal prices remained depressed during the financial year there are now very positive signs of a marked upturn. The price of zinc is currently over US\$1.00 per pound, a figure last seen in 2011 and copper after some weakness is now back trading at the US\$3.25 per pound level. A continuation of this improvement will allow us to take a far more positive view on the development of Parys Mountain than we have been able to do for some years. Iron ore after a very weak second quarter in 2014 is now slowly recovering and expectations are for continuing improvement. This bodes well both for Labrador and for Grangesberg.

We will continue to monitor these improvements in metal prices and we look forward to an ensuing improvement in the financing and equities markets that would then enable us to bring our two projects forward and to provide much needed support for Labrador Iron.

Parys Mountain

Activity on site has been quiet during the year but Micon International Limited has been engaged to review the mineral potential of the entire Parys Mountain property in North Wales. This review will cover both those resources on which Micon has previously provided JORC compliant indicated and inferred resource estimates as well as studying a number of other zones within the property that were not included in earlier estimates.

The price for zinc metal is now improving and is getting closer to a level that will support the development of a production operation at Parys Mountain, and at the same time demand for concentrates in European markets appears to be growing.

Grangesberg

In May 2014 Anglesey completed the contractual arrangements to secure management control, including the majority of board seats, over the Grangesberg iron ore mine in Sweden. This mine was a significant producer of iron ore until 1989 and current planning indicates a return to production at around 2.0 to 2.5 mtpa later this decade. This could be a very important investment for the company, sourcing iron ore in the European market commencing when the current world-wide expansion of production begins to abate.

A number of technical and commercial activities are in the final planning stages and these will commence imminently. These activities are part of a longer term plan to assess the optimum development and financing strategy for the mine. The company expects to report further progress during the coming months.

Labrador

Production activities in Labrador during the summer 2013 operating season suffered from deteriorating grade and feed product quality. This caused operational difficulties in the processing plant and resulted in lower grade and quality product being sold than anticipated and this followed through to significantly lower revenues than expected. Labrador Iron has decided to suspend production activities for 2014 while it seeks to raise additional finance to develop its flagship Houston deposit. Providing it is successful in this fundraising then it is expected that production will re-commence in the spring of next year. At that time it should be on a substantially firmer commercial footing and better able to weather the vagaries of geology and the markets.

Outlook

There is certainly more confidence in the air this year than last and while the capital markets for junior miners still remain quite depressed there is some expectation that they will improve in the near term as the benefits of increases in metal prices flows through. Given this expectation we look forward to our projects moving forward positively during the current year.

John F. Kearney

Chairman

30 July 2014

Principal activities and business review

The group is engaged in the business of exploring and evaluating the wholly-owned Parys Mountain project in North Wales and has a 15% holding (2013 - 15%) in the Labrador iron project in eastern Canada. In May 2014 the group acquired an option to manage the Grangesberg iron ore property in Sweden.

At Parys Mountain there were limited activities during the year but since the year end evaluation of the geological information revealed by the recent drilling programmes is being carried out and a new and more comprehensive geological model is under preparation.

Operations at Labrador Iron Mines' James deposit in Labrador are currently suspended pending additional fund raising. The group continues its search for other mineral exploration and development opportunities.

The aim of the group is, to create value in the Parys Mountain property, including by co-operative arrangements where appropriate, to continue its participation in the Labrador projects 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.

Parys Mountain

The Parys Mountain property is a significant UK zinc, copper and lead deposit with small amounts of silver and gold. A feasibility study in 1991 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. In 2012 the first JORC Code compliant resource estimate of the property was published. It showed 2.1 million tonnes at 6.9% combined base metals in the indicated category and 4.1 million tonnes at 5.0% combined in the inferred category.

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

During the financial year activities have been limited to some follow-up geological work, however since the year end a programme of further geological re-examination across the property has begun dealing particularly with areas not covered by the JORC estimate. This remodelling project is being undertaken by Micon Consulting, the company which prepared the JORC estimate, with input from experienced geologists who have previously worked on Parys Mountain.

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

After due consideration the directors decided to undertake an impairment review, however this review did not indicate any requirement for impairment against the value of the Parys Mountain mineral asset on the balance sheet.

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

Grangesberg Iron AB

In May 2014 the group acquired an option to develop the Grangesberg iron ore property in Sweden.

The Grangesberg iron ore mine is situated in the mineral-rich Bergslagen district of central Sweden about 200 kilometres north-west of Stockholm. Until its closure in 1989 due to prevailing market conditions, the Grangesberg mine was the third largest iron ore mine in Sweden, next only to the Kiruna and MalMBERGET mines in the north of Sweden, with in excess of 150 million tonnes of iron ore mined down to around 500 metres deep.

Prior indications are that at least 115 million tonnes of iron ore containing around 40% iron remain for exploitation at Grangesberg. The homogenous iron ore body in Grangesberg is of significant size and of the Kiruna geological type, making it well suited for cost-effective production of attractive iron ore products.

The Grangesberg mine site benefits from excellent infrastructure and is located adjacent to the Swedish national rail system which will permit easy access to ice free port of Oxelosund on the Baltic Sea on the south-east coast of Sweden, the location of SSAB Sweden's largest steel plant. Significant underground and surface infrastructure remains intact at Grangesberg, including a fully operational railway line from mine to port.

It is expected that following the normal environmental permitting processes and engineering design and financing, a conventional underground bulk mining operation followed by processing using standard technology can produce some 2.0 to 2.5 million tonnes per year of saleable iron ore concentrate for the European, Middle East and Asian steel markets.

In a series of agreements the company has purchased for US\$145,000 a direct 6% interest in Grangesberg Iron AB ("GIAB"), a private Swedish company that was founded in 2007 with the target of re-opening the historic iron ore mine in Grangesberg and which, in conjunction with this investment and with assistance from Anglesey, has recently

completed a financial and capital restructuring. GIAB holds a 25 year exploitation permit covering the previously mined Grangesberg underground mining operations granted by the Swedish Mining Inspectorate in May 2013.

At the same time the company has negotiated a 12 month evaluation option to acquire 51% of the enlarged share capital of GIAB for the issue of new ordinary shares of the company. Anglesey has also entered into shareholder and cooperation agreements such that during the term of the option the company holds management control and operatorship of GIAB and will appoint three out of five directors to the board of GIAB including the chairman.

The remaining 43% of GIAB is held by Roslagen Resources AB, a Swedish private company, which has led the re-development of the Grangesberg iron project since 2007. Roslagen will appoint two directors to the board of GIAB and provide experienced local executive management.

As part of the agreements and reorganisation an outstanding loan in GIAB in the principal amount of US\$3.5 million due to KII Holdings Limited, a Cypriot company has been renegotiated and is now repayable by the end of 2016.

At the same time, Eurang Limited, a UK private company, has agreed to invest US\$1.75 million, of which US\$1.25 million has been invested in GIAB, for new shares representing the 51% shareholding interest in GIAB. This has been carried out through a new wholly owned special purpose Swedish company, Eurmag AB over which, during the term of the option, the company will hold management and control rights. The additional US\$500,000 will be used to cover transaction costs and expenses and certain outstanding liabilities.

Option to acquire 51% of Grangesberg

Upon the exercise of the option, which will be entirely at the company's discretion, the company will acquire all of the shares of Eurang Limited by the issue of new shares of the company to the value of US\$1.75 million, to be priced at the average of the the company share price at the date of option (3.375p) and the 20 day average share price prior to date of exercise, (but at no lower than 3.375p), and thereby acquire direct ownership and control of the 51% shareholding in GIAB, and thus increase the company's direct interest in GIAB to 57%.

GIAB will have debt outstanding of about US\$5 million, (about US\$4 million including accrued interest payable to KII and about US\$1 million of subordinated debt payable on a deferred basis to Roslagen), while Eurang Limited will have debt of approximately US\$4.5 million.

During the term of the option the company will hold management control over Eurmag with the ability to exercise voting rights on the shares of GIAB. If following its evaluation and assessment the company does not exercise its option it will relinquish its board seats and management direction and control of GIAB at the end of the 12 month option period but could continue to hold 6% of the shares of GIAB.

Grangesberg development plan

The company intends to carry out an evaluation of the Grangesberg project including a technical and economic assessment to determine the viability of putting the Grangesberg iron ore mine back into commercial production under the economic conditions to be expected during the proposed mine life.

Immediate planned work will include a programme of geo-mechanics and monitoring at the mine site as a prelude to obtaining permission to dewater the mine. In the same time-frame Grangesberg plans to produce a new compliant ore resource estimate and to progress work on the pre-feasibility study on reopening the Grangesberg mine.

In parallel with these activities the ongoing background environmental studies and permit applications will be progressed. Anglesey will also carry out detailed marketing studies on both the Swedish and the greater European markets for Grangesberg iron ore products.

In the subsequent periods, following the exercise of the option and subject to successful financing, it is expected that a definitive feasibility study will be undertaken, including mine definition drilling, process test-work and detailed engineering design and costing.

Labrador Iron

Labrador Iron Mines Holdings Limited (LIM) was formerly an associate company in the group however following a dilution of the group's holding in November 2012 it became an investment in which Anglesey holds a 15% interest.

Labrador Iron Mines is engaged in the mining of iron ore and in the exploration and development of direct shipping iron ore projects (the "Schefferville Projects") in the central part of the prolific Labrador Trough region, one of the major iron ore producing regions in the world, situated in the Menihek area in the Province of Newfoundland and Labrador and in the Province of Québec, centred near the town of Schefferville, Québec.

The Schefferville Projects consist of the James Mine and adjacent Stage 1 deposits and Silver Yards processing facility ("Silver Yards"), the Stage 2 Houston property ("Houston"), which includes the Malcolm deposit, the Stage 3 Howse property ("Howse"), now held in a joint venture with Tata Steel Minerals Canada Limited ("TSMC") and, subject to further exploration and development, other iron ore properties in the vicinity of Schefferville. LIM's Schefferville Projects are connected by a direct railway to the Port of Sept-Îles on the Atlantic Ocean and benefit from established infrastructure, including the town of Schefferville, airport, roads, hydro power and rail service.

LIM commenced production at its James Mine in June 2011 and completed its third year of mining operations in November 2013. From 2011 to the end of 2013, LIM sold 23 cape-size shipments into the Chinese spot market totalling approximately 3.6 million dry tonnes of iron ore, all sourced from the Stage 1 deposits and stockpiles.

LIM's mine operations are seasonal, from approximately the beginning of April to the end of November each year, with a planned winter shut down from approximately the beginning of December to the end of March each year.

LIM has not recommenced mine operating activities for the 2014 operating season, due to a combination of the prevailing low price of iron ore in 2014 to date, an assessment of the current economics of the remaining resources of the James Mine and other Stage 1 deposits and a strategic shift in corporate focus towards establishing a lower cost operating framework and completing development of its flagship Stage 2 Houston Mine, while concurrently negotiating the commercial terms of major contracts and seeking additional capital investment and working capital.

Accordingly, LIM's plan for the balance of calendar 2014 is to focus on developing the Houston Mine and, subject to completion of financing and negotiation of major contracts, to be in a position to begin mining production from Houston in 2015.

Other activities

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

Performance

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

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

Financial results and position

The group has no revenues from the operation of its properties. The loss for the year after tax was £7,173,703 compared to a loss of £31,451,398 in 2013 when substantial losses in connection with LIM's value and accounting treatment were recorded. Most of the 2014 loss is also in respect of the LIM investment which has declined in value during the year and has also been negatively affected as a result of the strength of the pound sterling against the Canadian dollar.

Administrative and other costs in the UK excluding investment income and finance charges were £353,455 compared to £398,428 in the previous year.

During the year there were no additions to fixed assets (2013 - nil) and £48,482 (2013 - £497,748) was capitalised in respect of the Parys Mountain property. The reduction in the amounts capitalised was largely due to the drilling programme at Parys Mountain being completed in 2013 and to the additional costs of cancelling of a net profits royalty interest in 2013.

The group's cash balance at 31 March 2014 was £289,097 (2013 - £670,345). The foreign exchange loss of £3,741 (2013 - gain £11,196) shown in the income statement arises on the cash balances held in Canadian dollars.

At 31 March 2014 the company had 160,608,051 ordinary shares in issue, unchanged from last year.

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.

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

Risks and uncertainties

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

General mining risks

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

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

Development and liquidity risk

On occasions the group has relied upon largest shareholder, Juno Limited, for financial support and may be required to do so in the future to ensure the group will have adequate funds for its current activities. However in the absence of support from Juno Limited the group would be dependent on the proceeds of share issues or other sources of funding. Developing the Parys project will be dependent on raising further funds from various sources.

Exploration and development

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

Metal prices

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

Foreign exchange

LIM is a Canadian company and the value of the group's holding in LIM is affected by an exchange rate risk. Operations at Parys Mountain are in the UK and exchange rate risks are minor. The majority of the cash balance at the year-end was held in sterling - see notes 17 and 24.

Permitting, environment and social

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

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. At 31 March 2014 the company had six male directors and one male employee; there were no female directors or employees.

Financial instruments

The group's use of financial instruments is described in note 24.

Approved by the board of directors and signed on its behalf

Bill Hooley

Chief executive officer

30 July 2014

The directors are pleased to submit their report and the audited accounts for the year ended 31 March 2014.

The corporate governance statement which follows forms part of this report. In accordance with statutory requirements introduced this year, the principal activities of the group and certain other information are set out in the strategic report section preceding this report.

Directors

The names of the directors with biographical details are shown on the inside rear cover. It is the company's procedure to submit re-election resolutions for all directors at each annual general meeting. Ian Cuthbertson retired on 31 July 2013 and Danesh Varma was appointed as finance director and company secretary.

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

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

Directors' interests in material contracts

Juno Limited (Juno), which is registered in Bermuda, holds 36.1% of the company's ordinary share capital. The company has a controlling shareholder agreement and working capital agreement with Juno. Advances made under the working capital agreement are shown in note 19. Apart from interest charges there were no transactions between the group and Juno or its group during the year. An independent committee reviews and approves any transactions and potential transactions with Juno. Danesh Varma is a director and, through his family interests, a significant shareholder of Juno.

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

In May 2014 Bill Hooley and Danesh Varma were appointed as directors of Grangesberg Iron AB; further details of these appointments are included in the strategic report.

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

Substantial shareholders

At 14 July 2014 the following shareholder had advised the company of an interest in the issued ordinary share capital: Juno Limited notified an interest in 57,924,248 shares representing 36.1% of the issued ordinary shares.

Shares

Allotment authorities and 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 or recommended for larger listed companies. At this year's annual general meeting, the directors will seek a renewal and replacement of the company's existing share allotment authorities.

The authority sought in resolution 13 of the notice of the AGM is for two purposes and in aggregate is to enable the directors to allot shares up to a nominal value of £840,000 (84,000,000 ordinary shares). The first purpose is to allow the directors to allot new shares and grant rights to subscribe for, or convert other securities into shares, up to a nominal value of £540,000 (54,000,000 ordinary shares) which is approximately one third of the total issued ordinary share capital of the company as at 14 July 2014. The directors will consider issuing shares if they believe it would be appropriate to do so in respect of business opportunities that arise consistent with the company's strategic objectives. The directors have no present intention of exercising this general authority, other than in connection with the issue of shares pursuant to the company's employee share and incentive plans.

The second part of the authority relates to the option agreement to acquire, indirectly, 51% of the enlarged share capital of Grangesberg Iron AB which was entered into in May 2014 and described in the strategic report on page 4. This amount would cover the potential issue of shares in the event that the company were to exercise its option and is in respect of shares with a nominal value of £300,000 (30,000,000 ordinary shares). The authority sought under resolution 13 will expire on 31 December 2015. The directors intend to seek renewal of this authority at future annual general meetings.

The purpose of resolution 14 is to authorise the directors to allot new shares pursuant to the general authority given by resolution 13 in connection with a pre-emptive offer or offers to holders of other equity securities if required by

the rights of those securities or as the board otherwise considers necessary, or otherwise up to an aggregate nominal amount of £401,500 (40,150,000 ordinary shares). This aggregate nominal amount represents approximately 25% of the issued ordinary share capital of the company at 30 July 2014. Whilst such authority is in excess of the 5% of existing issued ordinary share capital which is commonly accepted and recommended 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. The authority sought under resolution 14 will expire on 31 December 2015. The directors intend to seek renewal of this authority at future annual general meetings.

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 (excluding any part of a day that is not a working day) 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.

Dividend

The group has no revenues and the directors are unable to recommend a dividend (2013 - nil).

Going concern

The directors have considered the business activities of the group as well as its principal risks and uncertainties as set out in this report. When doing so they have carefully applied the guidance given in the Financial Reporting Council's document "Going concern and liquidity risk: Guidance for directors of UK companies 2009". Based on the group's cash flow forecasts and projections to December 2015, and after making due enquiry in the light of current and anticipated economic conditions, the directors consider that with ongoing support from its largest shareholder, Juno Limited, they have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly the going concern basis continues to be adopted in the preparation of the financial statements. In the absence of support from Juno Limited the group could be dependent on the proceeds of share issues or other sources of funding. Development at the Parys project will be dependent on raising further funds from various sources.

Greenhouse Gas emissions

The group does not itself undertake any activities or processes which lead to the production of greenhouse gases. The extent to which its administrative and management functions result in greenhouse gas emissions is slight and the directors do not believe that any useful purpose would be served by attempting to quantify the amounts of these emissions.

Post balance sheet events

See note 30.

Statement of directors' responsibilities

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company financial statements and of their profit and loss for that period.

In preparing the financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors confirm that they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company and group's performance, business model and strategy.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the parent company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations the, the directors are also responsible for preparing a Strategic Report, Directors' Report, Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

The directors are responsible for the maintenance and integrity of the group website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the directors, whose names and functions are listed on the inside rear cover, confirm that, to the best of their knowledge:

- the group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and loss of the group; and
- the Strategic and Directors' Reports include a fair review of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties that it faces.

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 a director in order to make themselves aware of that information and to establish that the company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Approved by the board of directors and signed on its behalf

Danesh Varma

Company Secretary

30 July 2014

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 as amended in August 2013. As a result of the August 2013 amendments the format has changed from that used in the group's last annual report.

Until 31 July 2013 the remuneration committee comprised Howard Miller (chairman) and Danesh Varma; with effect from 1 August 2013 Roger Turner replaced Danesh Varma. No remuneration consultants were employed.

The company's share option scheme was adopted in 2004 and will expire in October 2014. Consequently a new scheme with very similar provisions is being proposed for adoption at the AGM.

Statement by the chair of the Remuneration Committee

Although this report is substantially different from that presented last year, the group's policies with regard to directors' remuneration, which are set out below, have not changed. While the group is at its current stage of development the committee considers that no policy changes are necessary or appropriate; the group needs to retain its executives while also conserving its resources for the tasks which lie ahead. The committee believes that the existing structure is the best way to do that in the current circumstances and for the year ahead.

H. B. Miller

Chairman, Remuneration Committee

30 July 2014

Directors' remuneration policy

The statement of the directors' remuneration policy comprising the following four paragraphs will be put to shareholders for approval at the annual general meeting on 30 September 2014 and, if approved, will take effect following that meeting.

The board's aim, implemented by the remuneration 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 and share options form a major part of executive directors' remuneration.

Share options were granted to non-executive directors in the past however a fee payment is now being made to non-executive directors and future share option grants will be reduced or eliminated accordingly. At present there are no pension contributions of any type. 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.

Annual report on remuneration

Terms and conditions of service

John Kearney, the chairman, does not receive fees; he has been remunerated by the grant of options over the company's shares.

Bill Hooley has written terms of employment with rolling notice periods of 12 months and no other entitlement to termination or bonus payments.

Ian Cuthbertson retired from the board on 31 July 2013 and Danesh Varma became finance director from that date forward.

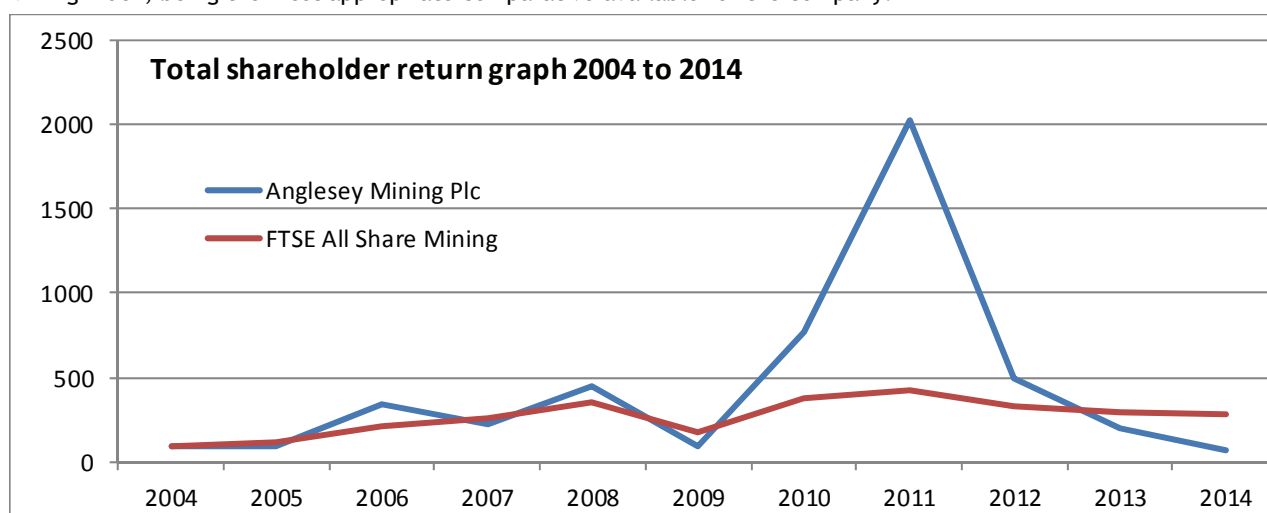
Each of the non-executive directors has a written contract for services, terminable at one month's notice.

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

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 ten year period for the company and for the FTSE All Share Mining index, being the most appropriate comparative available for the company:



Single figure of total remuneration - audited

Name	2014			2013		
	Salary and fees £	Pension £	Total £	Salary and fees £	Pension £	Total £
Executive						
John Kearney	-	-	-	-	-	-
Bill Hooley	60,000	-	60,000	60,000	-	60,000
Danesh Varma	24,000	-	24,000	-	-	-
Ian Cuthbertson	13,333	6,667	20,000	40,000	20,000	60,000
Non-executive						
Howard Miller	5,000	-	5,000	5,000	-	5,000
David Lean	5,000	-	5,000	5,000	-	5,000
Danesh Varma	-	-	-	24,000	-	24,000
Roger Turner	5,000	-	5,000	5,000	-	5,000
Totals	112,333	6,667	119,000	139,000	20,000	159,000

Ian Cuthbertson retired as a director on 31 July 2013, his expected retirement date and on 1 August 2013 Danesh Varma was appointed as finance director. There are no components of remuneration other than those shown which are required to be disclosed.

CEO remuneration table - audited

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
CEO total remuneration in £	60,000	60,000	33,297	20,000	20,000	102,000	107,000	60,000	15,000	-
Bonus payout against maximum	0%	0%	0%	0%	0%	0%	50%	0%	0%	0%

There were no other forms of remuneration required to be included in this table.

Percentage change in remuneration of director undertaking the role of CEO - audited

This table shows the percentage change in remuneration of the director undertaking the role of chief executive and the company's employees as a whole between 2013 and 2014:

	CEO	Employees
Salaries and fees	0%	0%
Benefits	0%	0%
Bonus	0%	0%
Total remuneration	0%	0%

Directors' share options - audited

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, are fully vested and are subject to the operation of a performance condition.

Name	Options at 1 April 2013	Granted in year	Exercised in year	Price on exercise	Lapsed in year	Options at 31 March 2014	Exercise price	Date from which exercisable	Expiry date
John Kearney	5,000,000	-	-	-	-	5,000,000	4.130p	22 Oct 05	22 Oct 14
Bill Hooley	1,000,000	-	-	-	-	1,000,000	10.625p	15 Jan 07	15 Jan 16
Bill Hooley	1,500,000	-	-	-	-	1,500,000	21.900p	26 Nov 07	26 Nov 17
Ian Cuthbertson	400,000	-	-	-	-	n/a	4.130p	22 Oct 05	22 Oct 14
Ian Cuthbertson	200,000	-	-	-	-	n/a	10.625p	15 Jan 07	15 Jan 16
Ian Cuthbertson	600,000	-	-	-	-	n/a	21.900p	26 Nov 07	26 Nov 17
Ian Cuthbertson	300,000	-	-	-	-	n/a	5.000p	27 Mar 10	27 Mar 19
David Lean	50,000	-	-	-	-	50,000	10.625p	15 Jan 07	15 Jan 16
David Lean	400,000	-	-	-	-	400,000	21.900p	26 Nov 07	26 Nov 17
Howard Miller	400,000	-	-	-	-	400,000	21.900p	26 Nov 07	26 Nov 17
Howard Miller	200,000	-	-	-	-	200,000	5.000p	27 Mar 10	27 Mar 19
Roger Turner	100,000	-	-	-	-	100,000	10.625p	15 Jan 07	15 Jan 16
Roger Turner	400,000	-	-	-	-	400,000	21.900p	26 Nov 07	26 Nov 17
Danesh Varma	100,000	-	-	-	-	100,000	4.130p	22 Oct 05	22 Oct 14
Danesh Varma	200,000	-	-	-	-	200,000	10.625p	15 Jan 07	15 Jan 16
Danesh Varma	500,000	-	-	-	-	500,000	21.900p	26 Nov 07	26 Nov 17
Danesh Varma	200,000	-	-	-	-	200,000	5.000p	27 Mar 10	27 Mar 19
	11,550,000	-	-			- 10,050,000			

Ian Cuthbertson retired as a director on 31 July 2013.

The market price of the ordinary shares at 31 March 2014 was 2.875 pence, the high for the year to 31 March 2014 was 8.75 pence and the low for the year was 2.875 pence. The mid-market price at 14 July 2014 was 3.0 pence.

Other components of remuneration - audited

There were no taxable benefits, incentive plans, bonuses, share scheme interests, payments to past directors, payments for loss of office or other remuneration or payments which are required to be disclosed made during the year. Pension contributions made during the year were made to a money purchase pension scheme which is no longer in operation.

Directors' share and share option holdings summarised – audited

Director	17 July 2014		31 March 2014		Total	31 March 2013		Total
	Number of options	Number of ordinary shares	Number of options	Number of ordinary shares		Number of options	Number of ordinary shares	
John Kearney	5,000,000	-	5,000,000	-	5,000,000	5,000,000	-	5,000,000
Bill Hooley	2,500,000	200,000	2,500,000	200,000	2,700,000	2,500,000	200,000	2,700,000
Danesh Varma	1,000,000	-	1,000,000	-	1,000,000	1,000,000	-	1,000,000
Ian Cuthbertson	n/a	n/a	n/a	n/a	n/a	1,500,000	1,120,300	2,620,300
David Lean	450,000	-	450,000	-	450,000	450,000	-	450,000
Howard Miller	600,000	-	600,000	-	600,000	600,000	-	600,000
Roger Turner	500,000	-	500,000	-	500,000	500,000	-	500,000
	10,050,000	200,000	10,050,000	200,000	10,250,000	11,550,000	1,320,300	12,870,300

All of these interests are beneficial. Ian Cuthbertson retired as a director on 31 July 2013.

Relative importance of spend on pay

The total pay for the year ended 31 March 2014 was £97,333 and for the year ended 31 March 2013 it was £100,000. The change between the years is a reduction of 3%. There are no dividends or distributions with which to compare this reduction and no relevant performance related pay to consider.

Statement of voting at general meeting

The voting in respect of the approval of the directors' remuneration report at the annual general meeting held on 24 September 2013 was as follows: for the resolution 99.96%, against the resolution 0.01% and withheld votes 0.03%.

Future remuneration policy

The rates of remuneration and pay structures of the three executive directors to be considered in the future remuneration policy have not changed for several years. There is no current intention to change them and consequently the information which would normally constitute the future policy table has not been provided.

Awards under previous remuneration policies

Any awards or remuneration-related commitments made to directors under previous remuneration policies will continue to be honoured.

Approach to recruitment remuneration

In considering the remuneration levels for new directors, the remuneration committee takes into account the market rate for similar roles, as well as considering the emoluments offered to existing and previous directors.

No compensation is normally offered for the forfeit of remuneration from previous employment. However, under exceptional circumstances, a one-off award may be made to a newly appointed executive director. Any such award will be made on a like-for-like basis, with a fair-value no higher than that of the awards forfeited after taking into account any conditions that would apply.

Where a director is appointed as a result of internal promotion, any contractual commitments made prior to their promotion would be honoured, where appropriate.

When recruiting a new non-executive director, the board would determine the appropriate fee level in line with the policy stated above.

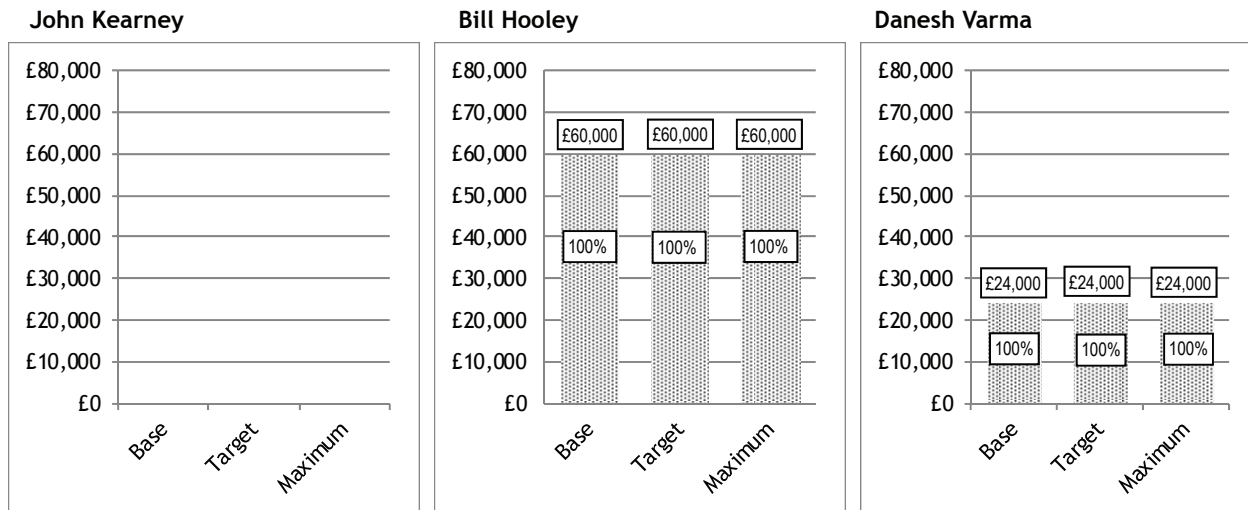
Service contracts

Executive directors currently have employment contracts which may be terminated by the employer or employee at twelve months' notice. No other payments are made for loss of office. Other than payment for this notice period, there are no payments for directors that are triggered by a change of control, nor are there any other remuneration-related contractual provisions such as side-letters.

Each director has a formal letter of appointment setting out their duties and responsibilities. These letters are available for inspection at the registered office.

Remuneration scenario charts

The following charts outline the minimum remuneration receivable by each executive director under the current policy, as well as potential remuneration for attaining target and maximum performance levels, excluding any gains made under the operation of the share option scheme:



In these charts the 'Base' represents the current annual salary and the value of any benefits received; the 'Target' and 'Maximum' columns also include any additional amounts which might be receivable in bonuses, which at present are not expected to arise.

Policy on loss of office

Generally any severance payments on termination are limited to established contractual arrangements only. Any payment in lieu of notice would be limited to salary and benefits, and subject to mitigation.

A director who leaves the group in good standing would generally be entitled to receive an appropriate proportion of any potential bonus and would retain any share options for up to one year following his departure, subject to the rules of the share option scheme.

In the event of a change of control, awards may vest, subject to pro-rating for the proportion of the vesting period elapsed and the extent to which performance conditions are determined to have been achieved. The remuneration committee will retain discretion to adjust awards, within any relevant plan rules to ensure fairness for participants and shareholders.

Difference between director remuneration policy and that for other employees

There are no senior executives at present who are not directors. Remuneration policy for other employees would be consistent with that for the executive directors. There were no employees to be consulted when directors' remuneration policies were established.

Consideration of employment conditions

When setting directors' remuneration, the remuneration and overall conditions for other employees would be taken into account.

Consideration of shareholder views

The remuneration committee would consult with major shareholders when considering any significant changes to remuneration policy and practices.

Approved by the board of directors and signed on its behalf

Danesh Varma

Company Secretary

30 July 2014

Principles

The board bases its policies and practices in relation to corporate governance on the 2012 Financial Reporting Council UK Corporate Governance Code (the “Code”). The group has also made use of the Corporate Governance Guidelines for Smaller Quoted Companies published by the Quoted Companies Alliance in 2013 which relates to the implementation of corporate governance for smaller quoted companies.

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

Since the retirement of Ian Cuthbertson on 31 July 2013 the board comprised three executive directors and three non-executive directors, a structure which the board considered to be appropriate. Bill Hooley is the chief executive and John Kearney, formerly chairman and chief executive, is the chairman, a role he has held since 1994. He divides his time between a number of mineral companies and other activities. The board values the participation of directors on the boards of other companies in the mineral industry as this provides exposure to developments and other opportunities which is useful to enhance the experience of the directors and advantageous to the group.

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

The board considers that Howard Miller is the senior independent non-executive director and David Lean and Roger Turner are independent directors. Danesh Varma was not deemed to be independent during the year and with effect from 1 August 2013 took over as finance director. Howard Miller and David Lean have now served for more than ten years and Roger Turner has served for more than eight years as independent non-executive directors however it is the board's opinion, after reviewing all the relevant factors, that this does not disqualify them from categorisation as independent directors.

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

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

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

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

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

Remuneration committee

Until 31 July 2013 the remuneration committee comprised Howard Miller and Danesh Varma. With effect from 1 August 2013 Roger Turner replaced Danesh Varma on the remuneration committee. 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. Until 31 July 2013 the audit committee comprised Danesh Varma and David Lean. With effect from 1 August 2013 Howard Miller replaced Danesh Varma on the audit committee. All members have extensive mineral industry experience and the necessary recent and relevant experience required by the Code.

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

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

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

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

Nomination committee

The nomination committee comprises John Kearney (chairman), David Lean and Howard Miller. It is now the company's procedure to submit re-election resolutions for all directors at each AGM. The nomination committee makes recommendations to the board on the appointment of new executive and non-executive directors, including making recommendations as to the composition of the board and its committees and the balance between executive and non-executive directors. The committee supports cultural and gender diversity but there are no formal policies in effect regarding these issues, nor in respect of measurable objectives of performance.

The nomination committee meets as and when required. It has met once in the year and has not yet engaged external consultants to identify appropriate candidates. The board considers that two of the committee members are independent non-executive directors.

Assessment of directors' performance

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

Internal control

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

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

Risks and uncertainties

In reviewing the 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 this annual report and accounts and the interim report which are sent to shareholders. Further information is available on the company's website,

www.angleseymining.co.uk, which is updated whenever announcements or press releases are made. Presentations on the group's activities are made at the AGM. As well as attendance at the annual Mines and Money Show and an all-day investor event were made during the year and discussions are held with shareholders at or after all these occasions.

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

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

Directors' appointment and attendance at board and committee meetings

During the year attendance at meetings was as follows:

Director	Date appointed	Next election	Meetings			
			Board	Audit	Remuneration	Nomination
Total number of meetings:			3	3	0	1
John Kearney	10 November 1994	2014	3			1
Bill Hooley	10 January 2006	2014	3			
Howard Miller	20 September 2001	2014	2	2		1
David Lean	20 September 2001	2014	3	3		1
Roger Turner	10 January 2006	2014	3			
Danesh Varma	15 November 1994	2014	3	1		

Danesh Varma is the company secretary. He was appointed on 1 August 2013.

Compliance with the Combined Code

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

- B.1.1 - Non-executive directors hold options over shares; these were granted before the Code came into effect. It is not the intention of the board to grant further options to non-executive directors.
- B.1.1 and C.3.1 - Until 31 July 2013 Danesh Varma was a member of the audit and remuneration committees: because he has been on the board for more than nine years and is connected with Juno Limited, under the Code provisions he is not regarded as independent.
- B.1.2 - Two of the three non-executive directors the board considers to be independent have served for more than 9 years.
- B.6 - There has been no formal and rigorous annual evaluation of the performance of the board, its committees or the individual directors. In a group of this size such a review is largely a matter of judgement.
- D.1.2 - Executive directors' remuneration from other sources: John Kearney divides his time between a number of mineral companies and other activities; his remuneration from the group is only by means of share options.

Approved by the board of directors and signed on its behalf

Danesh Varma

Company Secretary

30 July 2014

Opinion on the financial statements

We have audited the financial statements of Anglesey Mining plc for the year ended 31 March 2014 which comprise the Group Income Statement, the Group Consolidated 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.

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 2014 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.

Our assessment of the risks of material misstatement

In arriving at our audit opinion, the risks of material misstatement which had the greatest effect on our overall audit strategy, the allocation of our resources in the audit and directing the efforts of the engagement team, were as follows:

Potential impairment of capitalised costs associated with the exploration and evaluation of the Parys Mountain mine site

- **The risk:** The group has held rights to explore and mine the site for a number of years but has not completed exploration and evaluation activities and feasibility assessments to an extent where the site has been confirmed as being commercial viable and mining activities commenced. There is a risk that accounting criteria associated with the capitalisation of exploration and evaluation expenditure may no longer be appropriate and that capitalised costs exceed the value in use i.e. there is an indication of potential impairment. Any assessment of the value in use is highly judgemental based on the directors' assessment of long term metal commodity prices, the estimated mineral deposits from independent experts' studies, costs associated with mineral extraction and sale, discount rates and exchange rate factors.
- **Our response:** Our audit work included, but was not restricted to, a review of the directors' assessment of the criteria for the capitalisation of exploration and evaluation expenditure and whether there are any indicators of impairment to capitalised costs. The directors concluded that there were indicators of potential impairment and our work included a review of the integrity of the discounted cash flow model used by the directors to make an assessment as to whether actual impairment had occurred, as well as using our professional scepticism to challenge and test the key assumptions for sensitivity to the model. These key assumptions included the expected future revenue and costs associated with the extraction and sale of the mineral deposits, future market prices, currency exchange rates, demand for the minerals and the discount rate utilised in the financial model.

Potential impairment of the investment in the subsidiary, Parys Mountain Mines Limited, in the company financial statements

- **The risk:** The cost of the investment in and loan due from the subsidiary, Parys Mountain Mines Limited, held in the balance sheet of the company, is supported by the future cash flows associated with the recovery of the exploration and evaluation assets following the development of the Parys Mountain site held by Parys Mountain Mines Limited. If there were impairment in the exploration and evaluation assets, this would have a direct impact on the carrying value of the investment in and loan due from the subsidiary, which may need to be written down in the company's accounts.
- **Our response:** In conjunction with our work associated with the potential impairment of the exploration and evaluation assets held within Parys Mountain Mine Limited, we considered whether there was an indication that the cost of the investment in and loan due from the subsidiary required writing down in the company. As there was no impairment of the asset held by Parys Mountain Mine Limited, there is no indication that the carrying value of the investment in and loan due from the company was not recoverable.

Going concern

- **The risk:** The accounts are prepared on a going concern basis in accordance with IAS1 'Presentation of Financial Statements'. Given the cash position of the group at the year end, and net cash outflows since the year end, we identified that there is a potential material uncertainty that the group does not have sufficient cash resources to continue in operation for at least 12 months from the dates of authorising these financial statements.

- Our response: We evaluated the directors' assessment of the group's ability to continue as a going concern. In particular, we reviewed the cash flow forecasts including key assumptions to assess the risk of the inability to meet liabilities as they fall due. We have considered the group's reliance on ongoing support from its largest shareholder, Juno Limited, to provide adequate funds for its current activities and the availability of other sources of finance to the group to support the going concern assumption.

The audit procedures relating to the above mentioned matters were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of these risks and we do not express an opinion on these individual risks.

Our assessment and application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on the financial statements and our audit. Materiality is used so we can plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement.

The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. The overall materiality level we set for the group's financial statements was £424,000. This has been calculated with reference to the group's net assets, of which it represents approximately 3%. Net assets represents shareholders' funds and we have determined it to be one of the principal benchmarks within the financial statements relevant to shareholders, as the group has no revenues and is still exploring and evaluating mineral sites in which it retains an interest.

We agreed with the Audit Committee that we would report to it all audit differences in excess of £13,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report in order to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

There are 6 legal entities accounting for 100% of the group's operating loss, 100% of net assets and 100% of total assets all of which were subject to full scope audits for the year ended 31 March 2014. The audit of all the entities within the group was undertaken by the group audit team.

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement with respect to internal control and risk management systems in relation to financial reporting processes and about share capital is consistent with the financial statements and rules 7.2.5 and 7.2.6 of the Disclosure and Transparency Rules.

Matters on which we are required to report by exception

We have no exceptions to report arising from the following responsibilities:

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

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

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 8, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

Under the International Standards on Auditing (ISAs) (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the company acquired in the course of performing our audit; or
- otherwise misleading.

In particular we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement on page 9, 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 ISAs (UK and Ireland). Those standards require us to comply with the Auditing Practices Board'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.

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

Date: 30 July 2014

Group income statement

All attributable to equity holders of the company

	Notes	Year ended 31 March 2014	Year ended 31 March 2013
		£	£
All operations are continuing			
Revenue		-	-
Expenses		(353,455)	(398,428)
Share of loss of associate		-	(4,572,320)
Losses on deemed disposals in associate		-	(6,793,789)
Loss on reclassification of associate as an investment		-	(16,149,722)
Impairment of investment	14	(5,451,267)	(3,791,439)
Exchange difference on investment impairment	14	(1,255,280)	321,186
Investment income	6	2,630	36,941
Finance costs	7	(112,590)	(115,023)
Foreign exchange (loss)/gain		(3,741)	11,196
Loss before tax	4	(7,173,703)	(31,451,398)
Tax	8	-	-
Loss for the period		(7,173,703)	(31,451,398)
Loss per share			
Basic - pence per share	9	(4.5)p	(19.7)p
Diluted - pence per share	9	(4.5)p	(19.7)p

Group consolidated statement of comprehensive income

Loss for the period	(7,173,703)	(31,451,398)
Other comprehensive income:		
Exchange difference on translation of foreign holding in year	-	975,771
Exchange difference on translation of foreign holding	-	(4,216,941)
Total comprehensive loss for the year	(7,173,703)	(34,692,568)

Statement of financial position of the group

	Notes	31 March 2014 £	31 March 2013 £
Assets			
Non-current assets			
Mineral property exploration and evaluation	10	14,802,048	14,753,566
Property, plant and equipment	11	204,687	204,687
Investment	14	1,257,985	7,964,532
Deposit	15	122,596	122,204
		<u>16,387,316</u>	<u>23,044,989</u>
Current assets			
Other receivables	16	17,017	40,239
Cash and cash equivalents	17	289,097	670,345
		<u>306,114</u>	<u>710,584</u>
Total assets		<u>16,693,430</u>	<u>23,755,573</u>
Liabilities			
Current liabilities			
Trade and other payables	18	(99,647)	(100,677)
		<u>(99,647)</u>	<u>(100,677)</u>
Net current assets		<u>206,467</u>	<u>609,907</u>
Non-current liabilities			
Loan	19	(2,418,873)	(2,306,283)
Long term provision	20	(42,000)	(42,000)
		<u>(2,460,873)</u>	<u>(2,348,283)</u>
Total liabilities		<u>(2,560,520)</u>	<u>(2,448,960)</u>
Net assets		<u>14,132,910</u>	<u>21,306,613</u>
Equity			
Share capital	21	7,116,914	7,116,914
Share premium		9,848,949	9,848,949
Retained (losses)/earnings		(2,832,953)	4,340,750
Total shareholders' equity		<u>14,132,910</u>	<u>21,306,613</u>

The financial statements of Anglesey Mining plc were approved by the board of directors, authorised for issue on 30 July 2014 and signed on its behalf by:

John F. Kearney, Chairman

Danesh Varma, Finance Director

Statement of financial position of the company

	Notes	31 March 2014 £	31 March 2013 £
Assets			
Non-current assets			
Investments	13	13,977,564	13,956,680
		<u>13,977,564</u>	<u>13,956,680</u>
Current assets			
Other receivables	16	13,793	26,102
Cash and cash equivalents	17	267,045	623,215
		<u>280,838</u>	<u>649,317</u>
Total Assets		14,258,402	14,605,997
Liabilities			
Current liabilities			
Trade and other payables	18	(86,007)	(70,516)
		<u>(86,007)</u>	<u>(70,516)</u>
Net current assets		194,831	578,801
Non-current liabilities			
Loan	19	(2,418,873)	(2,306,283)
		<u>(2,418,873)</u>	<u>(2,306,283)</u>
Total liabilities		(2,504,880)	(2,376,799)
Net assets		11,753,522	12,229,198
Equity			
Share capital	21	7,116,914	7,116,914
Share premium		9,848,949	9,848,949
Retained losses		(5,212,341)	(4,736,665)
Shareholders' equity		11,753,522	12,229,198

The financial statements of Anglesey Mining plc registered number 1849957 were approved by the board of directors and authorised for issue on 30 July 2014, and signed on its behalf by:

John F. Kearney, Chairman

Danesh Varma, Finance Director

Statements of changes in equity

All attributable to equity holders of the company.

Group	Share capital £	Share premium £	Currency translation reserve £	Retained (losses)/ earnings £	Total £
Equity at 1 April 2012	7,096,914	9,634,231	3,241,170	35,792,148	55,764,463
Total comprehensive loss for the year:					
Loss for the year	-	-	-	(31,451,398)	(31,451,398)
Exchange difference on translation of foreign holding	-	-	975,771	-	975,771
Eliminate foreign holding exchange difference	-	-	(4,216,941)	-	(4,216,941)
Total comprehensive loss for the year	-	-	(3,241,170)	(31,451,398)	(34,692,568)
Shares issued	20,000	220,000	-	-	240,000
Share issue costs	-	(5,282)	-	-	(5,282)
Equity at 31 March 2013	7,116,914	9,848,949	-	4,340,750	21,306,613
Total comprehensive loss for the year:					
Loss for the year	-	-	-	(7,173,703)	(7,173,703)
Total comprehensive loss for the year	-	-	-	(7,173,703)	(7,173,703)
Equity at 31 March 2014	7,116,914	9,848,949	-	(2,832,953)	14,132,910
Company					
	Share capital £	Share premium £	Retained losses £	Total £	
Equity at 31 March 2012	7,096,914	9,634,231	(4,243,847)	12,487,298	
Total comprehensive loss for the year:					
Loss for the year	-	-	(492,818)	(492,818)	
Total comprehensive loss for the year	-	-	(492,818)	(492,818)	
Shares issued	20,000	220,000	-	240,000	
Share issue costs	-	(5,282)	-	(5,282)	
Equity at 31 March 2013	7,116,914	9,848,949	(4,736,665)	12,229,198	
Total comprehensive loss for the year:					
Loss for the year	-	-	(475,676)	(475,676)	
Total comprehensive loss for the year	-	-	(475,676)	(475,676)	
Equity at 31 March 2014	7,116,914	9,848,949	(5,212,341)	11,753,522	

Statement of cash flows of the group

	Notes	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Operating activities			
Loss for the period		(7,173,703)	(31,451,398)
Adjustments for:			
Investment income	6	(2,630)	(36,941)
Finance costs	7	112,590	115,023
Share of loss of associate		-	4,572,320
Losses on deemed disposals in associate		-	6,793,789
Loss on reclassification of associate as an investment		-	16,149,722
Impairment of investment	14	5,451,267	3,791,439
Exchange difference on investment impairment	14	1,255,280	(321,186)
Foreign exchange movement		3,741	(11,196)
		<u>(353,455)</u>	<u>(398,428)</u>
Movements in working capital			
Decrease in receivables		23,222	24,753
Decrease/(increase) in payables		15,491	(36,902)
Net cash used in operating activities		<u>(314,742)</u>	<u>(410,577)</u>
Investing activities			
Investment income		2,238	36,422
Mineral property exploration and evaluation		(65,003)	(1,166,413)
Addition to AFS investment in LIM		-	(950,927)
Net cash used in investing activities		<u>(62,765)</u>	<u>(2,080,918)</u>
Net decrease in cash and cash equivalents			
		(377,507)	(2,491,495)
Cash and cash equivalents at start of year		670,345	3,150,644
Foreign exchange movement		(3,741)	11,196
Cash and cash equivalents at end of year	17	<u>289,097</u>	<u>670,345</u>

Statement of cash flows of the company

	Notes	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Operating activities			
Loss for the period	23	(475,676)	(492,818)
Adjustments for:			
Investment income		(2,013)	(27,361)
Finance costs		112,590	115,023
		<u>(365,099)</u>	<u>(405,156)</u>
Movements in working capital			
Decrease/(increase) in receivables		12,309	(2,031)
Increase/(decrease) in payables		15,491	(36,902)
Net cash used in operating activities		<u>(337,299)</u>	<u>(444,089)</u>
Investing activities			
Interest income		2,013	27,361
Investments and long term loans		(20,884)	(1,122,585)
Net cash used in investing activities		<u>(18,871)</u>	<u>(1,095,224)</u>
Financing activities			
Inter-company loan received		-	1,099,198
Net cash generated from financing activities		<u>-</u>	<u>1,099,198</u>
Net decrease in cash and cash equivalents		<u>(356,170)</u>	<u>(440,115)</u>
Cash and cash equivalents at start of period		623,215	1,063,330
Cash and cash equivalents at end of period		<u>267,045</u>	<u>623,215</u>

1 General information

Anglesey Mining plc is domiciled and incorporated in England and Wales under the Companies Act. The nature of the group's operations and its principal activities are set out in note 3 and in the strategic 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 except for the fair valuation of certain financial assets. 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 the foreseeable future, being a period of at least twelve months from the date of approval of the accounts. For the reasons set out in the directors' report, the directors believe that the going concern basis is appropriate for these accounts.

Basis of consolidation

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

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Investment in associate

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

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

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

Revenue recognition

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

Foreign currencies

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

On consolidation, the assets and liabilities of the group's overseas operations are translated at exchange rates prevailing on the period end date. Exchange differences arising, if any, are classified as items of other comprehensive income and transferred to the group's translation reserve within equity.

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

*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 and office equipment are stated in the statement of financial position at cost, less depreciation. Depreciation is charged on a straight line basis at the annual rate of 25%. Residual values and the useful lives of these assets are also reviewed annually.

Intangible assets - mineral property exploration and evaluation 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 exploration and evaluation costs are capitalised until the results of the projects, which are usually based on geographical areas, are known; these include an allocation of administrative and management costs as determined appropriate to the project by management.

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

Impairment of tangible and intangible assets

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

Investments

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

*Significant accounting policies - continued***Provisions**

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

Financial instruments

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

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

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

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

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

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

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

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

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

(f) *Loans.* Loans 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 unless they relate to mineral property exploration and evaluation in which case they are capitalised. There are no finance leases or other operating leases.

New accounting standards

The group and company have adopted the following new accounting standards and interpretations:

IFRS 13 Fair Value Measurement: Original issue; Issued - May 2011; Effective - Annual periods beginning on or after 1 January 2013

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

There has been no impact of adopting the standards.

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

IAS 1 Presentation of Financial Statements: Amendments to revise the way other comprehensive income is presented; Issued - June 2011; Effective - Annual periods beginning on or after 1 July 2012

IAS 19 Employee Benefits: Original issue; Issued - Amended June 2011; Effective - Annual periods on or after 1 January 2013

Amendments resulting from Annual Improvements 2009-2011 Cycle in relation to IFRS 1, IAS1, IAS16; Effective- Annual periods on or after 1 January 2013

Amendments resulting from Annual Improvements 2011-2013 Cycle in relation to IFRS 1; Effective - Annual periods on or after 1 January 2013.

Significant accounting policies - continued

There has been no impact of adopting the amendments.

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

IFRS 9 Financial Instruments; Original issue; Issued - November 2009; No effective date

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

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

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

IFRS14 Regularity Deferral Accounts : Original issue; Issued - January 2014; Effective - Annual periods beginning on or after 1 January 2016

IFRS15 Revenue from contracts with customers : Original issue; Issued - May 2014; Effective - Annual periods beginning on or after 1 January 2017

IAS16 Property, plant and equipment: Amendments regarding the clarification of acceptable methods of depreciation and amortisation; Amended May 2014; Effective for Annual periods beginning on or after 1 January 2016

IAS 27 Separate Financial Statements (as amended in 2011): Original issue; Issued - May 2011; Effective - Annual periods beginning on or after 1 January 2014

IAS 28 Investments in Associated and Joint Ventures: Original issue; Issued - May 2011; Effective - Annual periods beginning on or after 1 January 2014

IAS 32 Financial Instruments: Presentation: Amendments relating to the offsetting of assets and liabilities; Issued - December 2011; Effective - Annual periods beginning on or after 1 January 2014

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

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

IAS 38 Intangible assets: Amendments regarding the clarification of acceptable methods of depreciation and amortisation; Amended May 2014; Effective for Annual periods beginning on or after 1 January 2016

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

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

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

The directors do not consider the adoption of the amendments resulting from the Annual Improvements 2010 - 2012 cycle will result in a material impact on the financial information of the group and company. These amendments to IFRS2, IFRS3, IFRS8 IAS 16, IAS24 and IAS38 are effective for accounting periods beginning on or after 1 July 2014.

The directors do not consider the adoption of the amendments resulting from the Annual Improvements 2011 - 2013 cycle will result in a material impact on the financial information of the group and company. These amendments to IFRS3, IFRS13 and IAS40 are effective for accounting periods beginning on or after 1 July 2014.

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) 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.

(b) 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, less any direct costs of issue. 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 exploring and evaluating the wholly-owned Parys Mountain project in North Wales and has an investment in the Labrador iron project in eastern Canada. In the opinion of the directors, the group's activities comprise one class of business which is mine exploration, evaluation and development. The group reports geographical segments; these are the basis on which information is reported to the board.

Income statement analysis

	2014			2013		
	UK £	Canada - investment £	Total £	UK £	Canada - investment £	Total £
Expenses	(353,455)	-	(353,455)	(398,428)	-	(398,428)
Share of loss in associate	-	-	-	-	(4,572,320)	(4,572,320)
Loss on deemed disposals	-	-	-	-	(6,793,789)	(6,793,789)
Loss on recognition of associate as an investment	-	-	-	-	(16,149,722)	(16,149,722)
Impairment of investment	-	(5,451,267)	(5,451,267)	-	(3,791,439)	(3,791,439)
Exchange difference on above	-	(1,255,280)	(1,255,280)	-	321,186	321,186
Investment income	2,630	-	2,630	36,941	-	36,941
Finance costs	(112,590)	-	(112,590)	(115,023)	-	(115,023)
Exchange rate (loss)/gain	(3,741)	-	(3,741)	11,196	-	11,196
Loss for the year	(467,156)	(6,706,547)	(7,173,703)	(465,314)	(30,986,084)	(31,451,398)

Assets and liabilities

	31 March 2014			31 March 2013		
	UK £	Canada - investment £	Total £	UK £	Canada - investment £	Total £
Non-current assets	15,129,331	1,257,985	16,387,316	15,080,457	7,964,532	23,044,989
Current assets	306,114	-	306,114	710,584	-	710,584
Liabilities	(2,560,520)	-	(2,560,520)	(2,448,960)	-	(2,448,960)
Net assets	12,874,925	1,257,985	14,132,910	13,342,081	7,964,532	21,306,613

4 Operating result

The loss for the year has been arrived at after charging:

	2014 £	2013 £
Fees payable to the group's auditor:		
for the audit of the annual accounts	22,000	26,794
for the audit of subsidiaries' accounts	3,000	5,000
for other services - taxation compliance	3,150	6,551
for other services	1,303	3,535
Directors' remuneration	112,333	139,000
Director's pension contributions	6,667	20,000
Foreign exchange loss/(gain)	3,741	(11,196)

5 Staff costs

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

	2014	2013
Administrative	4	3
	4	3

Their aggregate remuneration was:

	£	£
Wages and salaries	104,998	100,000
Social security costs	11,691	11,733
Other pension costs	6,667	20,000
	123,356	131,733

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

6 Investment income

	2014	2013
	£	£
Loans and receivables		
Interest on bank deposits	2,238	36,423
Interest on site re-instatement deposit	15	392
	2,630	36,941

7 Finance costs

	2014	2013
	£	£
Loans and payables		
Loan interest to Juno Limited	19	112,590
	112,590	115,023

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 2014 of £1.3 million (2013 - £1.2 million) which, in view of the group's trading results, is not considered by the directors to be recoverable in the short term. There are also capital allowances, including mineral extraction allowances, of £12.3 million unclaimed and available at 31 March 2014 (2013 - £12.3 million). No deferred tax asset is recognised in respect of these allowances.

	2014	2013
	£	£
Current tax	-	-
Deferred tax	-	-
Total tax	-	-

Domestic income tax is calculated at 23% of the estimated assessed profit for the year. In 2013 the rate used was 24% and the change this year is due to a change in Corporation Tax rates. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

Loss for the year	(7,173,703)	(34,692,568)
Tax at the domestic income tax rate of 23% (2013 - 24%)	(1,649,952)	(8,326,216)
Tax effect of:		
Losses on deemed disposals in associate	-	1,630,509
Share of loss of associate	-	1,097,357
Losses on interest in associates and investments	1,649,952	5,598,350
Total tax	-	-

9 Earnings per ordinary share

	2014	2013
	£	£
Earnings		
Loss for the year	(7,173,703)	(31,451,398)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	160,608,051	159,966,407
Weighted average number of ordinary shares for the purposes of diluted earnings per share	160,608,051	159,966,407
Basic earnings per share	(4.5)p	(19.7)p
Diluted earnings per share	(4.5)p	(19.7)p

As the group has a loss for the year ended 31 March 2014 the effect of the 11.55 million options outstanding is anti-dilutive and diluted earnings are reported to be the same as basic earnings.

10 Mineral property exploration and evaluation costs - group

	Parys Mountain
Cost	£
At 1 April 2012	14,255,818
Additions - site	468,837
Additions - rentals & charges	28,911
<hr/>	
At 31 March 2013	14,753,566
Additions - site	32,661
Additions - rentals & charges	15,821
<hr/>	
At 31 March 2014	14,802,048
<hr/>	
Carrying amount	
Net book value 2014	14,802,048
<hr/>	
<i>Net book value 2013</i>	<i>14,753,566</i>

Included in the additions are mining lease expenses of £15,500 (2013 - £15,500) and £nil for the cancellation of the Intermine net profits royalty agreement (2013 -£113,241).

Potential impairment of mineral property

Accumulated exploration and evaluation expenditure in respect of the Parys 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.

This year the directors carried out an impairment review with an effective date of 26 March 2014. 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:

- 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.
- Metal prices: zinc price 1.05 US\$/lb; copper price 3.25 US\$/lb; lead price 1.00 US\$/lb; silver price US\$21.50 g/t and gold price US\$1335 g/t. Exchange rate for metal prices £/US\$ 1.71; long term exchange rate US\$1.60/£.
- 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.

Based on the above parameters the directors believe that no impairment provision is necessary or appropriate. However 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.

Based on the review set out above the directors have determined that no impairment provision is required in the financial statements in respect of the carrying value of the Parys property.

11 Property, plant and equipment

Group	Freehold land and property	Plant & equipment	Office equipment	Total
Cost	£	£	£	£
At 1 April 2012	204,687	17,434	5,487	227,608
At 31 March 2013 and 2014	204,687	17,434	5,487	227,608
Depreciation				
At 1 April 2012	-	17,434	5,487	22,921
At 31 March 2013 and 2014	-	17,434	5,487	22,921
Carrying amount				
At 31 March 2013 and 2014	204,687	-	-	204,687

Company	Freehold land and property	Plant & equipment	Office equipment	Total
Cost	£	£	£	£
At 1 April 2012	-	17,434	5,487	22,921
At 31 March 2013 and 2014	-	17,434	5,487	22,921
Depreciation				
At 1 April 2012	-	17,434	5,487	22,921
At 31 March 2013 and 2014	-	17,434	5,487	22,921
Carrying amount				
At 31 March 2013 and 2014	-	-	-	-

12 Subsidiaries - company

The subsidiaries of the company at 31 March 2014 and 2013 were as follows:

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

13 Investments - company

	Shares at cost £	Loans £	Total £
At 1 April 2012	100,103	13,598,472	13,698,575
Advanced	-	1,357,303	1,357,303
Repaid	-	(1,099,198)	(1,099,198)
At 31 March 2013	100,103	13,856,577	13,956,680
Advanced	-	20,884	20,884
Repaid	-	-	-
At 31 March 2014	100,103	13,877,461	13,977,564

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

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

14 Investments - group

	31 March 2014 £	31 March 2013 £
Value brought forward	7,964,532	-
Value of investment upon recognition as a financial investment	-	10,483,858
Addition to investment	-	950,927
Impairment resulting from adjustment to fair value	(5,451,267)	(3,791,439)
Exchange difference arising on adjustment above	(1,255,280)	321,186
Amount carried in the group accounts	1,257,985	7,964,532

The published fair value of the group's investment in LIM at 31 March 2014 is £1.3 million (2013 - £8.0 million). At 14 July 2014 the published fair value of the group's investment was £630,000.

The shares included above represent an investment in listed equity securities that present the group with opportunity for return through dividend income and trading gains. The group holds a strategic non-controlling interest, following the dilution of its interest in Labrador Iron Holdings Limited to 15.3% in November 2012. These shares are not held for trading and accordingly are classified as 'available for sale' which is deemed to be the most appropriate classification under IFRS. The fair values of all equity securities are based on quoted market prices.

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

The value of the investment is deemed to be impaired given the recent period of decline in the share price.

15 Deposit

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Site re-instatement deposit	122,596	122,204	-	-

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

16 Other receivables

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Other	17,017	40,239	13,793	26,102

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

17 Cash

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Held in sterling	269,044	646,760	267,045	623,215
Held in Canadian dollars	20,053	23,585	-	-
	289,097	670,345	267,045	623,215

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

18 Trade and other payables

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	(34,863)	(33,860)	(28,224)	(10,700)
Taxes	(11,029)	(13,064)	(11,029)	(13,064)
Other accruals	(53,755)	(53,753)	(46,754)	(46,752)
	(99,647)	(100,677)	(86,007)	(70,516)

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

19 Loan

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Loan from Juno Limited	(2,418,873)	(2,306,283)	(2,418,873)	(2,306,283)

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

20 Provision

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Provision for site reinstatement	(42,000)	(42,000)	-	-

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

21 Share capital

Issued and fully paid	Ordinary shares of 1p		Deferred shares of 4p		Total
	Nominal value £	Number	Nominal value £	Number	Nominal value £
At 31 March 2012	1,586,081	158,608,051	5,510,833	137,770,835	7,096,914
Issued 11 July 2012	20,000	2,000,000	-	-	20,000
At 31 March 2013 and 31 March 2014	1,606,081	160,608,051	5,510,833	137,770,835	7,116,914

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

22 Equity-settled employee benefits**2004 Unapproved share option plan**

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

	Options	2014	Options	2013
		Weighted average exercise price in pence		Weighted average exercise price in pence
Outstanding at beginning of period	11,550,000	10.90	11,550,000	10.90
Granted during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	11,550,000	10.90	11,550,000	10.90
Exercisable at the end of the period	11,550,000	10.90	11,550,000	10.90

Equity-settled employee benefits - continued

No options were granted, forfeited or expired during the year or the prior year. The options outstanding at 31 March 2014 had a weighted average exercise price of 10.90 pence (2013 - 10.90 pence), and a weighted average remaining contractual life of 2 years (2013 - 3 years). As all options had vested by 31 March 2010, the group recognised no expenses in respect of equity-settled employee remuneration in respect of the years ended 31 March 2013 and 2014.

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

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

23 Results attributable to Anglesey Mining plc

The loss after taxation in the parent company amounted to £475,676 (2013 loss £492,818). The directors have taken advantage of the exemptions available under section 408 of the Companies Act 2006 and not presented an income statement for the company alone.

24 Financial instruments**Capital risk management**

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

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

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

Interest rate risk

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

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

Liquidity risk

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

Trade creditors are payable on normal credit terms which are usually 30 days. The loans due to Juno carry a notice period of 367 days; in keeping with its practice since drawdown commenced more than 10 years ago, Juno has indicated that it has no current intention of demanding repayment and no such notice had been received by 14 July 2014. However the Juno loan is classified as having a maturity date between one and two years from the period end date.

Currency risk

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

The investment in LIM is denominated in Canadian dollars and amounts to C\$2,314,692 equivalent to £1,257,985. If the rate of exchange between the Canadian dollar and sterling were to move against sterling by 10% there would be a loss to the group of £114,000 and if it were to move in favour of sterling by a similar amount there would be a gain of £140,000.

At the year end the group held C\$36,897 in Canadian dollars, equivalent to £20,053. If the rate of exchange between the Canadian dollar and sterling were to move against sterling by 10% there would be a loss to the group of £1,800 and if it were to move in favour of sterling by a similar amount there would be a gain of £2,200.

*Financial instruments - continued***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.

Group

	Available for sale asset		Loans & receivables		Financial liabilities	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	£	£	£	£	£	£
Financial assets						
Investment	1,257,985	7,964,532	-	-	-	-
Deposit	-	-	122,596	122,204	-	-
Other debtors	-	-	17,017	40,239	-	-
Cash and cash equivalents	-	-	289,097	670,345	-	-
Financial liabilities						
Trade creditors	-	-	-	-	(34,863)	(33,860)
Loans due to Juno	-	-	-	-	(2,418,873)	(2,306,283)
	<u>1,257,985</u>	<u>7,964,532</u>	<u>428,710</u>	<u>832,788</u>	<u>(2,453,736)</u>	<u>(2,340,143)</u>

Company

	Loans & receivables		Financial liabilities	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	£	£	£	£
Financial assets				
Investment - loan	13,877,460	13,856,576	-	-
Other debtors	13,793	26,102	-	-
Cash and cash equivalents	267,045	623,215	-	-
Financial liabilities				
Trade creditors	-	-	(28,224)	(10,700)
Loans due to Juno	-	-	(2,418,873)	(2,306,283)
	<u>14,158,298</u>	<u>14,505,893</u>	<u>(2,447,097)</u>	<u>(2,316,983)</u>

25 Related party transactions

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

Juno Limited

Juno Limited (Juno) which is registered in Bermuda holds 36.1% of the company's issued ordinary share capital. The group has the following agreements with Juno: (a) a controlling shareholder agreement dated September 1996 and (b) a consolidated working capital agreement of 12 June 2002. Interest payable to Juno is shown in note 7 and the balance due to Juno is shown in note 19. There were no transactions between the group and Juno or its group during the year other than the accrual of interest due to Juno. Danesh Varma is a director and, through his family interests, a significant shareholder of Juno.

Key management personnel

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

26 Mineral holdings**Parys**

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

(b) Under a lease from Lord Anglesey dated December 2006, the subsidiary Parys Mountain Land Limited holds the eastern part of Parys Mountain, formerly known as the Mona Mine. An annual certain rent of £10,321 is payable for the year beginning 23 March 2013; the base part of this rent increases to £20,000 when extraction of minerals at Parys Mountain commences; this rental is index-linked. A royalty of 1.8% of net smelter returns from mineral sales is also payable. The lease may be terminated at 12 months' notice and otherwise terminates in 2070.

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

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 and royalty agreement are analysed as follows: within the year commencing 1 April 2014 - £15,821; between 1 April 2015 and 31 March 2020 - £84,168. 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 (2013 - nil).

29 Contingent liabilities

There are no contingent liabilities (2013 - nil).

30 Events after the period end

- On 28 May 2014 the group purchased an indirect 6% holding in Grangesberg Iron AB, a company incorporated in Sweden, for a consideration of US\$145,000.
- Also on 28 May 2014 the group was granted an option over 100% of the share capital of Eurang Limited, which itself acquired a 51% interest in Grangesberg Iron AB. For details of this option see the Strategic Report on page 4. The group has yet to complete an assessment of the financial impact of the transaction and therefore is not able to provide the additional disclosures required by IFRS3 paragraph B64.
- Since the year end the market value of the group's shareholding in LIM has fallen below the amount at which it is held in the statement of financial position - see note 14.

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

Notice of AGM

Notice is given that the 2014 annual general meeting of Anglesey Mining plc will be held at the offices of the company's lawyers, DLA Piper UK LLP, 1 London Wall, London, EC2Y 5EA on 30 September 2014 at 11.00 a.m. to consider and, if thought fit, to pass the following resolutions. Resolutions 1 to 13 will be proposed as ordinary resolutions and resolution 14 will be proposed as a special resolution:

As ordinary business

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

As special business

12. To approve the adoption of the Anglesey Mining plc 2014 Unapproved Share Option Scheme ("the Scheme") the proposed rules of which are provided following this notice and to authorise the directors to do all acts and things necessary to establish the Scheme.

13. That, pursuant to section 551 of the Companies Act 2006 ("Act"), the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £840,000, provided that (unless previously revoked, varied or renewed) this authority shall expire on 31 December 2015, save that the Company may make an offer or agreement before this authority expires which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after this authority expires and the directors may allot shares or grant such rights pursuant to any such offer or agreement as if this authority had not expired.

This authority is in substitution for all existing authorities under section 551 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

14. That pursuant to section 570 of the 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 pursuant to resolution 13 above 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 14(a) above, up to an aggregate nominal amount of £401,500 and (unless previously revoked, varied or renewed) this power shall expire on 31 December 2015, 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 section 570 of the Act which, to the extent effective at the date of this resolution, are revoked with immediate effect.

By order of the board
Danesh Varma
Company secretary
30 July 2014

Notice of AGM

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 6.00 p.m. on 26 September 2014 (or, if the meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the date and time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

Proxies

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a member of the Company. A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid. A proxy may be appointed only in accordance with the procedures set out in note 3 and the notes to the proxy form. The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.
3. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar Capita Asset Services, 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 Asset Services, Proxies, The Registry, 34 Beckenham Road, Kent BR3 4TU, no later than 11.00 a.m. on 26 September 2014 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) 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 14 July 2014 (being the last practicable date before the publication of this notice), the issued share capital consists of 160,608,051 ordinary shares of £0.01 each, carrying one vote each and 21,529,451 Deferred A Shares and 116,241,384 Deferred B Shares which do not carry any rights to vote. Therefore, the total voting rights as at 14 July 2014 are 160,608,051.

Nominated Persons

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

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

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

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

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

Website publication of audit concerns

9. A shareholder or shareholders who meet the qualification criteria set out in note 10 below may require the Company to publish on its website a statement setting out any matter that such shareholders propose to raise at the meeting relating to either the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the meeting or any circumstances connected with an auditor of the Company ceasing to hold office since the last annual general meeting of the Company in accordance with section 527 of the Act. Any such request must (i) identify the statement to which it relates, by either setting out the

Notice of AGM

statement in full or, if supporting a statement requested by another shareholder, clearly identify the statement which is being supported (ii) comply with the requirements set out in note 11 below and (iii) be received by the Company at least one week before the meeting. Where the Company is required to publish such a statement on its website (i) it may not require the shareholders making the request to pay any expenses incurred by the Company in complying with the request (ii) it must forward the statement to the Company's auditors no later than the time when it makes the statement available on the website and (iii) the statement may be dealt with as part of the business of the meeting.

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

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

Questions at the meeting

12. Shareholders have the right to ask questions at the meeting relating to the business being dealt with at the meeting in accordance with section 319A of the Act. The Company must answer any such question unless: (a) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Documents available for inspection

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

Biographical details of directors

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

Website providing information about the meeting

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

RULES OF THE ANGLESEY MINING PLC 2014 UNAPPROVED SHARE OPTION SCHEME

Submitted for approval at the AGM on 30 September 2014:

The Company hereby establishes a share option scheme to be known as the 2014 Unapproved Share Option Scheme for directors, officers, employees and associates of Anglesey Mining plc.

The purposes of the Scheme are:

- (i) to reward the abilities and efforts of the directors, officers and employees and other providers of management or consulting services for the Company who have contributed to or could contribute to the success of the Company;
- (ii) to provide an incentive to achieve the long term objectives of the Company;
- (iii) to attract persons of experience and ability to serve as directors, officers and employees of, and other providers of management or consulting services for, the Company; and
- (iv) to encourage such directors, officers, employees and other service providers to promote the affairs of the Company.

1 Interpretation

In these Rules:

1.1 unless the context otherwise requires, the words and expressions set out below shall have the following meanings:

“Cause” means any of the following:

(a) gross neglect or dereliction of the Eligible Employee's duties (excluding any period during which the Eligible Employee is suffering from a Disability) or other grave misconduct by the Eligible Employee or, if curable, the failure to cure such situation within thirty (30) days after notice thereof authorised by the Board of Directors is given to the Eligible Employee;

(b) the Eligible Employee engaging in conduct which he knows or should have known would cause, and has in fact caused, demonstrable and serious injury to the Company or any of its subsidiaries in whole or in part, monetary or otherwise, as evidenced by a written determination authorised by the Board of Directors.

“Company” - Anglesey Mining plc (registered in England and Wales under number 1849957);

“Control” - the meaning given to that expression by section 840 of ICTA 1988;

“Date of Adoption” - the date of the adoption of this Scheme by resolution of the Remuneration Committee;

“Date of Grant” - the date upon which an Option is granted;

“Eligible Employee” - means the directors and/or officers and/or employees of the Company or its subsidiaries and any other person or company engaged to provide ongoing management or consulting services for the Company or for any entity controlled by the Company, in each case as designated from time to time by the Remuneration Committee as eligible for participation hereunder;

“Exercise Condition” - the meaning set out in Rule 5;

“Group Member” - the Company or any Subsidiary from time to time;

“ICTA 1988” - the Income and Corporation Taxes Act 1988;

“In Concert” - the meaning given to that term in The City Code on Takeovers and Mergers as amended from time to time;

“Issue or Reorganisation” - any increase or variation of the share capital of the Company including, without limitation, any rights issue, capitalisation, consolidation, sub-division or reduction of capital by the Company which, in the opinion of the Remuneration Committee, justifies a variation to an Option in accordance with Rule 7;

“Model Code” - the Model Code on directors' dealings in securities, published by the London Stock Exchange;

“Option” - a right to acquire Shares pursuant to this Scheme;

“Option Holder” - a person holding an Option or, where the context so admits, his/her personal representatives;

“Option Price” - the acquisition price for a share determined by the Remuneration Committee in accordance with Rule 2.5;

“Recognised Investment Exchange” - the meaning given to that expression in section 207 Financial Services Act 1986;

“Remuneration Committee” - the remuneration committee means the committee of individuals appointed by the board of directors responsible for, among other things, the granting of options hereunder and the administration of the Scheme and, failing the appointment of such a committee, shall mean the board of directors itself;

“Scheme” - Anglesey Mining plc 2014 Unapproved Share Option Scheme established by these Rules in its present form or as from time to time amended in accordance with the provisions hereof,

“Shares” - ordinary shares of 1p each in the capital of the Company;

“Subsidiary” - a body corporate which is a subsidiary of the Company within the meaning of section 1159 of the Companies Act 2006 and of which the Company has Control;

1.2 words denoting the singular shall include the plural and words denoting one gender shall include the others;

1.3 the headings herein and the index hereto are for ease of reference only and shall not affect construction;

1.4 any reference to any statute or any provision thereof or any guideline or regulation include that statute, provision, guideline or regulation as amended, modified, re-enacted or replaced from time to time whether before or after the Date of Adoption of this Scheme; and

RULES OF THE ANGLESEY MINING PLC 2014 UNAPPROVED SHARE OPTION SCHEME

1.5 any reference to a Rule is a reference to a Rule of this Scheme.

2 Grant of Options

2.1 Subject as herein provided, the Remuneration Committee may grant Options to such Eligible Employees as it may select in its absolute discretion.

2.2 An Option may only be granted within the period of 10 years beginning with the Date of Adoption.

2.3 No Option may be granted at a time when such grant would not be in accordance with the Model Code.

2.4 There shall be no monetary consideration for the grant of an Option and, accordingly, an Option shall be granted by deed.

2.5 The Remuneration Committee shall, in its absolute discretion, determine the Option Price before the grant of the relevant Option provided that such amount shall not be less than the average closing price of Ordinary Shares traded on the London Stock Exchange or any recognised replacement investment exchange on the three trading days immediately preceding the Date of Grant or the nominal value of the share which is the subject of the option.

2.6 Each Option shall be personal to the Option Holder to whom it is granted and shall not be transferable, assignable, chargeable or otherwise available for disposition except upon death of the Option Holder. An Option shall lapse forthwith if it is, or is purported to be, transferred, assigned, charged, disposed of or otherwise dealt with or if the Option Holder is adjudged bankrupt.

3 Restrictions on the Grant of Options

3.1 No Option shall be granted which would, at the time it is granted, cause the aggregate number of Shares which shall have been or may be issued in pursuance of options granted under the Scheme or any other scheme in the last 10 years to exceed such number as represents 10% of the issued ordinary share capital of the Company at that time.

3.2 In the event that an Option is granted in breach of Rule 3.1 above, such option shall be deemed, for the purposes of this Scheme, to be an Option to acquire such number of Shares which would not cause Rule 3.1 to be breached and save to that extent shall be of no force or effect.

4 Exercise of Options

4.1 The exercise of an Option in accordance with Rule 4 shall be effected in such form and manner as the Remuneration Committee may from time to time prescribe.

4.2 Any Option which has not lapsed may be exercised in whole or in part at any time following the earliest of the following events:

4.2.1 the first anniversary of the date of grant or date of commencement of employment, whichever comes first

4.2.2 the death of the Option Holder

4.2.3 the Option Holder ceasing to be a director or employee of the Company or any of its subsidiaries by reason of injury, disability, redundancy or retirement

4.3 An Option shall lapse on the earliest of the following events:

4.3.1 the tenth anniversary of the date of grant;

4.3.2 the first anniversary of the Option Holders death;

4.3.3 immediately for reasons of cause or bankruptcy whether or not it was exercisable prior to such cessation of service

4.4 A female Option Holder who ceases to be a full-time director or a full-time employee by reason of pregnancy or confinement and who exercises her right to return to work under the Employment Rights Act 1996 before exercising an Option shall be treated for those purposes as not having ceased to be such a full-time director or a full-time employee.

4.5 Notwithstanding any other provision of this Scheme, an Option may not be exercised after the expiration of the period of 10 years (or such shorter period as the Remuneration Committee may have determined before the grant of Options) beginning with the Date of Grant.

4.6 Within five (5) days after an Option has been exercised by any person entitled thereto, subject to receipt by the Company of the Option Price in respect of the relevant Shares, the Company shall allot to the relevant Option Holder or, as appropriate, procure the transfer to him/her of the number of Shares in respect of which the Option has been properly exercised.

4.7 All Shares allotted under this Scheme shall rank *pari passu* in all respects with the shares of the same class for the time being in issue save as regards any rights attaching to such shares by reference to a record date prior to the date of the allotment.

4.8 No Option may be exercised at a time when such exercise would not be in accordance with the Model Code.

5 Exercise Condition

The Remuneration Committee may impose one or more objective conditions (each, an "Exercise Condition") on any Option which they grant preventing its exercise (other than in accordance with Rule 7) unless such conditions have been complied with. If, subsequently, events occur which cause the Remuneration Committee to consider that an Exercise Condition no longer achieves its original purpose they may vary the Exercise Condition provided that they act fairly and reasonably in making such variation.

RULES OF THE ANGLESEY MINING PLC 2014 UNAPPROVED SHARE OPTION SCHEME

6 Adjustment of Options

6.1 Upon the occurrence of an Issue or Reorganisation the Remuneration Committee may make any adjustments to any one or more of the following as it considers appropriate so as to put the Option Holder in substantially the same position as if the Issue or Reorganisation had not taken place:

6.1.1 the number of Shares in respect of which any Option may be exercised;

6.1.2 the price at which Shares may be acquired by the exercise of any such Option;

6.1.3 where an Option has been exercised but no Shares have been allotted or transferred pursuant to such exercise, the number of Shares which may be so allotted or transferred and the price at which they may be acquired, provided that no adjustment shall be made where it would result in a Share being issued at less than its nominal value.

6.2 An adjustment pursuant to Rule 6.1 above shall only be made upon the occurrence of an Issue or Reorganisation.

6.3 Notice of any adjustments referred to in Rule 6.1 above shall be given to the Option Holders by the Remuneration Committee.

7 Takeover of Company

7.1 Subject to Rule 7.3, if at any time any person obtains Control of the Company as a result of making:

7.1.1 a general offer to acquire the whole of the issued ordinary share capital of the Company which was made on a condition such that if it was satisfied that the person making the offer would have Control of the Company; or

7.1.2 a general offer to acquire all the Shares,

all outstanding Options may be exercised at any time prior to, but conditional upon, the change of control occurring or during the period of six months after the time when the offeror has obtained Control of the Company and any conditions subject to which the offer is made have been satisfied. If not so exercised, the Option shall lapse upon the expiry of such six month period.

7.2 For the purpose of Rule 7.1:

7.2.1 a person shall be deemed to have acquired Control of the Company if he and others acting In Concert with him have together obtained Control of it;

7.2.2 a person shall be deemed to have obtained Control of the Company as a result of making such a general offer as is referred to in Rule 7.1 if he obtains Control of the Company as a result of entering into an agreement to acquire ordinary shares in the capital of the Company with one or more shareholders of the Company and in such case he shall be deemed to have obtained Control of the Company on entering into such agreement and any conditions subject to which the offer was made being satisfied.

7.3 If during the six month period referred to in Rule 7.1 the offeror becomes entitled to exercise rights of compulsory acquisition of Shares under sections 979 to 982 and 983 to 985 of the Companies Act 2006 and gives notice of its intention to exercise such rights in respect of all Shares issued on the exercise of Options prior to a specified date (not being earlier than one month after the date of such notice), all outstanding Options may be exercised at any time until such date. If not so exercised, the Options shall lapse immediately.

7.4 If a compromise or arrangement under section 899 Companies Act 2006 is proposed for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, all outstanding Options may be exercised, conditionally on the compromise or arrangement becoming effective, immediately prior to the Court sanctioning the compromise or arrangement and up to the date the compromise or arrangement becomes effective. If not so exercised, the Option shall lapse immediately.

7.5 If notice is given of a resolution for the voluntary winding up of the Company, all outstanding Options may be exercised, conditionally on the passing of the resolution, at any time during the period commencing on the date the notice is given and ending on the commencement of the winding up. If not so exercised, the Options shall lapse immediately.

7.6 The Company shall, as soon as reasonably practicable, notify each Option Holder of the occurrence of any of the events referred to in Rule 7 and explain how this affects his position under the Scheme.

8 Alterations

8.1 Subject to Rule 8.2, the Remuneration Committee may at any time alter or add to all or any of the provisions of this Scheme, or the terms of an Option granted under it, in any respect.

8.2 No alteration or addition shall be made under Rule 8.1 which may materially adversely affect an Option Holder as regards an Option granted prior to the alteration or addition being made without the consent of Option Holders who, if they exercised their Options in full would thereby become entitled, in aggregate, to not less than three quarters of all the Shares which would fall to be allotted upon exercise in full of all outstanding Options.

8.3 As soon as reasonably practicable after making any alteration or addition under Rule 8.1, the Company shall give notice in writing thereof to any Option Holder affected thereby.

9 Listing

9.1 While the Shares are listed or traded on OFEX, the Alternative Investment Market, the Official list of the London Stock Exchange, NASDAQ, EASDAQ or any other Recognised Investment Exchange, the Company shall, at its expense, make application for and use its reasonable endeavours to obtain listing for, or admission to trading on, such relevant exchange for Shares allotted pursuant to the exercise of any Option.

RULES OF THE ANGLESEY MINING PLC 2014 UNAPPROVED SHARE OPTION SCHEME

10 Powers of Remuneration Committee and administration of Scheme

10.1 The Remuneration Committee shall be responsible for, and shall have the conduct of, the administration of the Scheme, including but not limited to determining the Eligible Employees to whom, and subject to the rules of the scheme the terms on which, Options are granted.

10.2 Subject to Rules 10.3 and 10.4, the decision of the Remuneration Committee shall be final and binding in all matters relating to the Scheme, including but not limited to the resolution of any ambiguity in the Rules of the Scheme, and it may at any time discontinue selecting Eligible Employees for the grant of further Options or amend any of the Rules of the Scheme in any way it thinks fit.

10.3 Subject to Rules 10.4 and 10.5, no amendment may be made for the benefit of Option Holders to the Rules of the Scheme without the prior approval of the Company in general meeting except for:

10.3.1 minor amendments to benefit the administration of the scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the scheme or for the Company or for members of its group.

10.3.2 an amendment which is necessary or desirable in order to comply with or take account of the requirements of the London Stock Exchange, the guidelines published by the Association of British Insurers, the National Association of Pension Funds or any other organisation representing institutional investors or any other legal or regulatory requirement or any proposed change thereto.

10.4 The Remuneration Committee may, in its absolute discretion, send to Option Holders copies of any notice or other document sent to the Company's shareholders.

11 Indemnity

11.1 The Option Holder will indemnify the Company from and against all liability, actions, claims and reasonable costs in respect of any PAYE and related costs, fines or penalties, or employees' and employers' National Insurance contributions in respect of the exercise of an Option by the Option Holder in the event that the Company is held liable for such payment which sums shall become payable to the Company, within one month of the exercise of an Option in accordance with Rule 4.

12 Miscellaneous

12.1 The rights and obligations of any individual under the terms of his office or employment with any Group Member shall not be affected by his participation in this Scheme or any right which he may have to participate therein, and an individual who participates therein shall waive any and all claims to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those claims arise or may arise from his ceasing to have rights under or be entitled to exercise any Option as a result of such termination.

12.2 Any notice or other communication under or in connection with this Scheme may be given by personal delivery or by sending the same by post, in the case of the Company to its registered office, and in the case of an individual to his last known address, or, where he is a director or employee of a Group Member, either to his last known address or to the address of the place of business at which he performs the whole or substantially the whole of the duties of his office or employment, and where a notice or other communication is given by first-class post, it shall be deemed to have been received 48 hours after it was put into the post properly addressed and stamped.

12.3 The Company shall at all times keep available for issue such authorised and unissued Shares as may be required to meet in full the subsisting subscription rights of Option Holders.

12.4 In the event that Shares are transferred to an Option Holder in pursuance of any Option granted under this Scheme, the Option Holder shall, if so required by the person making the transfer, join that person in making a claim for relief under section 165 of the Taxation of Chargeable Gains Act 1992 in respect of the disposal made by him in effecting such transfer.

12.5 The formation, existence, construction, performance, validity and all aspects whatsoever of this Scheme, any term of this Scheme and any Option granted under it shall be governed by English law. The English Courts shall have jurisdiction to settle any disputes which may arise out of or in connection with this Scheme.

13 Termination

The Company in general meeting or the Remuneration Committee may at any time resolve to terminate this Scheme in which event no further Options shall be granted but the provisions of this Scheme shall in relation to the Options then subsisting continue in full force and effect.

Directors

- John F. Kearney** Irish, aged 63, chairman, is a mining executive with more than 39 years' experience in the mining industry and is chairman and CEO of Labrador Iron Mines Holdings Limited. He is also chairman of Canadian Zinc Corporation, Minco plc, Xtierra plc and Conquest Resources Limited. He is a director of Avnel Gold Mining Limited and the Mining Association of Canada and has degrees in law and economics from University College Dublin and an MBA from Trinity College Dublin. He is a member of the nomination committee and is resident in Canada.
- Bill Hooley** aged 67, chief executive, is a mining engineering graduate from the Royal School of Mines and has extensive experience in many countries including the UK and Australia. He is vice-chairman and a director of the company's associate Labrador Iron Mines Holdings Limited and since May 2014 a director of Grangesberg Iron AB. He is currently a director of Iberian Minerals Limited and has been a director of a number of other companies involved in the minerals industry. He is a Fellow of the Australasian Institute of Mining and Metallurgy.
- Ian Cuthbertson** aged 67, was finance director and company secretary until his retirement on 31 July 2013. He is a chartered accountant with extensive previous experience in the international oilfield and construction industries.
- David Lean** Australian, aged 67, 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 70, non-executive director, a lawyer with over 40 years' experience in the legal and mining finance sector in Africa, Canada and the UK. He has extensive experience in the financing of resource companies. He is chairman of Avnel Gold Mining Limited. He is a member of the remuneration and nomination committees and the senior independent director. From 1 August 2013 he became a member of the audit committee.
- Roger Turner** aged 71, 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. He is a member of the remuneration committee.
- Danesh Varma** Canadian, aged 64, finance director and company secretary from 1 August 2013 is a chartered accountant and a member of the Chartered Institute of Taxation. He is a director of the company's associate Labrador Iron Mines Holdings Limited and since May 2014 has been a director of Grangesberg Iron AB. He is also chief financial officer of Minco plc, Xtierra Inc. and Conquest Resources Limited. Until 1 August 2013 he was a member of the audit and remuneration committees.

Solicitors

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M2 3DL

Auditor

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Labrador Iron - Toronto	<p>220 Bay Street, Suite 700 Toronto, Ontario, M5J 2W4, Canada Phone +1 647 728 4107</p>
Registrars	<p>Capita Asset Services Northern House, Woodsome Park Fenay Bridge, Huddersfield, HD8 0LA Phone 0871 664 0300 Calls cost 10p per minute plus network extras From overseas +44 208 639 3399 Fax 01484 600911</p>
Registered office	<p>Tower Bridge House, St. Katharine's Way, London, E1W 1DD</p>
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
www.labradorironmines.ca