Anglesey Mining plc

Annual Report 2005

inside front cover - map of Wales and diagram of site location

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Anglesey Mining plc

Anglesey Mining plc is a UK company, listed on the London Stock Exchange since 1988, which holds mineral properties at Parys Mountain and Dolaucothi in Wales.

Parys Mountain

Parys Mountain is currently held awaiting development. Following a fund raising in April 2005, an exploration drilling programme has begun and a review of the project plan is underway.

- Located to the north of the island of Anglesey in north Wales in an area worked for copper since prehistoric times
- The only major undeveloped polymetallic mineral deposit in the United Kingdom
- An important identified geological resource of 6.5 million tonnes, beyond and separate from the old workings, with a combined average grade of over 10% zinc, copper and lead, with gold and silver
- Positive independent feasibility study completed in 1990 based on the identified reserves and planning permission obtained for a 1,000 tonne per day mine
- Excellent exploration potential over an area of several kilometres
- Geological studies have identified new areas for exploration, including a possible new zone close to the existing shaft
- Time to establish production from completion of financing should be less than two years
- Strong local community and government support for the establishment of mining operations
- At June 2005 prices zinc and copper would each contribute about 40% of the projected life-of-mine revenues

Dolaucothi

Anglesey holds a Crown mining lease for gold and silver covering 11,000 acres at Pumpsaint near Lampeter in south Wales. The area includes the Ogofau gold mine which was last in production between 1931 and 1939. There is potential at Dolaucothi for a small gold mining operation which would attract the premium for Welsh gold. There is currently no active development of the Dolaucothi property.

It gives me great pleasure to report to shareholders on a significantly improved position for our company. The higher metal prices on which we reported last August have consolidated, and the consensus of analysts' forecasts is that these higher prices will continue for some time. We have raised capital through a placing and have started the drilling programme at the Parys Mountain copper-zinc-lead-silver-gold property. We are also reworking our plans and studies for putting the project into production.

These improvements in the company's position follow price increases of base and precious metals which have significantly improved the projected returns from the planned development of our polymetallic deposit at Parys Mountain. The zinc price rose to a seven year high in March 2005, inventories continue to decline (with occasional variations) and zinc is expected to be in a significant supply deficit for the next two years.

The price of copper has recently been reaching record highs and LME stocks of this metal are at a 31 year low. The price of silver has been steadily above US$7 per ounce and the outlook is positive due to the continued deficit in mine production and the depletion of silver inventories. Even lead has turned in a good performance. All of these factors are very positive for the Parys Mountain project.

Financing

After the year end, in April 2005, the company completed a fundraising of £464,000 by way of a private placing of 11,600,000 new ordinary shares at 4 pence per share to 18 institutional and/or sophisticated investors. This new financing will give the company the opportunity it has been waiting for to move the Parys Mountain project forward. We are utilizing the funds to start the long awaited planned drilling programme at Parys Mountain and to bring our studies and plans for the development of the property up to date.

Parys Mountain

The Parys Mountain property has a currently known polymetallic resource of 6.5 million tonnes at over 10% combined metal which, in the first few years of operation, would produce revenue from zinc (41%), copper (28%), lead (19%), silver (9%) and gold (7%). Later in the mine life these ratios will move to a more equal balance of zinc and copper. We believe there are excellent prospects for a discovery of further resources on the Parys Mountain property.

The drilling programme, which commenced in early June 2005, is planned for approximately 2,000 meters of surface diamond drilling in four or five holes to further explore for copper, zinc, silver and gold mineralization at three different targets: Northern Copper zone; Engine zone and White Rock zone.

The area which we consider to be prospective at Parys Mountain is at least 3 kilometres long (from east to west) and about 1 kilometre from north to south; only the western 1 kilometre of this east-west strike length has been subject to any meaningful exploration. Even here only part of the area has undergone detailed assessment: this is why we place some importance on the current drilling programme, which is based on results from a comprehensive reassessment of the geology at Parys Mountain carried out over the past seven years. This reassessment concluded that despite its long history the Parys Mountain deposit is only partially explored and that considerable potential remains to significantly upgrade the resource base of the property. Any increase in resources is, of course, a positive factor, more so if the resource increase has the potential to lead to an increase in annual output which in turn has a direct and favourable effect on project economics.

Financial Results

For the year ended 31 March 2005 the company reported a loss of £124,822, compared to a loss of £120,005 in the previous year. The loss comprises administrative costs, property evaluation costs and interest expense. The company has no revenue from the operation of its property.

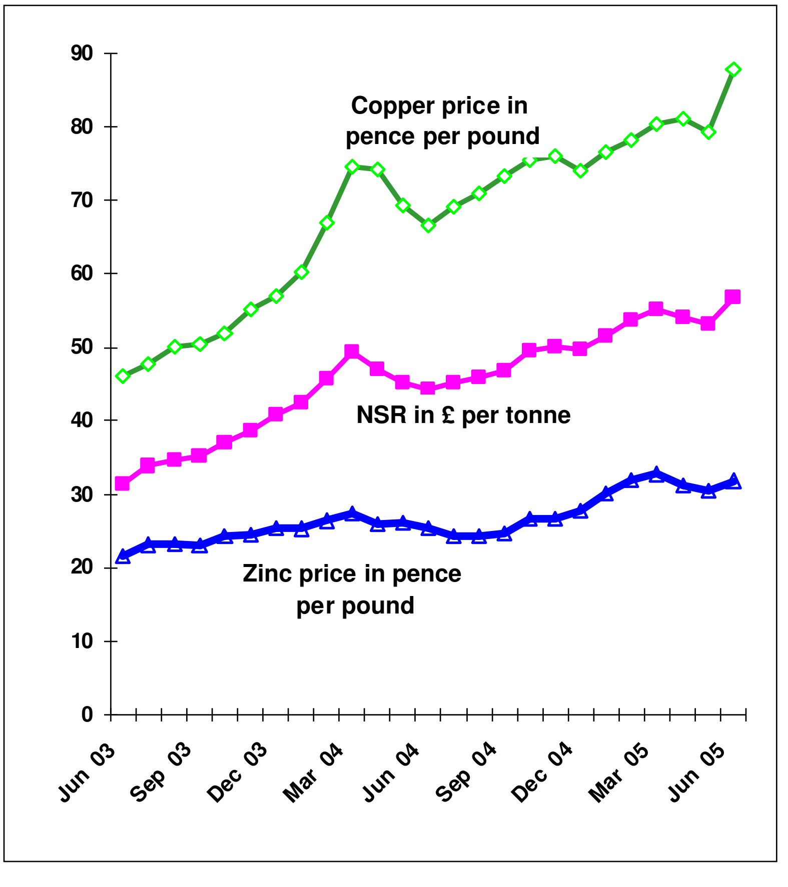
Outlook

Good prices for the metals we propose to mine, plus a relatively short timeframe needed to get the mine into production, are very favourable indicators for the Parys Mountain property. We look forward to an encouraging and exciting period as the drilling programme and project review work at Parys Mountain continues over the coming months. In addition we continue to review and evaluate other mineral development and exploration projects.

John F. Kearney

Chairman

29 July 2005



The graph shows the change in the London Metal Exchange (LME) prices of copper and zinc in pence (sterling) and the net smelter revenues (NSR) which the company would expect to receive in £ sterling for all the metals it plans to mine, (copper, zinc, lead, silver and gold) from June 03 to June 05.

Location

The Parys Mountain property is located in the northern part of the island of Anglesey in north Wales. The mineral property is about 3 kilometres in length and covers more than 2 square kilometres. The company holds the freehold, including the mineral rights, to about half of this area. The other half, formerly leased, is subject to negotiation of an agreement over lease payments. The company also has a mining lease from the Crown for gold and silver over a wider area.

The property is located 2 miles south of the town of Amlwch. The port of Holyhead is 18 miles to the west. Access to the property is excellent by road, rail and sea. All necessary services and resources including power, engineering, maintenance facilities and labour are located nearby.

History

Parys Mountain has been the site of mining activity at various times since the Bronze age. During the 1780s Parys Mountain was believed to be the largest copper mine in the world. Open pit and underground mining were carried out over a strike length of more than 3 kilometres and to depths of about 200 metres, the deepest then achievable by known technologies. Almost all activities ceased by the beginning of the 20th century.

In the 1960s the search for a new mine at Parys Mountain commenced. Exploration in the 1960s and 1970s was focused on the extension of the old open pit workings and was directed towards copper. This exploration utilised a variety of geological, geophysical and geochemical methods together with approximately 285 diamond drill holes totalling about 60,000 metres of drilling. A resource of 36 million tonnes containing about 250,000 tonnes of copper metal (the Northern Copper zone) was identified at depth, however this is regarded as being too low a grade to mine economically unless combined with other deposits.

The modern phase of exploration of Parys Mountain began in the early 1980s when a new important polymetallic zinc, copper, lead, silver and gold area was identified about 1 kilometre west of and totally separate from the old workings. Between 1988 and 1990 a production shaft was sunk in this western area to a depth of 300 metres and 1,000 metres of lateral development were completed on the 280 metre level. Drilling and underground development work from 1988 to 1990 resulted in the identification of the Engine, White Rock and Chapel zones containing a resource of 6.5 million tonnes with a combined base metal (zinc, copper and lead) grade of 10.3%.

Approximately 2,000 tonnes of development ore were hoisted and some of this was successfully processed through a pilot plant constructed on the site for metallurgical testing; the concentrate production of about 200 tonnes was sold to the smelter at Avonmouth.

Feasibility study

In 1990 Kilborn Engineering completed an independent feasibility study of the project that confirmed the technical and economic viability of a 1,000 tonnes per day (300,000 tonnes per year) mining and milling operation producing zinc, copper, lead and gold concentrates. Kilborn estimated the capital cost of the mine at £22 million. This study was based on a mineable reserve of 1,963,000 tonnes at a grade of 6.43% zinc, 1.30% copper, 3.32% lead, 75 grams of silver and 0.51 grams of gold per tonne and a mine life of seven years. This mineable reserve is in the shaft development area, being only a portion of the identified geological resource of 6.5 million tonnes.

Detailed mine and plant designs were prepared and planning permission obtained. At the same time an environmental protection programme was devised also giving attention to historical and archaeological concerns. Declining metal prices and weakening stock markets in 1991 and 1992 resulted in development of the project being placed on hold. The property has been maintained on a care and maintenance basis since that time.

Reassessment

Geological studies carried out over the past few years have identified new areas, including a possible new zone, with significant exploration potential. An extensive geological reassessment of the property was conducted principally between 1995 and 2000; this has resulted in the development of new geological models which indicate that there is potential for the discovery of substantial additional mineral resources in largely unexplored areas to the north, west and east of the established resource.

All this work has considerably improved the understanding of the stratigraphic and structural settings of various mineralised zones and significantly enhanced the potential for discovery of further mineralisation.

Exploration potential

The potential for the discovery of additional mineral resources in previously largely untested areas of the Parys Mountain property is considered to be very significant.

The Engine zone, which is the principal host of the known resources, has seen little exploration beyond the immediate area of the shaft. Further exploration of the Engine Zone is planned for the northern and north eastern parts of the property which have been largely unexplored to date and where widely scattered massive sulphide intersections demonstrate considerable exploration potential.

In a separate area a potential new zone of disseminated/semi-massive mineralisation has been identified at depth, down-dip from the White Rock Zone, along the western boundary of the volcanic complex, where the potential for continuation of mineralisation is considered excellent. The upper part of this possible new zone lies at a reasonable depth, within close proximity to the existing shaft and within reach of the present underground development.

The results of the geological reassessment and various studies carried out over recent years demonstrate clearly that the Parys Mountain property has strong similarities with other major volcanogenic massive sulphide (VMS) deposits elsewhere in the world and that the property has the potential for new discoveries which would make Parys Mountain comparable to other major volcanogenic hosted polymetallic deposits which are substantial sources of zinc, copper, lead, gold and silver.

Whilst the old workings are separate from the Engine, White Rock and Chapel polymetallic zones, they are adjacent to the Northern Copper Zone which lies immediately to the north of the old workings. The Northern Copper Zone was extensively explored by major mining companies, including Noranda, in the 1960s and 1970s. At that time it was reported that the Northern Copper Zone contained a large resource of 36 million tonnes at an average grade of 0.66% copper, containing about 250,000 tonnes of copper metal.

The Northern Copper Zone was regarded at the time as being too low grade to mine economically, unless combined with other deposits, however the drill intersections apparently were never assayed for gold. Nevertheless the mineralisation at Parys Mountain is now known to usually contain gold although at a relatively low grade. The gold grade of the 6.5 million tonne polymetallic resource is estimated to be 0.32 grams per tonne, equivalent to 60,000 contained ounces of gold. If it can be demonstrated that the Northern Copper Zone contains even low grade gold it would have a meaningful impact on the potential of that deposit.

It has been the company's plan for some time to re-examine the potential of the Northern Copper Zone as well as to undertake a major drilling programme to explore new exploration targets related to the Engine zones which have the potential to transform Parys Mountain into a very significant mineral deposit. Using funds from the April 2005 fund raising, drilling commenced on an initial 4 or 5 hole programme with these objectives in June 2005.

The directors have pleasure in submitting their report and the audited accounts for the year ended 31 March 2005.

Principal activities and business review

The principal activity during the year was the maintenance and development of the Parys Mountain property. Operations at the Dolaucothi gold property in south Wales are suspended. Other mineral development opportunities continue to be evaluated.

The loss for the year before taxation was £124,822 *(2004 - £120,005)*. The group has no revenues from the operation of its properties. The loss comprises interest, administrative expenses and non-Parys evaluation costs which, in accordance with the group's accounting policy, are charged to the profit and loss account. Included in the loss was £70,591 *(2004 -£72,356)* in respect of interest due. £56,665 *(2004 - £49,557)* was expended on corporate costs, administration expenses and the investigation and evaluation of exploration and development opportunities.

The directors' review of the net value at which the accumulated development costs of Parys Mountain should be carried in the accounts indicates that this value is higher than the amount carried in the balance sheet and consequently no impairment provision *(2004 - nil)* has been made this year. The directors' review was based on calculations of discounted estimated future real cash flows using current estimates of proven and probable reserves and capital and operating costs, together with directors' estimates of future metal prices and foreign currency exchange rates and in accordance with the provisions of FRS 11. Further details of the valuation of intangible assets are to be found in note 7.

During the year no fixed assets *(2004 - nil)* were acquired, £57,094 *(2004 - £60,397)* was capitalised in respect of the development of the Parys Mountain property and £500 *(2004 - £500)* was capitalised in respect of the Dolaucothi property.

As advised in last year's report, base metal prices have reached a level where mining of the company's resources at Parys Mountain is considered to be economically viable. In April 2005 the company made a private placing of 11,600,000 ordinary shares at a price of 4 pence each, raising £464,000 before expenses. These funds will be utilised for a re-examination and updating of the Parys Project Plan and Feasibility Study and an initial phase of the planned exploratory drilling programme. The funds will also be applied to working capital, strategic developments and general corporate purposes.

During the year, Juno Limited, the company's major shareholder continued to provide funding for the company's routine expenses under a working capital agreement.

The group has no revenues and the directors are unable to recommend a dividend. Since the date of the accounts the activities of the group have continued in accordance with the directors' expectations. The directors remain attentive for opportunities to be involved in appropriate new mineral ventures.

Directors

The names of directors with biographical details are shown on the inside rear cover. There have been no changes in the year. In accordance with the articles of association, Danesh Varma retires by rotation and, being eligible, offers himself for re-election.

Directors' interests in material contracts

Juno Limited ("Juno"), which is registered in Bermuda, holds 45.3% of the company's ordinary share capital. The company has had a controlling shareholder agreement with Juno since September 1996 and entered into a consolidated working capital agreement with Juno on 12 June 2002. Apart from working capital advances and related 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.

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

Directors' shareholdings

The interests at 31 March 2005 of the directors in the share capital of the company, all of which are beneficial, are set out below. The holdings are expressed as a percentage of 127,841,384 *(2004 – 116,241,384)* ordinary shares, this being the number of ordinary shares in issue at 26 July 2005.

Director	At 31 March 2005			*At 31 March 2004*		
	Number of options	Number of ordinary shares	% of issued ordinary shares	*Number of options*	*Number of ordinary shares*	*% of issued ordinary shares*
John Kearney	5,000,000	-	3.9	-	-	-
Ian Cuthbertson	1,500,000	602,300	1.6	*500,000*	*602,300*	*0.9*
David Lean	500,000	-	0.4	*300,000*	-	*0.2*
Howard Miller	500,000	-	0.4	*300,000*	-	*0.2*
Danesh Varma	500,000	-	0.4	-	-	-

Directors' responsibilities for the financial statements

The directors are required by company law to prepare accounts for each financial year that give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss for that period.

The directors confirm that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgements and estimates have been made in the preparation of these accounts. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors have responsibility for ensuring that the group keeps proper accounting records which disclose with reasonable accuracy the financial position of the group and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the systems of internal financial controls and for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Substantial shareholders

At 26 July 2005 the following shareholders had advised the company of an interest in the issued ordinary share capital of the company:

Name	Number of shares	Percentage of share capital
Juno Limited	57,924,248	45.3
Golden Prospect plc	13,350,000	10.4

The company is aware of a holding of 7,500,000 shares (5.9%) in the name of FGL Asset Management Limited, a Hong Kong based nominee account, which has been notified as being held on behalf of clients none of whom have a beneficial interest in more than 3% of the issued ordinary share capital of the company. So far as the company is aware there are no other interests of more than 3% in the ordinary share capital of the company.

Authority to allot shares

The issue of shares in respect of the placing on 22 April 2005 has depleted the company's authorised but unissued share capital. Accordingly a resolution will be placed before the AGM which will, if approved, create an additional £280,000 of share capital, an increase of 18% in the existing authorised ordinary share capital. A further resolution will grant authority under section 80 of the Companies Act 1985 over £560,000 of share capital (representing 44% of the company's issued ordinary share capital at 26 July 2005) enabling the directors to issue up to 56,000,000 ordinary shares within five years of the date of the AGM. The directors have no present intention of exercising this authority.

In the light of the company's limited financial resources and the requirement to raise further funds, the directors wish to have a larger than usual number of shares available for issue. Although the directors would usually wish to allot any new share capital on a pre-emptive basis, they believe that it is appropriate to have a larger amount available for issue at their discretion without pre-emption than is usually the case for other listed companies. Accordingly a resolution will be put to the AGM to renew the directors' authority to allot equity securities for cash without pre-emption. In the case of allotments other than for rights or other pre-emptive issues, it is proposed that such authority will be for up to £319,500, being 31,950,000 ordinary shares, which is equivalent to 25% of the issued ordinary share capital at 26 July 2005. Whilst such authority is significantly in excess of the 5% of existing issued ordinary share capital which is more usual for listed companies, it will provide additional flexibility which the directors believe is in the best interests of the company in its present circumstances.

Market value of land

In August 1997 the freehold of the western part of Parys Mountain was purchased by the company. Obtaining an accurate estimate for the value for this land is difficult, especially given its historical use and that the company's pre-existing interest in the mineral rights would also have to be taken into account. The land is carried in the accounts at its cost to the company of £120,000. In the opinion of the directors, the market value of this land is unlikely to be significantly less than this figure.

Going concern basis

As in previous years the directors have given careful consideration to the appropriateness of the going concern concept in the preparation of the financial statements. The validity of the going concern concept is dependent on finance being available for the continuing working capital requirements of the group and finance for the development of the Parys Mountain property eventually becoming available. The directors believe, based on ongoing support from the major shareholder in respect of continuing working capital requirements, that, whilst there is uncertainty as to whether the conditions above will be met, the going concern basis is appropriate for these financial statements.

Introduction of IFRS

The introduction of International Reporting Standards which will be required for the next annual report and accounts, based on the review work to date, is not expected to result in any material restatement of these accounts.

Creditor payment policy

The group conducts its business on the normal trade credit terms of each of its suppliers and tries to ensure that suppliers are paid in accordance with those terms. The group's average creditor payment period at 31 March 2005 was 53 days *(2004 - 89 days)*.

Charitable and political contributions

The group made no contributions during the year *(2004 - nil)*.

Employment

The group is an equal opportunity employer in all respects.

Auditors

Deloitte & Touche have indicated their willingness to continue in office and a resolution to re-appoint them and to authorise the directors to fix their remuneration will be proposed at the annual general meeting.

By order of the board

Ian Cuthbertson

Company Secretary

29 July 2005

Unaudited information:

Remuneration Committee Policy and Share Option Scheme

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

The board's aim, implemented by the committee, with regard to executive and non-executive directors' remuneration, is to provide a package which will attract, retain and motivate directors of the calibre required and be consistent with the group's limited ability to pay directors in cash. Consequently share options form a major part of the executive directors' remuneration and all of the non-executive directors' remuneration. In the light of the recommendations of the Combined Code, the committee is reviewing means by which non-executive directors may be remunerated, other than by the use of share options.

A new share option scheme, the 2004 Unapproved Share Option Scheme was adopted at last year's AGM and, as indicated in last year's Remuneration Report, share options were issued during the year under the terms of that scheme.

Terms and conditions of service

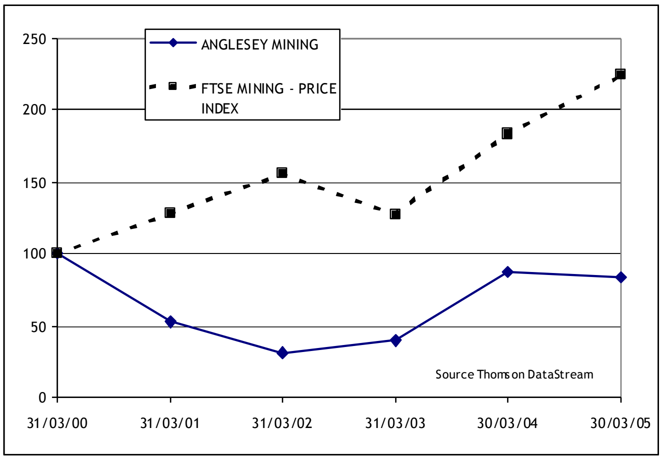
There are no directors' service contracts and, except in the case of Ian Cuthbertson, no arrangements in force whereby the group is under an obligation to pay fees, salaries, pensions or any other remuneration to any of the directors.

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.

In respect of those share options marked with an asterisk in the table overleaf, there are performance criteria to be met, 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. There are no performance criteria to be met in respect of the other share option.

Total shareholder return graph

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



Audited information:

Directors' emoluments

Name	Salary and fees £ (2005)	Benefits in kind £ (2005)	Pension £ (2005)	Total £ (2005)	*Salary and fees £ (2004)*	*Benefits in kind £ (2004)*	*Pension £ (2004)*	*Total £ (2004)*
Executive								
John Kearney	-	-	-	-	-	-	-	-
Ian Cuthbertson	19,628	125	930	20,683	*17,828*	*125*	*930*	*18,883*
Non-executive								
Howard Miller	-	-	-	-	-	-	-	-
David Lean	-	-	-	-	-	-	-	-
Danesh Varma	-	-	-	-	-	-	-	-
Totals	19,628	125	930	20,683	*17,828*	*125*	*930*	*18,883*

Pension contributions are to a money purchase pension scheme. Benefits are in respect of the provision of a van.

Directors' share options

Details of each share option held (all of them beneficial) by all those who were directors during the year are set out below. There have been no options exercised during the year. All options are over ordinary shares of 1 pence each.

Name	Options at 1 April 2004	Lapsed in year	Granted in year	Options at 31 March 2005	Exercise price	Date from which exercisable	Expiry date
John Kearney*	-	-	5,000,000	5,000,000	4.13p	22 Oct 05	22 Oct 14
Ian Cuthbertson	200,000	-	-	200,000	5p	23 Oct 96	22 Oct 06
Ian Cuthbertson*	300,000	-	-	300,000	2p	3 May 05	2 May 12
Ian Cuthbertson*	-	-	1,000,000	1,000,000	4.13p	22 Oct 05	22 Oct 14
Howard Miller*	300,000	-	-	300,000	2p	3 May 02	2 May 09
Howard Miller*	-	-	200,000	200,000	4.13p	22 Oct 05	22 Oct 14
David Lean*	300,000	-	-	300,000	2p	3 May 02	2 May 09
David Lean*	-	-	200,000	200,000	4.13p	22 Oct 05	22 Oct 14
Danesh Varma*	-	-	500,000	500,000	4.13p	22 Oct 05	22 Oct 14

*Performance condition applies.

The market price of the ordinary shares at 31 March 2005 was 4.00 pence, the high for the year to 31 March 2005 was 4.37 pence and the low for the year was 3.87 pence. The mid-market price at 26 July 2005 was 9.5 pence.

By order of the board

Ian Cuthbertson

Company Secretary

29 July 2005

Principles

The board bases its policies and practices in relation to corporate governance on the Combined Code on Corporate Governance (as revised in July 2003) appended to the Listing Rules issued by the Financial Services Authority.

The board supports the highest standards in corporate governance and endeavours to implement the principles of the Combined 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 Combined Code is chiefly concerned. It is particularly problematic for a company such as ours which is both small and engaged in mineral development rather than more routine operations. The company has made use of the Guidance for Smaller Quoted Companies published by the Quoted Companies Alliance in 2004 which relates to the implementation of the Combined Code to smaller quoted companies.

The Board

During the year the board comprised two executive directors and three non-executive directors. For the purposes of the Combined Code Howard Miller is the senior independent non-executive director and David Lean is an independent director. As described in note 23, Danesh Varma is a shareholder in and director of Juno Limited, which holds 45.3% of the company's ordinary shares. He has been a director for more than 9 years, and will henceforth be subject to annual re-election to the board: under the Code provisions he is not defined as independent.

There are cases where board members are also co-directors of other companies; the board does not believe that these instances in any way compromise the independence or ability of the directors to carry out their duties in respect of the company.

The board meets when required and all board members are supplied with relevant and timely information. The company's strategy is always determined by the whole board and the schedule of matters reserved to it 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.

Since the year end the board has been considering the introduction of a system for monitoring its own performance, including that of the board committees, and for implementing a programme to develop directors' skills and expertise.

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

Remuneration committee

The remuneration committee comprises Howard Miller and Danesh Varma. It is responsible for making recommendations to the board on the company's executive remuneration. The committee determines any contract terms, remuneration and other benefits, including share options, for each of the executive directors. The board itself determines the remuneration of the non-executive directors. The report on directors' remuneration is set out on pages 9 and 10.

Audit committee

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

The audit committee reviews the half-yearly and annual accounts before they are presented to the board, focusing in particular on accounting policies and areas of management judgment 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 company. 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 company.

The committee advises the board on the appointment of external auditors and on their remuneration for both audit and non-audit work, and discusses the nature and scope of the audit with the external auditors. It meets formally at least once a year with the group's external auditors. During the period, the audit committee has reviewed the effectiveness of the system of internal control. An analysis of the fees payable to the external audit firm in respect of both audit and non-audit services during the year is set out in note 3 to the financial statements.

The audit committee also undertakes a formal assessment of the auditors' independence each year which includes: a review of any non-audit services provided to the group (there were none in 2004 and 2005); discussion with the auditors of all relationships with the company and any other parties that could affect independence or the perception of independence; a review of the auditors' own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner; and obtaining written confirmation from the auditors that, in their professional judgement, they are independent.

Nomination committee

A nomination committee comprising John Kearney, Howard Miller and David Lean was set up after the year end. Its remit is under development. All directors are subject to re-election at least every three years.

Assessment of directors' performance

The performance of the non-executive directors is assessed by the chairman and is discussed with the senior independent director. Their recommendations will be discussed at the nomination committee prior to proposals for re-election being recommended to the board. The performance of executive directors is discussed and assessed by the remuneration committee. The directors will take outside advice in reviewing performance when they consider this necessary, which has not been the case to date.

Internal control

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

In reviewing the other risks facing the company, the board considers it is sufficiently close to the company's operations and aware of its activities to be able to adequately monitor risk without the establishment of any formal process. The company 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 company are adequately disclosed in these financial statements and that there are no other risks of comparable magnitude which need to be disclosed.

There are no significant issues disclosed in the report and financial statements for the year ended 31 March 2005 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.

Communication with shareholders

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

The chairman holds meetings with substantial shareholders at least once per year, more often when appropriate, and the senior independent director joins some of these 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.

Attendance at board meetings

During the year attendance at meetings was as follows:

Director	Board	Audit	Remuneration
John Kearney	3	-	-
Ian Cuthbertson	3	-	-
Howard Miller	2	-	1
David Lean	2	3	-
Danesh Varma	3	3	1

Compliance with the Combined Code

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

- A.2.1 John Kearney is the chairman and chief executive. In the light of the size and activity level of the group, the board believes that the combination of these roles is appropriate for the group at present. This position will be kept under active review.
- A.4.1 There was no formal nomination committee until after the year end.
- A.4.4 There are no written terms and conditions regarding the appointment of non-executive directors.
- A.6.1 There has been no formal and rigorous annual evaluation of the performance of the board, its committees and the individual directors; consideration is being given to the best method of implementing such an evaluation.
- B.2.1 and C.3.1 Danesh Varma is a member of the audit and remuneration committees: under the Code provisions he is not defined as independent.

We have audited the financial statements of Anglesey Mining plc for the year ended 31 March 2005 which comprise the balance sheets, the consolidated profit and loss account, the consolidated cash flow statement and the related notes 1 to 25. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the part of the directors' remuneration report that is described as having been audited.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. They are also responsible for the other information contained in the annual report including the directors' remuneration report. Our responsibility is to audit the financial statements and the part of the directors' remuneration report described as having been audited in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the directors' remuneration report described as having been audited are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements and the part of the directors' remuneration report described as having been audited, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We review whether the corporate governance statement reflects the company's compliance with the nine provisions of the July 2003 FRC Combined Code specified for our review by the Listing Rules of the Financial Services Authority and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section including the unaudited part of the directors' remuneration report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the directors' remuneration report described as having been audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the directors' remuneration report described as having been audited.

Fundamental uncertainties

In forming our opinion we have considered the adequacy of the disclosures in the financial statements concerning the basis of preparation and the recoverability of development costs.

The financial statements have been prepared on a going concern basis, the validity of which depends on:

- the group's ability to continue its operations;
- the raising of new finance to develop the mine;
- the viability of the operation of the mine; and
- the ability of the group to trade profitably in the future.

The financial statements do not include any adjustments that would result should the above conditions not be met. Details of the circumstances relating to this fundamental uncertainty are described in note 1 to the financial statements.

The financial statements disclose the directors' assumption that the development costs included in intangible fixed assets in the consolidated balance sheet at £5,274,601 *(2004 - £5,217,006)* and that investments totalling £5,064,051 *(2004 - £5,052,457)* included in the company balance sheet will be recovered by the operation of the mine. The validity of this assumption depends upon the viability of the operation of the mine, the ability of the group to raise the funding referred to above and the ability of the group to trade profitably in the future. Details of the circumstances relating to this fundamental uncertainty are described in notes 7 and 9 to the financial statements. Our opinion is not qualified in respect of the above fundamental uncertainties.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 March 2005 and of the loss of the group for the year then ended; and the financial statements and the part of the directors' remuneration report to be audited have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and Registered Auditors,

Earlsfort Terrace, Dublin 2.

29 July 2005

At 31 March 2005

		Group		Company	
	Note	2005	*2004*	2005	*2004*
		£	*£*	£	*£*
Fixed assets					
Intangible assets	7	5,274,601	*5,217,006*	-	-
Tangible assets	8	185,602	*186,102*	185,602	*186,102*
Investments	9	-	-	5,064,051	*5,052,457*
		5,460,203	*5,403,108*	5,249,653	*5,238,559*
Current assets					
Debtors	10	110,610	*108,819*	110,610	*108,819*
Cash at bank and in hand		44,070	*1,266*	44,070	*1,266*
		154,680	*110,085*	154,680	*110,085*
Current liabilities					
Creditors - amounts falling due within one year	11	(1,683,501)	*(1,456,989)*	(1,472,877)	*(1,292,365)*
Net current liabilities		(1,528,821)	*(1,346,904)*	(1,318,197)	*(1,182,280)*
Total assets less current liabilities		3,931,382	*4,056,204*	3,931,456	*4,056,279*
Capital and reserves					
Share capital - equity	12	1,162,414	*1,162,414*	1,162,414	*1,162,414*
Share capital - non equity	12	5,510,833	*5,510,833*	5,510,833	*5,510,833*
Share premium account - equity	13	5,737,146	*5,737,146*	5,737,146	*5,737,146*
Profit & loss account - equity	13	(8,479,011)	*(8,354,189)*	(8,478,937)	*(8,354,114)*
Shareholders' funds	14	3,931,382	*4,056,204*	3,931,456	*4,056,279*

The financial statements on pages 16 to 26 were approved by the board of directors on 29 July 2005 and were signed on its behalf by :

John F. Kearney, Chairman

Ian Cuthbertson, Finance Director

For the year ended 31 March 2005

	Note	2005 £	*2004* *£*
Turnover - continuing operations		-	-
Administrative expenses		(56,665)	*(49,557)*
Operating loss on ordinary activities		(56,665)	*(49,557)*
Interest receivable and similar income	2	2,434	*1,908*
Interest payable and similar charges	2	(70,591)	*(72,356)*
Loss on ordinary activities before taxation	3	(124,822)	(120,005)
Tax on loss on ordinary activities	5	-	-
Loss on ordinary activities after tax and retained loss for the year		(124,822)	*(120,005)*
Loss per share - basic	6	(0.1) pence	*(0.1) pence*
Loss per share - diluted	6	(0.1) pence	*(0.1) pence*

The group has no recognised gains or losses other than the losses shown above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above, and their historical cost equivalents.

For the year ended 31 March 2005

	Note	2005	*2004*
		£	*£*
Net cash outflow from continuing operating activities	15	(10,655)	*(36,095)*
Returns on investments and servicing of finance			
Interest received		565	*39*
Interest paid		(12)	*(41)*
		553	*(2)*
Capital expenditure and financial investment			
Payments to acquire intangible fixed assets		(7,094)	*(9,897)*
Net cash outflow from capital investment & financial investment		(7,094)	*(9,897)*
Net cash outflow before financing		(17,196)	*(45,994)*
Financing			
Increase in loans		60,000	*45,000*
		60,000	*45,000*
Increase/(decrease) in cash	16	42,804	*(994)*

1 Principal Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and in the preceding year.

Basis of Preparation

The financial statements have been prepared in accordance with applicable accounting standards generally accepted in the United Kingdom and with the Companies Act 1985.

Accounting Convention

The financial statements are prepared under the historical cost convention.

Going concern

The financial statements are prepared on a going concern basis. The validity of the going concern concept is dependent on finance being available for the continuing working capital requirements of the group and finance for the development of the Parys Mountain property eventually becoming available. Based on the assumptions that such finance will become available, the directors believe that the going concern basis is appropriate for these accounts. Should the going concern basis not be appropriate, adjustments would have to be made to reduce the value of the group's assets, in particular the intangible fixed assets, to their realisable values.

Consolidation

The consolidated financial statements include the financial statements of the parent company and its subsidiaries made up to the end of the financial year. Where a subsidiary is acquired or disposed of during the financial year, the consolidated financial statements include the attributable profit from or to the date of acquisition or disposal.

Tangible fixed assets

The group's freehold property is stated in the balance sheet at cost. The directors consider that the useful life of the premises is so long and their estimated residual value, 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 profit and loss account.

Plant, equipment, fixtures, fittings and motor vehicles are stated in the balance sheet at cost, less depreciation. Depreciation is charged on a straight line basis at the following annual rates: - plant and equipment - 25%; fixtures and fittings - 20%; motor vehicles - 25%.

Intangible fixed assets

Intangible fixed assets are stated in the balance sheet at cost, less amounts written off and provisions for impairment.

The group follows the method of accounting for its mineral properties whereby all costs related to acquisition, exploration and development, including associated technical and specific administrative expenses, are capitalised by property. No gains or losses are recognised on the sale of mineral properties except when there is a material disposition of reserves. All other proceeds are credited against the cost of the related property. On the commencement of commercial production, net costs are charged to operations on the unit-of-production method by property, based upon estimated recoverable reserves.

Mineral properties are written down when an impairment in their value has occurred and are written off when abandoned. Where a provision is made, it is dealt with in the profit and loss account in the period in which it arises.

Foreign currencies

Profit and loss account transactions in foreign currencies are translated at the rates of exchange ruling at the date of the transaction, or where forward currency contracts have been arranged, at the contracted rates. All foreign exchange differences arising on transactions in the year are taken to the profit and loss account in the year in which they arise.

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year or at a contracted rate if applicable. Differences on exchange are taken to the profit and loss account.

Investments

Investments are stated at cost, net of loans, less provision for impairment.

2 Interest receivable and payable

	2005	*2004*
Interest payable	£	*£*
Interest on loans	70,580	*72,315*
Interest on bank overdraft	11	*41*
	70,591	*72,356*
Interest receivable		
On bank and other deposits	2,434	*1,908*

3 Loss on ordinary activities before taxation

	2005	*2004*
This is stated after charging:	£	*£*
Remuneration of the auditors (including expenses):		
Audit	8,010	*8,054*
Non audit	-	-
Depreciation	500	*500*

All activities were in the United Kingdom and relate to the group's principal activity which is the exploration and development of mining properties. Further analysis is not therefore considered necessary.

4 Directors and employees

The average monthly number of persons employed by the group during the year was:

	2005	*2004*
Technical	-	-
Administrative	1	*1*
	1	*1*

The remuneration and associated costs of employees and directors were:

	£	*£*
Wages and salaries	19,753	*17,953*
Social security costs	2,327	*1,820*
Other pension costs	930	*930*
	23,010	*20,703*

Details of directors' remuneration and share options are given in the Directors' Remuneration Report. No options over shares were exercised in the year.

5 Taxation

Development of the Parys Mountain property 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 a deferred tax asset at 31 March 2005 of £3.6 million which, in view of the group's trading results, is not reflected in the financial statements. There are also capital allowances, including mineral extraction allowances, exceeding £9 million unclaimed and available at 31 March 2005.

6 Loss per ordinary share

The calculation and reporting of basic and diluted earnings per share (EPS) are in accordance with FRS 14. Basic earnings per share is computed by dividing the profit or loss available to ordinary shareholders for the year after taxation by the sum of the weighted average number of ordinary shares in issue and ranking for dividend during the period. Diluted earnings per share is computed by dividing the profit or loss after taxation for the year by the weighted average number of ordinary shares in issue, each adjusted for the effect of all dilutive potential ordinary shares that were outstanding during the year. Since there is a loss for the year, basic and diluted EPS are the same.

	2005	*2004*
Numerator	£	*£*
Numerator for EPS (loss)	(124,822)	*(120,005)*
Denominator	No. of shares	*No. of shares*
Denominator for basic & diluted EPS	116,241,384	*116,241,384*
Loss per share – basic	(0.1) pence	*(0.1) pence*
Loss per share – diluted	(0.1) pence	*(0.1) pence*

7 Intangible assets

Development costs	**Parys Mountain**	**Dolaucothi**	**Group**	**Company**
Cost	£	£	£	£
At 1 April 2004	12,223,442	193,565	12,417,007	-
Additions - own expenditure	57,094	500	57,594	-
At 31 March 2005	**12,280,536**	**194,065**	**12,474,601**	**-**
Impairment provision				
At 1 April 2004	(7,200,000)	-	(7,200,000)	-
Provided in year	-	-	-	-
At 31 March 2005	**(7,200,000)**	**-**	**(7,200,000)**	**-**
Net book value 2005	**5,080,536**	**194,065**	**5,274,601**	**-**
Net book value 2004	*5,023,441*	*193,565*	*5,217,006*	*-*

Parys Mountain development expenditure incurred by the group is carried in the financial statements at cost less an impairment provision. The directors continue to give careful consideration to the net book value at which this development expenditure should be shown. The balance sheet value may exceed that which could be obtained were the Parys Mountain property to be offered for sale. However the impairment provision was determined following calculations of discounted estimated future real cash flows on the basis of current estimates of proven and probable reserves and capital and operating costs, together with directors' estimates of future metal prices and foreign currency exchange rates, in accordance with the requirements of FRS 11. Operation of the mine and the receipt of cashflows from it are dependent on finance being available to fund the development of the project.

Development expenditures at Dolaucothi are shown at cost to the group on acquisition in 1997, plus expenditures since then at cost. This aggregate value is less than the original cost to Anglo Canadian Exploration (Ace) Limited which was in excess of £280,000.

8 Tangible fixed assets - Group & Company

Cost	Freehold land and property £	Plant & equipment £	Office equipment £	Vehicles £	Total £
At 1 April 2004	185,102	17,434	5,487	3,200	211,223
Additions	-	-	-	-	-
At 31 March 2005	**185,102**	**17,434**	**5,487**	**3,200**	**211,223**
Depreciation					
At 1 April 2004	-	17,434	5,487	2,200	25,121
Charge for the year	-	-	-	500	500
At 31 March 2005	**-**	**17,434**	**5,487**	**2,700**	**25,621**
Net book value 2005	**185,102**	**-**	**-**	**500**	**185,602**
Net book value 2004	*185,102*	*-*	*-*	*1,000*	*186,102*

The directors estimate that freehold land and property should be analysed as to £140,000 for land and £45,102 for property.

9 Investments - Company

	Shares at cost		Amounts due		Total	
	2005 £	*2004 £*	2005 £	*2004 £*	2005 £	*2004 £*
Opening	100,001	*100,001*	4,952,456	*4,938,059*	5,052,457	*5,038,060*
Added in year	-	*-*	11,594	*14,397*	11,594	*14,397*
Closing	100,001	*100,001*	4,964,050	*4,952,456*	5,064,051	*5,052,457*

The realisation of investments is dependent on finance being available for development and other factors as set out in more detail in note 7.

The subsidiaries of the company at 31 March 2005 are as follows :

Name of company	Country of incorporation	Percentage owned	Principal activity at 31 March 2005
Anglo Canadian Exploration (Ace) Limited	England & Wales	100%	Holder of the Dolaucothi property
Parys Mountain Mines Limited	Ontario, Canada	100%	Dormant
Parys Mountain Mines (UK) Limited	England & Wales	100%	Holder of the Parys property

10 Debtors

	Group 2005 £	*Group 2004 £*	Company 2005 £	*Company 2004 £*
Amounts receivable within one year:				
Other debtors	1,334	*1,893*	1,334	*1,893*
Amounts receivable after one year:				
Other debtors	109,276	*106,926*	109,276	*106,926*
	110,610	*108,819*	110,610	*108,819*

11 Creditors

	Group 2005 £	*Group 2004 £*	Company 2005 £	*Company 2004 £*
Amounts falling due within one year:				
Trade creditors	13,427	*10,811*	13,427	*10,811*
Other creditors	90,483	*84,688*	90,483	*84,688*
Juno Limited	1,260,650	*1,130,070*	1,260,650	*1,130,070*
Salaries, social security and other taxes	25,664	*15,192*	25,664	*15,192*
Accruals	293,277	*216,228*	82,653	*51,604*
	1,683,501	*1,456,989*	1,472,877	*1,292,365*

The loans from Juno Limited are denominated in sterling, unsecured, carry interest at 10% and are repayable from any future financing undertaken by the company. The terms of the facility were approved by an independent committee of the board.

12 Share capital

	Equity Ordinary shares of 1p		**Non Equity** Deferred shares of 4p		**Total**
	Nominal value £	Number	Nominal value £	Number	Nominal value £
Authorised share capital					
At 1 April 2004	1,560,000	156,000,000	7,320,000	183,000,000	8,880,000
At 31 March 2005	1,560,000	156,000,000	7,320,000	183,000,000	8,880,000
Issued and fully paid					
At 1 April 2004	1,162,414	116,241,384	5,510,833	137,770,835	6,673,247
At 31 March 2005	1,162,414	116,241,384	5,510,833	137,770,835	6,673,247

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

On 22 April 2005 the company completed a private placing of 11,600,000 ordinary shares at a price of 4 pence each, raising £464,000 before expenses. Following the placing there were 127,841,384 ordinary shares in issue.

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

Scheme	**Number**	**Nominal Value £**	**Exercise price**	**Exercisable from**	**Exercisable until**
Executive approved	200,000	2,000	5.00p	23 October 1996	22 October 2006
Executive approved	300,000	3,000	2.00p	3 May 2005	2 May 2012
Unapproved	600,000	6,000	2.00p	3 May 2002	2 May 2009
2004 Unapproved	6,900,000	69,000	4.13p	22 October 2004	21 October 2014
Total	**8,000,000**	**80,000**			

13 Reserves

	Share premium	P & L account	P & L account	*Share premium*	*P & L account*	*P & L account*
	Group and Company	Group	Company	*Group and Company*	*Group*	*Company*
	200!	2005	2005	*200*	*2004*	*2004*
	£	£	£	*£*	*£*	*£*
At beginning of year	5,737,14(	(8, 354,189)	(8, 354,115)	*5,737,1<*	*(8,234,184)*	*(8,234,109)*
Loss for the year		(124,822)	(124,822)		*(120,005)*	*(120,005)*
At end of year	5,737,14(	(8,479,01'	(8,478,937)	*5,737,1<*	*(8,354,18!*	*(8,354,114)*

14 Reconciliation of movements in shareholders' funds

	2005	*2004*
	£	*£*
Opening shareholders' funds	4,056,204	*4,176,209*
Loss for the year	(124,822)	*(120,005)*
Closing shareholders' funds	3,931,382	*4,056,204*

15 Reconciliation of operating loss to net cash outflow from operating activities

	2005	*2004*
	£	*£*
Operating loss	(56,665)	*(49,557)*
Increase in creditors	44,932	*13,201*
Decrease/(increase) in debtors	578	*(739)*
Depreciation charge	500	*500*
Net cash outflow from operating activities	(10,655)	*(36,095)*

16 Reconciliation of net cash flow to movement in net debt

		2005		*2004*
	£	£	*£*	*£*
Increase/(decrease) in cash in the period	42,804		*(995)*	
Cash inflow from increase in debt	(60,000)		*(45,000)*	
Change in net debt resulting from cash flows		(17,196)		*(45,995)*
Other non cash items		(70,580)		*(72,315)*
Movement in net debt in the period		(87,776)		*(118,310)*
Net debt at beginning of year		(1,128,804)		*(1,010,495)*
Net debt at end of year		(1,216,580)		*(1,128,805)*

17 Analysis of net debt

	At 1 April 2004	Cash flow	Other non-cash changes	At 31 March 2005
	£	£	£	£
Cash at bank	1,266	42,804	-	44,070
Debt due to Juno Limited	(1,130,070)	(60,000)	(70,580)	(1,260,650)
Net debt	(1,128,804)	(17,196)	(70,580)	(1,216,580)

18 Loss attributable to Anglesey Mining plc

The loss after taxation in the parent company amounted to £124,822 *(2004 - £120,005)*.

A separate profit and loss account for Anglesey Mining plc (the company) has not been prepared; this is permitted by section 230 of the Companies Act 1985.

19 Material non cash transactions

There were no material non cash transactions.

20 Commitments

There is no capital expenditure authorised or contracted which is not provided for in these accounts *(2004 - nil)*.

21 Contingent liabilities

There are no contingent liabilities *(2004 - nil)*.

22 Risk management

The group's financial instruments comprise cash balances, a loan from the parent company and various items such as trade debtors and trade creditors which arise directly from trading operations. The group does not enter into derivative 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 group finances its operations through a mixture of equity, and loans from its parent Juno Limited. The group borrows from the parent at a fixed rate of interest of 10% per annum and as a result is not exposed to interest rate fluctuations

Liquidity Risk
As regards liquidity risk, the group's policy has been to ensure continuity of funding through a mixture of fresh issues of shares and the working capital agreements with its parent. Further details regarding the working capital agreements are set out in the director's report.

Currency Risk
The functional currency of the group is pounds sterling and the loan from its parent is denominated in pounds sterling. As a result, the group has no currency exposure in respect of this loan. All the remaining financial assets and liabilities of the group are short term debtors and creditors as defined by FRS 13, Derivatives and Other Financial Instruments. The group has, as permitted by FRS 13, excluded all short-term debtors and creditors from the disclosures and hence no numerical disclosures are required.

23 Related party transactions

Juno Limited ("Juno") which is registered in Bermuda holds 45.3% of the company's 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 2 and the balance due to Juno is shown in note 11. Apart from the working capital advances there were no transactions between the group and Juno or its group during the year. Danesh Varma is a director and, through his family interests, a significant shareholder of Juno.

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

24 Mineral leases

Parys

(a) Under lease and royalty agreements dated September 1997 the company was required to make an index linked lease payment in respect of the eastern portion of Parys Mountain which, until 31 March 2002, was c.£19,500 per annum. The lease was terminable by the company by 12 months notice from its annual anniversary date and otherwise expired in 2070. A royalty of 6% of net profits from all mining production of base metals at Parys Mountain was also payable.

Since early 2000 the company has been negotiating with the landlord in respect of a reduction in the payments due under the lease. In March 2001 the landlord filed a statutory demand in respect of the unpaid rentals and the company served twelve month's notice of its intention to surrender the lease. At 31 March 2005 rentals amounting to £16,304 were unpaid and accrued in respect of the period prior to the effective date of surrender of this lease. These amounts have been paid since the year end. The lease was over the eastern portion of Parys Mountain. All the mineral reserves delineated to date are under the western portion of Parys Mountain, the freehold of which is owned by the company and which is unaffected by this matter. The mining rights are held by the company's subsidiary Parys Mountain Mines (U.K.) Limited.

(b) Under a mining lease from the Crown dated December 1991 the group makes an annual lease payment of £1,000. 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.

(c) Under a royalty agreement with Intermine Limited the group is obligated to make payments of Can$50,000 (c.£22,000) per annum until production commences at the Parys Mountain mine. A royalty of 4% of net profits (as defined after various deductions) generated from production at the mine is also payable. The group has an option to buy out the royalty and advance payments. The agreement may be terminated at 12 months notice on abandonment of the property. At 31 March 2005 an accrual of £206,000 was provided in connection with these amounts and related items. The company has made settlement proposals to Intermine Limited but no agreement has yet been reached.

Dolaucothi

Under a mining lease from the Crown dated August 1997, a subsidiary has an obligation to make lease payments of £2,500 per annum and a royalty of 4% of gross sales of gold and silver from production at the Dolaucothi mine. The lease may be terminated at 12 months notice after May 2002 and otherwise terminates in 2011. Certain financial obligations relating to this lease have been guaranteed by the company.

25 Post balance sheet events

There are no significant post balance sheets events to report, except the placing referred to in note 12.

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of the company will be held at 12.00 noon on Wednesday 27 September 2005 at the offices of Deloitte & Touche, Hill House, 1 Little New Street, London EC4A 3TR for the following purposes:

As Ordinary Business

1. To receive and adopt the report and accounts for the year ended 31 March 2005.
2. To approve the directors' remuneration report.
3. To re-elect as a director Danesh Varma who is retiring by rotation.
4. To re-appoint Deloitte & Touche as auditors and to authorise the directors to fix their remuneration.

As Special Business

To consider and if thought fit to pass the following resolutions, as an ordinary resolution in the case of resolution 6 and as special resolutions in the case of resolutions 5 and 7:

5. That the authorised share capital of the company be and is hereby increased from £8,880,000 to £9,160,000 by the creation of 28,000,000 ordinary shares of 1 pence each.

6. That, subject to the passing of resolution 5, for the purposes of section 80 of the Companies Act 1985 ("the Act") (and so that expressions used in this paragraph shall bear the same meaning as in that section) the directors be and are hereby generally and unconditionally authorised (in substitution for all existing authorities) to exercise all the powers of the company to allot relevant securities up to an aggregate nominal amount of £560,000 to such persons at such times and on such terms as they think proper during the period expiring, unless previously renewed, varied or revoked by the company in general meeting, on the day preceding the fifth anniversary of the passing of this resolution save that the company may before the expiry of such power make an offer or agreement which would or might require relevant securities to be allotted after the expiry or revocation and the directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding the expiry or revocation of the authority given by this resolution.

7. That, subject to the passing of resolutions 5 and 6, the directors be and are hereby empowered pursuant to section 95(1) of the Companies Act 1985 ("Act") to allot equity securities (within the meaning of section 94(2) of the Act) for cash, pursuant to the general authority conferred on them by resolution 6, as if section 89(1) of the Act did not apply to any such allotment, provided however that the power conferred by this resolution shall be limited to:

   (a) the allotment of equity securities which are offered to all the holders of issued ordinary shares of the company (at a date selected by the directors) where the equity securities respectively attributed to the holders of ordinary shares are as nearly as practicable in proportion to the number of ordinary shares held by them but subject to such exclusions and other arrangements that the directors may deem necessary or expedient in relation to fractional entitlements or on account of any legal or practical difficulties arising in connection with the laws of any overseas territory or the requirements of any regulatory body or stock exchange in any territory; and

   (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £319,500;

   and shall expire, unless renewed or revoked before that date, on whichever is the earlier of the date 15 months from the date of the passing of this resolution or the completion of the next annual general meeting of the company held after the passing of this resolution save that the power conferred by this resolution shall enable the company to make an offer or agreement before the expiry or revocation of this power which would or might require equity securities to be allotted after such expiry or revocation and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding the expiry or revocation of such power.

By order of the board

Ian Cuthbertson

Company Secretary

29 July 2005

Notes to the notice of AGM

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his or her place. A proxy need not be a member of the company.
2. To be valid the enclosed form of proxy (together with any power of attorney or other written authority under which it is executed or an office or notarially certified copy of such power or authority) must be duly executed and deposited with the company's registrars, Capita Registrars, Northern House, Woodsome Park, Fenay Bridge, Huddersfield HD8 0LA, not later than 48 hours before the time appointed for holding the meeting.
3. Completion and return of the form of proxy will not prevent a member from attending the meeting and voting in person if he or she so wishes.
4. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, only shareholders on the register of members 48 hours before the time of the meeting have the right to attend and vote at the meeting in respect of the number of ordinary shares registered in their names at that time. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the meeting.

Directors

John F. Kearney	Irish, aged 54, chairman and chief executive, is a mining executive with over 30 years experience in the mining industry. He is a director of several public resource companies including Minco plc (AIM), Conquest Resources Limited (TSXV) and Canadian Zinc Corporation (TSE).
Ian Cuthbertson	aged 58, finance director and company secretary, is a chartered accountant. He has extensive experience in the international oilfield and construction industries and has been secretary of the company since 1988.
Danesh Varma	Canadian, aged 55, non-executive director, is a chartered accountant and a member of the Chartered Institute of Taxation. He is chief financial officer of Minco plc (AIM) and Canadian Zinc Corporation (TSE). He is a member of the audit and remuneration committees.
David Lean	Australian, aged 58, 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 in Australia, Europe and Canada. These included: Australian Mining & Smelting (the Australian lead/zinc division of RTZ); Boliden in Sweden and Curragh Inc. in Canada. More recently his involvement in the mining industry has been in trading mineral products. He is a member of the audit committee.
Howard Miller	aged 61, non-executive director, is a lawyer with over 35 years experience in the legal and financial sector in Southern Africa, Canada and the UK. He has been particularly involved in the financing of resource companies. He is a director and chairman of Avnel Gold Mining Limited, a Toronto listed company, which operates the Kalana gold mine in Mali, West Africa. He is a member of the remuneration committee and the senior independent director.

Solicitors	**Auditors**	**Bankers**
DLA Piper Rudnick Gray Cary UK LLP 101 Barbirolli Square Manchester M2 3DL	Deloitte & Touche Earlsfort Terrace Dublin 2 Ireland	HSBC Dinorben Square Amlwch, Anglesey LL68 9AH

Anglesey Mining plc

Registered Office	Parys Mountain, Amlwch, Anglesey, LL68 9RE, Wales
Corporate office	Telephone 01248 361333 Fax 01248 361419
Parys Mountain site	Telephone 01407 831275
Registrars	Capita Registrars Northern House, Woodsome Park, Fenay Bridge, Huddersfield, HD8 0LA Phone 0870 162 3131 Fax 01484 600911
Web site	www.angleseymining.co.uk
E-mail	mail@angleseymining.co.uk
Company registered number	1849957
Shares listed	The London Stock Exchange - LSE:AYM

The Anglesey Mining web site at www.angleseymining.co.uk contains further information about the company and about Parys Mountain.
The Amlwch Heritage Trust has a site at www.copperkingdom.co.uk.
The Parys Underground Group (PUG) has a site at www.parysmountain.co.uk.

NOTES not to be printed :

AGM date		27 September 2005
Year end		31 March 2005
Approval date	29 July 2005	
Makeup day	26 July 2005	
Year		**2005**

Remember to change Makeupday - 28 days or less before signing & to check share price on makeup day.