Anglesey Mining plc

Annual Report 2008

Front cover: Commencement of iron ore bulk sample excavation at the James Deposit near Schefferville, Labrador, Canada.

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A UK based mining company listed on the London Stock Exchange with -

> **A 50% ownership interest in a newly listed TSX quoted Canadian company holding the Labrador iron ore properties - market value attributable to the group of approx. £36 million at 22 July 2008**
>
> **The Parys Mountain copper-lead-zinc project under negotiation for sale to Western Metals Limited for approx. £14 million**

Highlights

Shareholders' funds £23 million - profit for 2008 £10 million

Labrador Iron Ore

A very successful flotation in Canada raising C$53 million before expenses for the development of the Labrador iron ore properties in December 2007

Historic resource of 91 million tons of partially developed iron ore near Schefferville

First iron ore production scheduled for 2009

Impact Benefits Agreement signed with Innu Nation in July 2008

Parys Mountain Mine

Encouraging evaluation report and drilling in White Rock zone

Under negotiation for sale to Western Metals of Perth, Western Australia

Chairman's Statement

This past year has been a most exciting and momentous period in the development of the Company.

The highlight clearly was the flotation of Labrador Iron Mines Holdings Limited (LIMH) on the Toronto Stock Exchange in December 2007. As part of the flotation and the accompanying restructuring, the Company exchanged its 77.5% joint venture interest in the Labrador Iron Project into a 50% interest in the new company. The flotation, which was approved by Anglesey shareholders at an EGM on 30 November 2007, was very successful and raised C$52.7 million before expenses for the development of the properties. LIMH now has sufficient funds to bring the project into production and first production is targeted for 2009.

Following the flotation the group has a holding of TSX-quoted shares in LIMH with a current market value of £36 million, although under equity accounting rules the carrying value in the balance sheet is only £12.1 million. A gain of £11.4 million has been recorded in connection with the flotation.

After the year end we also announced that we had signed a Term Sheet with Western Metals Limited of Perth Western Australia giving them exclusive rights for a period of 120 days to carry out due diligence and to negotiate a definitive agreement for the sale of the Parys Mountain mine. The total consideration for the sale is expected to be approximately £14.2 million. As at the date of this report no formal sale and purchase agreement has yet been signed. Shareholder approval will be required for this transaction.

Labrador Iron Project

Significant progress has been made with the development of the Labrador iron project and its move towards first production of direct shipping lump and sinter fines iron ore scheduled for 2009.

Following the flotation, LIMH began to recruit a dedicated team to drive the project forward. LIMH is now carrying out a number of programmes on site including a 30,000 metre drilling programme, an 8,000 tonne bulk sampling programme, a comprehensive environmental baseline study, detailed resource estimates, design and engineering of the mining, beneficiation and infrastructure requirements, and reviews and engineering of train and port facilities required to ship the iron ore product. The Permit Applications have been submitted to the provincial and federal governments. An Impact Benefit Agreement was signed with the Innu Nation of Labrador. We continue to enjoy strong support from the provincial and federal authorities and from all of the First Nations associated with the project.

We are extremely pleased at the speed with which Labrador Iron Mines has begun its independent life and encouraged by the progress the Company is making to bring first production to the market during 2009.

Parys Mountain Mine

At the Parys Mountain base metals project in North Wales we continued work on the evaluation and planning for mining the White Rock zone. During the year we commissioned a detailed metallurgical review on this zone from Wardell Armstrong together with the final version of a Scoping Study from Micon International. As a result of the recommendations from these reports we commissioned a further short drilling programme at White Rock, including a large diameter hole for further metallurgical testing purposes. These holes further confirmed the continuity of the zone.

In mid-2007 we had commenced preparatory work for the White Rock decline, however a reduction in the zinc price, on which the profitability of White Rock as a stand alone operation is closely based, coupled with the onset of the worldwide liquidity issues, suggested that funding the White Rock project on acceptable terms would not be a simple matter and, other than the drilling programme, the planned development of the White Rock was placed on hold.

After the year end we received a proposal from Western Metals Limited of Perth Western Australia to purchase the Parys Mountain properties. Subsequently we entered into a term sheet giving Western Metals a 120 day exclusive due diligence period. The term sheet contemplated that during that due diligence period both parties would negotiate a binding sale and purchase agreement based on the principal commercial terms detailed in the term sheet. That process is still under way and no formal purchase and sale agreement has been signed.

The key components of the proposed transaction are an initial payment by Western Metals of A$7.3 million in cash or cash and shares to be followed by a period of up to 36 months during which Western Metals would carry out a detailed feasibility study including significant work on site with staged minimum expenditure commitments. At the end of the period Western Metals would either make further payments totalling A$21.5 million or return the property to Anglesey. The total proposed consideration, at current exchange rate, would be equivalent to approximately £14.2 million.

For some time the Company has been seeking the finance to develop the Parys Mountain mine in a manner that would not be overly dilutive to Anglesey shareholders. We believe that the prospective transaction with Western Metals represents a good opportunity for the Company to realize value from the Parys Mountain mine in the near term.

Financial Results

Anglesey reported an increased profit for the year ended March 30, 2008 of £10.2 million up from £6.8 million in the previous year. Almost all of this year's profit has arisen as a result of the successful flotation of the Labrador Iron project. Even so this profit does not tell the whole story as we have been able to recognise in our accounts only part of the gain which accrues to the group following the flotation.

Anglesey's balance sheet has been significantly strengthened by the Labrador flotation and shareholders' equity has increased to £23.4 million from £12.0 million in 2007 and £5.1 million in 2006. The company now has a major liquid asset and this liquidity will be further enhanced if the proposed transaction with Western Metals for the sale of the Parys Mountain mine takes place. In accordance with the requirements of the IFRS, the relevant accounting standards, the carrying value of Parys Mountain has been classified as held for sale in the balance sheet as a result of the proposed transaction with Western Metals.

Outlook

Unlike the last three years when all commodities were very buoyant there is now a very mixed picture developing. Base metals including zinc and lead have weakened considerably although copper remains strong. Precious metals remain at relatively high levels although below their peaks. However many mining companies are experiencing high capital and operating cost inflation and finding it difficult to maintain production levels.

We are of the opinion that much of the softening in metal prices could be due to an unrealistic expectation of new production coming on stream in the next 18 months. However this softening in prices, coupled with significantly higher forecasts for both capital and operating costs at many of the newly planned operations, has now made this expectation less likely. We would therefore expect to see a modest recovery in prices ahead of some stability in the market.

Despite this mixed picture in base and precious metals, the bulk commodities including iron ore and coal continue to be strong. The 85% year on year increase in the sale price of iron ore recently negotiated by the Australian iron ore producers, which generally translates to the world-wide market, is a good indication. The result of these negotiations has been to effectively raise the price of iron ore fines from around $42 per tonne FOB in 2005 to almost $95 per tonne FOB in 2008. These commodities continue to be driven by Chinese and south-east Asian demand which at the present time shows no sign of decreasing. Nonetheless continuing elevated prices for oil and related commodities could eventually dampen demand.

We believe that corporate developments this year have positioned Anglesey to participate in the strong iron ore market and take advantage of other opportunities within our business area as they become available. We will continue to closely monitor these developments and will actively pursue the best of these opportunities.

John F. Kearney

Chairman

30 July 2008

The directors have pleasure in submitting their report and the audited accounts for the year ended 31 March 2008.

Principal activities and business review

The development of the Labrador iron project near Schefferville, eastern Canada, is now the principal activity of the group. Since its formation in 1984 the principal business of the company was the development of the zinc-copper-lead deposits at Parys Mountain in North Wales, a property which is now proposed to be sold. The group continues its search for other mineral exploration and development opportunities.

In December 2007 the group's development of a series of iron ore deposits around Schefferville in the province of Newfoundland and Labrador was financed in Canada by an initial public offering which raised C$52.7 million before expenses on the Toronto Stock Exchange, following which the group's ownership holding in Labrador Iron Mines Holdings Limited, which owns 100% of the Schefferville project, became 50.01%. The group recorded a profit of £11.4 million on the deemed disposal of part of the Labrador properties, which are now carried in the accounts as an associated company at a value of £12.1 million and have a published fair value at 22 July 2008 of £35.8 million. This transaction has lead to a significant strengthening of the balance sheet.

After the end of the financial year, on 10 April 2008, a term sheet with Western Metals Limited of Perth Western Australia (WMT) was signed giving WMT exclusive rights for a period of 120 days to carry out due diligence and to negotiate a definitive agreement for the sale of the Parys Mountain mine. The total consideration for the sale is expected to be approximately £14.2 million. As at the date of this report no formal sale and purchase agreement has yet been signed. Shareholder approval will be required for this transaction.

The aim of the group is to continue its support for the Labrador project 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 Mine

The Parys Mountain property is the largest known base metal deposit in the United Kingdom. A feasibility study in 1991, based on an identified resource of 6.5 million tonnes with a combined grade of over 10% zinc, copper and lead with small amounts of silver and gold, demonstrated the technical and economic viability of bringing the property into production at a rate of 350,000 tonnes per annum, producing zinc, copper and lead concentrates. However development has been limited since then: over the period from 1991 to 2003 this was chiefly due to poor metal prices.

During the year the group continued with its exploration and development programmes, drilling 632 metres in 4 diamond core holes all of them in the White Rock area near the existing Morris shaft.

On 10 April 2008 the group agreed and signed a term sheet with ASX-listed Western Metals Limited (WMT) of Perth, Western Australia under which it is expected that both parties will enter into a formal agreement for the sale to WMT of the Parys Mountain poly-metallic base metal project in North Wales. The total consideration for the sale is anticipated to be Australian dollars (A$) 29.136 million, equivalent to approximately £14.2 million at A$2.047/£1.00, the rate of exchange on 22 July 2008 which is used where appropriate in the sterling equivalents below. WMT has paid the company a non-refundable deposit of A$270,000 (£124,984). The agreement will be subject to satisfactory completion of due diligence by WMT and approval by the company's shareholders.

The main terms of the proposed agreement include a period of up to 36 months in which WMT will complete a bankable feasibility study on the project and an obligation to expend a minimum of A$3.25 million during the first 15 months of this period and an aggregate of A$6.5 million during the first 24 months of the period. Should WMT withdraw from the project then it will return 100% of the project to Anglesey in good standing and free of any additional liabilities. All new data generated by WMT and all payments made to the company by WMT will be retained by the company. There is an initial consideration of AS7.6 million and the balance of the consideration (A$21.5 million equivalent to £10.5 million at current exchange rates) is due not later than 36 months after the initial payment or on the earlier completion of the feasibility study or certain other events.

Although the total consideration exceeds the carrying value of the Parys Mountain properties which are being sold, for the purposes of these accounts the consideration has been discounted to a net present value, which is less than the carrying value. A Parys Properties fair value adjustment of £698,321 has been made to reduce the carrying value to the net present value. This adjustment will be written back to the income statement over the next two years. In accordance with the requirements of the IFRS, the relevant accounting standards, the carrying value of Parys Mountain has been classified as held for sale in the balance sheet as a result of the proposed transaction with Western Metals.

Labrador Iron

Since October 2005 the group has been working on a series of iron ore deposits near the town of Schefferville in Labrador, Canada. Schefferville was the location of the Iron Ore Company of Canada’s (IOCC) original mining operations between 1954 and 1984, where IOCC left behind a number of partially developed open–pit iron ore deposits as well as other identified and drilled development sites and a substantial infrastructure, in particular the railway from Schefferville to the port of Sept-Iles on the St. Lawrence River.

In September 2006 an initial feasibility study confirmed that an economic operation may be viable at the Labrador properties and in October 2007 a technical report was received from Canadian consultants SNC-Lavalin. Following a re-evaluation of potential alternatives for financing this project, Canaccord Capital Corporation was appointed as an agent to carry out an initial public offering in Canada in respect of the Schefferville project which was completed on 3 December 2007 with a related over-allotment provision exercised on 2 January 2008 resulting in total gross proceeds from the IPO of $C52.8 million – approximately £26.9 million at those dates.

Following the IPO, Labrador Iron Mines Limited (LIM), the operating company for the Schefferville project, commenced plans to complete a programme of verification drilling and bulk sampling on certain of the properties and the calculation of a compliant mineral resource. A detailed engineering study of mining these hematite deposits to produce “direct shipping” lump and sinter fine ore, requiring minimal processing, for sale to European and Far Eastern steelmakers will also undertaken.

During the ensuing months, LIM expanded its management and operating team with a number of senior appointments, initiated further activities to advance the development stages of the Project and awarded various contracts, including environmental baseline studies, detailed exploration drilling, bulk sampling, resource estimation, metallurgical process testing, rail and port studies and engineering design, all directed to move the Schefferville Project forward towards initial production targeted for 2009.

SNC-Lavalin, in conjunction with Geostat and with participation by the Labrador Innu Development Limited Partnership, has been awarded a contract for a Resource and Engineering Study, including detailed engineering design and specifications for major items of plant and infrastructure. This will include metallurgical test-work aimed at the design of a process circuit required to meet market specifications for the particular types of iron ore.

A major reverse circulation drilling contract has been let to Cabo Drilling Corp. to provide data for a compliant resource estimate on the various deposits, including a reserve estimate on the Phase One Properties, and to assist with both short term mine planning and with longer term operational planning. It is expected that this program will start in July 2008 and will be supplemented by an exploration trenching program.

RSM Mining Services Inc. from Labrador City has commenced a summer program to excavate an 8,000 tonnes ore bulk sample from the Phase One deposits closest to Schefferville and to treat this material by crushing, screening and washing to replicate the expected final product. Some of this material will be used in the metallurgical testing program and the remainder will be available for bulk samples and market testing by potential iron ore buyers.

LIM has submitted the Project Registration Application for the first phase of development of the Schefferville Project to the Department of Environment and Conservation in the Province of Newfoundland and Labrador and to the Canadian Environmental Assessment Agency. The Project Registration Documentation addresses production from the first phase of the Schefferville Project, being the James North, James South and Redmond properties. The development plan calls for the initial production of about 500,000 tonnes of iron ore in 2009, building up to three million tonnes in 2011.

Following from an earlier Memorandum of Understanding (MOU) LIM has signed an Impact Benefit Agreement with the Innu Nation of Labrador committing to an ongoing relationship between the Innu Nation and LIM with respect to the development of the project. The Impact Benefit Agreement covers the life of the mine and establishes the processes and sharing of benefits that will ensure an ongoing positive relationship between LIM and the Innu Nation.

LIM plans the commencement of commercial production of iron ore from the deposits located on the Schefferville Property at the earliest opportunity and, subject to receipt of permits, is working to bring Phase One of the Project into production in 2009.

Dolaucothi

In addition to its other, larger, mineral assets, the group has the small Dolaucothi property in South Wales. It is not the company’s current intention to focus on this property, however this situation will be kept under review.

Other activities

Following the flotation of the Labrador properties in December 2007 and the agreement for sale of Parys Mountain in April 2008, management has engaged in the search for new properties. In general terms this search activity will be concentrated on mineral properties that have the capability of being brought into production in a relatively short time frame and within the financing capability likely to be available to the group.

Performance

So far as the directors are aware, there are no standardised indicators which can usefully be employed to gauge the performance of any group at this stage of its development other than the performance of the company’s shares. The directors expect to be judged by their success in creating value for shareholders. The group has reported profits for the past two years of £10.2 million and £6.8 million.

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

Dividend

The group has no revenues and the directors are unable to recommend a dividend *(2007 – nil)*. Since the date of the accounts the activities of the group have continued in accordance with the directors' expectations.

Financial position

The group’s financial position has been significantly changed this year by the restructuring and flotation of its interests in the Labrador iron project in Schefferville, Eastern Canada. This has resulted in a significant increase in the value of the Labrador operations in the financial statements, as a result of the group’s 50.01% ownership share in the cash raised in the flotation. Because there are outstanding exercisable warrants and options which potentially reduce the group’s voting control, the investment in the Labrador operations is not consolidated but is equity-accounted whereby the equity investment is initially recorded at cost to the group.

The fair value, as indicated by the value ascribed to the Labrador companies in the Canadian flotation, and shown in the accounts of Labrador Iron Mines Holdings Limited, the Toronto Stock Exchange quoted company which now owns the Labrador properties, is very significantly higher than the cost to the group. The market value of the group’s investment in Labrador Iron Mines Holdings Limited was £43.3 million at 31 March 2008 and £35.8 million at 22 July 2008. The carrying value in the consolidated financial statements at 31 March 2008 is £12,068,276.

The group has no revenues from the operation of its properties. The profit for the year after taxation was £10,152,448 *(2007 - £6,762,751)*. Of this profit, £11,427,730 resulted from the disposal of part of the group’s interests in the Labrador properties when they were floated in Canada, as described above. £7,200,000 of last year’s profit comprised a reversal of all the impairment provisions made against the carrying value of the Parys Mountain development expenditure, an intangible asset; these impairment provisions were made over the period from 2000 to 2003 during which low metal prices reduced the estimated net present value of the Parys project.

During the year £19,585 *(2007 - nil)* was added to fixed assets, £312,617 *(2007 - £431,309)* was capitalised in respect of the development of the Parys Mountain property and £216,895 *(2007 - £453,357)* was capitalised in respect of the Labrador Iron property, in respect of the period up to 3 December 2007, the date of the Canadian flotation.

The cash position at 31 March 2008 was £217,968 compared to £34,003 in 2007. There were net current assets of £158,668 at 31 March 2008 compared to net current liabilities of £530,178 at 31 March 2007; most of this change is due to the reclassification of the Parys Mountain activities as held for sale. Following a placing for cash on 19 July 2007, £1,040,564, net of expenses, was added to the group’s cash resources.

At 31 March 2008 the company had 152,558,051 *(2007 - 138,808,051)* ordinary shares in issue.

In strong contrast to the position in previous years in the company’s history, there are no funding requirements for the group’s current mineral property holdings, Parys Mountain being in the process of sale and Labrador being fully funded for the foreseeable future. Further finance may be required for any new mineral properties which may be evaluated, engaged in or acquired; however such outlays are at the discretion of the directors and would not be made unless finance was available.

Risks and uncertainties

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

General mining risks

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

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

Liquidity risk

In order to maintain liquidity and to ensure that sufficient funds are available for operations and developments the company has relied upon share issues and on loans from its major shareholder Juno Limited. Provided the sale of the Parys project to Western Metals Limited completes as planned, the group will receive a minimum of approximately £1.3m in cash, as well as further cash or marketable stock as described above in connection with the proposed sale of the Parys Mountain properties. Following the Labrador flotation, the group's shareholding in Labrador Iron Mines Holdings Limited has a market value of approximately £36million, at prices current on 22 July 2008. All of this marketable holding is subject to lock in arrangements, which reduce progressively after December 2008.

Exploration and development

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

Metal prices

Business conditions are expected to be reasonably positive as continuing demand for primary metals from developing countries should help to sustain metal prices which in turn should encourage investor interest in mining and exploration companies. Provided the sale of the Parys project to Western Metals Limited completes as planned, the group's primary exposure will be to the price of iron ore.

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

Foreign exchange

The activities of Labrador Iron Mines Holdings Limited (LIMH) are carried out in Canada and any dividends will be subject to an exchange rate risk, however the group's interest in LIMH is carried in the group accounts on an equity basis and, otherwise than in respect of the group's share of any annual profits or losses, will not be affected by an exchange rate risk. If the proposed sale of Parys Mountain proceeds the group will be exposed to an exchange rate risk in respect of the consideration due of A$28.9 million, equivalent to £14.1 million at current exchange rates.

Permitting, environment and social

Labrador Iron Mines Holdings Limited does not currently have the benefit of any operating permits for the Labrador Iron project. The Schefferville area in particular has a long history of mining in a manner almost identical to that which is proposed, however there is no assurance that the necessary permits will be granted promptly. LIM has signed an Impact Benefits Agreement with the Innu Nation of Labrador, which is an important part of the permitting process, and is in the process of obtaining operational and environmental permits.

The group holds a 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 and a few other skilled and experienced personnel. Due to the relatively small size of the group, the loss of these persons or the group's inability to attract and retain additional highly skilled and experienced employees may adversely affect its business or future operations.

Financial instruments

The company's use of financial instruments is described in note 29.

Directors

The names of the directors with biographical details are shown on the inside rear cover. In accordance with the company's practice, Bill Hooley and Roger Turner retire by rotation and, being eligible, offer themselves for re-election. Since Danesh Varma has served for more than nine years as a non-executive, current corporate governance practice requires that he be re-elected annually, and, being eligible, he is also proposed for re-election.

The company maintains a directors' and officers' liability policy on normal commercial terms.

Unless otherwise determined by ordinary resolution, the number of directors, other than alternate directors, shall not be subject to any maximum, but shall not be less than two. 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 Combined Code, the Companies Acts 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 Annual General Meeting following his appointment. In addition, the Articles require that one-third of the remaining directors retire by rotation at each general meeting and seek re-appointment.

Directors' interests in material contracts

Juno Limited (Juno), which is registered in Bermuda, holds 38.0% 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 21. 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.

Upon the flotation in Canada in December 2007 of the group's interests in its Labrador iron ore project at Schefferville, John Kearney became chairman of the newly formed Labrador Iron Mines Holdings Limited (LIMH), Bill Hooley became a director and chief operations officer and Danesh Varma became chief financial officer. All three are shareholders of LIMH, receive salaries from LIMH and have been granted options over the shares of LIMH. There are no transactions between LIMH and the group which have not been disclosed.

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

Directors' shareholdings

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

	22 July 2008		31 March 2008		31 March 2007	
Director	Number of options	Number of ordinary shares	Number of options	Number of ordinary shares	Number of options	Number of ordinary shares
John Kearney	5,200,000	-	5,200,000	-	5,000,000	-
Bill Hooley	2,500,000	100,000	2,500,000	100,000	1,000,000	100,000
Ian Cuthbertson	2,100,000	727,300	2,100,000	727,300	1,500,000	727,300
David Lean	500,000	-	500,000	-	100,000	-
Howard Miller	1,000,000	-	1,000,000	-	600,000	-
Roger Turner	900,000	-	900,000	-	500,000	-
Danesh Varma	1,200,000	-	1,200,000	-	700,000	-

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

Substantial shareholders

At 22 July 2008 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	37.97%
Ambrian Capital plc	13,550,000	8.88%
Range Capital	12,500,000	8.19%
Morgan Stanley Securities Limited	10,652,000	6.98%

Authority to allot shares

Under the Articles of Association, the company has authority to allot the unissued shares of the company. 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, they believe that it is appropriate to have a larger amount available for issue at their discretion without pre-emption than is normal for 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 £381,000 being 38,100,000 ordinary shares, which is equivalent to 25% of the issued ordinary share capital at 22 July 2008. Whilst such authority is significantly in excess of the 5% of existing issued ordinary share capital which is commonly accepted for listed companies, it will provide additional flexibility which the directors believe is in the best interests of the group in its present circumstances.

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 authorised and issued share capital together with movements in the company's issued share capital during the year are shown in note 23.

Each ordinary share carries the right to one vote at general meetings of the company. Holders of deferred shares 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 Acts, the rights attached to any class may be varied with the consent of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class.

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

Voting rights

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

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

Shares held in uncertificated form

Subject to the provisions of the Uncertificated Securities Regulations 2001, the Board may permit the holding of shares in any class of shares in uncertificated form and the transfer of title to shares in that class by means of a relevant system and may determine that any class of shares shall cease to be a participating security.

Significant agreements and change of control

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. There are no agreements between the company and its directors or employees that provide for compensation for loss of office or employment that occurs because of a takeover bid.

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 2008 was 60 days *(2007 - 74 days)*.

Going concern

After making due and careful enquiry, the directors consider that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in the preparation of the financial statements.

Charitable and political contributions

The group made no contributions during the year *(2007 - nil)*.

Employment

The group is an equal opportunity employer in all respects.

Directors' responsibilities for the financial statements

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 (IFRS) and have also elected to prepare financial statements for the company in accordance with IFRS. Company law requires the directors to prepare such financial statements in accordance with IFRS, the Companies Act 1985 and Article 4 of the IAS Regulation.

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

Directors are also required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report and directors' remuneration report which comply with the requirements of the Companies Act 1985.

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

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

Auditors

Each of the directors in office at the date of the annual report confirms that so far as they are aware there is no relevant audit information of which the group's auditors are unaware and that each director has taken all of the steps which they ought to have taken as directors in order to make themselves aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche have been the company's auditors since 1998; in March 2008 the audit committee felt that although an excellent relationship had always existed between the company and Deloittes, there were several reasons, including auditor rotation, why it would be desirable to appoint new auditors. Mazars LLP were selected by the audit committee from a small short-list and engaged by the board to carry out the 2008 audit. A resolution to appoint Mazars LLP 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

30 July 2008

Unaudited information:

The Directors' Remuneration Report has been prepared in accordance with schedule 7A of the Companies Act 1985.

Remuneration Committee Policy and Share Options

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

The board's aim, implemented by the committee, with regard to executive and non-executive directors' remuneration, is to provide a package which will attract, retain and motivate directors of the calibre required and be consistent with the group's ability to pay. So far as is possible, it is the group's policy to keep contract durations, notice periods and termination payments to a minimum. In practice this results in rolling 12 month contracts. A bonus for attainment of key corporate targets forms part of overall executive director remuneration. Share options continue to form a major part of the directors' remuneration however with effect from 1 April 2007 a fee payment has been introduced for non-executive directors and the use of share options in future will be reduced accordingly. Any pensions contributions are to money purchase schemes and are regarded as a component of total remuneration.

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

Terms and conditions of service

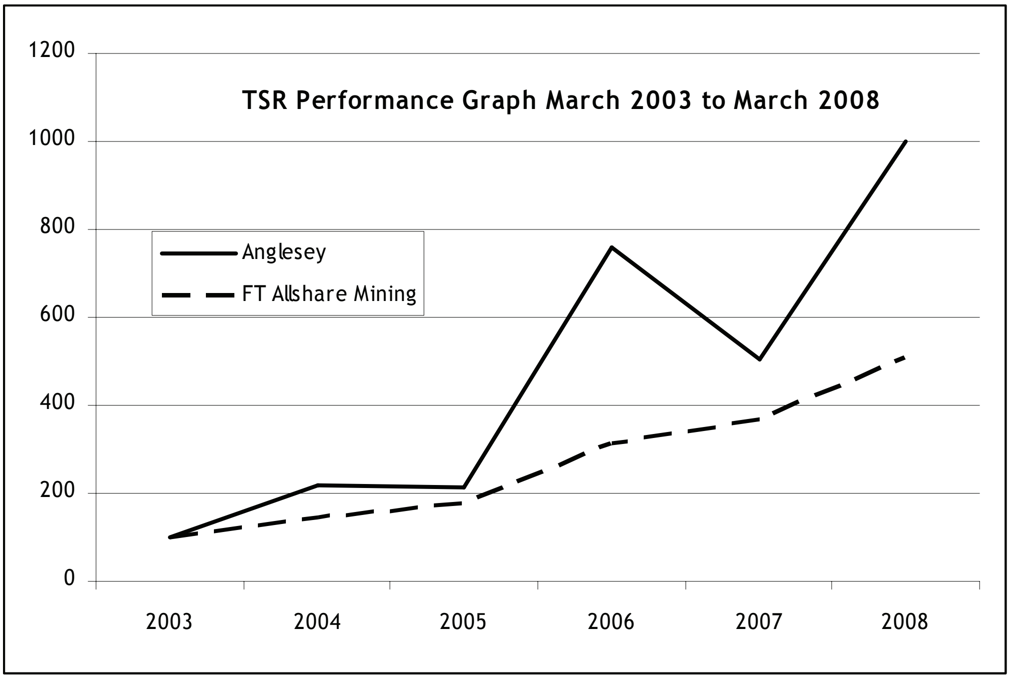
Bill Hooley and Ian Cuthbertson receive fees and a salary respectively, have written terms of employment with rolling notice periods of 12 months and no other entitlement to termination payments. They are eligible to receive performance bonuses when key corporate targets are attained.

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

Other than these, there are no arrangements in force whereby the group is under an obligation to pay fees, salaries, bonuses, pensions or any remuneration to any director.

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	2008 Salary and fees £	2008 Bonus £	2008 Pension £	2008 Total £	*2007 Salary and fees £*	*2007 Benefits in kind £*	*2007 Pension £*	*2007 Total £*
Executive								
John Kearney	-	-	-	-	-	-	-	-
Ian Cuthbertson	40,000	-	10,930	50,930	*31,000*	*125*	*930*	*32,055*
Bill Hooley	102,000	5,000	-	107,000	*60,000*	-	-	*60,000*
Non-executive								
Howard Miller	5,000	-	-	5,000	-	-	-	-
David Lean	5,000	-	-	5,000	-	-	-	-
Roger Turner	5,000	-	-	5,000	-	-	-	-
Danesh Varma	5,000	-	-	5,000	-	-	-	-
Totals	162,000	5,000	10,930	177,930	*91,000*	*125*	*930*	*92,055*

Pension contributions are to a money purchase pension scheme.

Directors' share options

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

Name	Options at 1 April 2007	Granted in year	Exercised in year	Lapsed in year	Options at 31 March 2008	Exercise price	Date from which exercisable	Expiry date
John Kearney	5,000,000	-	-	-	5,000,000	4.13p	22 Oct 05	22 Oct 14
John Kearney		200,000	-	-	200,000	21.90p	26 Nov 07	26 Nov 17
Bill Hooley	1,000,000	-	-	-	1,000,000	10.63p	15 Jan 07	15 Jan 16
Bill Hooley		1,500,000	-	-	1,500,000	21.90p	26 Nov 07	26 Nov 17
Ian Cuthbertson	300,000	-	-	-	300,000	2.00p	3 May 05	2 May 12
Ian Cuthbertson	1,000,000	-	-	-	1,000,000	4.13p	22 Oct 05	22 Oct 14
Ian Cuthbertson	200,000	-	-	-	200,000	10.63p	15 Jan 07	15 Jan 16
Ian Cuthbertson		600,000	-	-	600,000	21.90p	26 Nov 07	26 Nov 17
David Lean	100,000	-	-	-	100,000	10.63p	15 Jan 07	15 Jan 16
David Lean		400,000	-	-	400,000	21.90p	26 Nov 07	26 Nov 17
Howard Miller	300,000	-	-	-	300,000	2.00p	3 May 02	2 May 09
Howard Miller	200,000	-	-	-	200,000	4.13p	22 Oct 05	22 Oct 14
Howard Miller	100,000	-	-	-	100,000	10.63p	15 Jan 07	15 Jan 16
Howard Miller		400,000	-	-	400,000	21.90p	26 Nov 07	26 Nov 17
Roger Turner	500,000	-	-	-	500,000	10.63p	15 Jan 07	15 Jan 16
Roger Turner		400,000	-	-	400,000	21.90p	26 Nov 07	26 Nov 17
Danesh Varma	500,000	-	-	-	500,000	4.13p	22 Oct 05	22 Oct 14
Danesh Varma	200,000	-	-	-	200,000	10.63p	15 Jan 07	15 Jan 16
Danesh Varma		500,000	-	-	500,000	21.90p	26 Nov 07	26 Nov 17

The market price of the ordinary shares at 31 March 2008 was 18.75 pence, the high for the year to 31 March 2008 was 28.25 pence and the low for the year was 8.25 pence. The mid-market price at 22 July 2008 was 15.5 pence.

Associate company

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

By order of the board

Ian Cuthbertson

Company Secretary

30 July 2008

Principles

The board bases its policies and practices in relation to corporate governance on the 2006 Financial Reporting Council Combined Code on Corporate Governance 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 group such as Anglesey which is both small and engaged in mineral development rather than more routine trading operations. The group has made use of the Guidance for Smaller Quoted Companies published by the Quoted Companies Alliance in 2004 which relates to the implementation of the Combined Code for smaller quoted companies.

The Board

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

The board comprises three executive directors and four non-executive directors, a structure which the board considers to be appropriate.

For the purposes of the Combined Code Howard Miller is the senior independent non-executive director and David Lean and Roger Turner are independent directors. As described in note 30, Danesh Varma is a shareholder in and director of Juno Limited, which holds 38.0% of the company's ordinary shares. He has been a director for more than 9 years, and is therefore subject to annual re-election to the board: under the Code provisions he is not deemed to be 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 group'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.

During the year the board introduced a system for monitoring its own performance, including that of the board committees, and a programme to develop directors' skills and expertise.

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

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 in the previous section.

Audit committee

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

The audit committee reviews the half-yearly and annual accounts before they are presented to the board, focusing in particular on accounting policies and areas of management 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 group. The members of the committee have agreed to make themselves available should any member of staff wish to make representations to them about the conduct of the affairs of the group.

The committee advises the board on the appointment of external auditors (and specifically on the change of auditors this year) 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 4 to the financial statements.

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

Nomination committee

A nomination committee comprising John Kearney (chairman), David Lean and Howard Miller was established during the year. All directors are subject to re-election at least every three years. The nomination committee will make recommendations to the board on the appointment of new executive and non-executive directors, including making recommendations as to the composition of the board and its committees and the balance between executive and non-executive directors. The nomination committee meets as and when required and has not yet engaged external consultants to identify appropriate candidates. Two of the committee members are independent non-executive directors.

Directors' contracts

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

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. 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 to establish an internal audit function at present because of the group's limited operations, however this decision is reviewed annually.

There are no significant issues disclosed in the report and financial statements for the year ended 31 March 2008 and up to the date of approval of the report and financial statements that have required the board to deal with any related material internal control issues. The directors confirm that the board has reviewed the effectiveness of the system of internal control as described during the period.

Risks and uncertainties

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

Communication with shareholders

Extensive information about the group and its activities is given in the annual report and accounts, and the interim report, which are sent to shareholders. Further information is available on the company's website, www.angleseymining.co.uk, which is 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 other directors frequently join these and other meetings with smaller shareholders.

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

Directors' appointment and attendance at board and committee meetings

During the year attendance at meetings was as follows:

			Meetings			
Director	**Date appointed**	**Next election**	**Board**	**Audit**	**Remuneration**	**Nomination**
Total number of meetings			6	2	1	-
John Kearney	10 November 1994	2010	6			
Ian Cuthbertson	22 December 1997	2010	6			
Bill Hooley	10 January 2006	2008	6			
Howard Miller	20 September 2001	2009	4		1	
David Lean	20 September 2001	2009	6	2		
Roger Turner	10 January 2006	2008	4			
Danesh Varma	15 November 1994	2009	6	2	1	

Ian Cuthbertson was appointed as company secretary on 21 October 1988. Danesh Varma is subject to annual re-election to the board.

Compliance with the Combined Code

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

- A.2 Prior to November 2007, John Kearney was chairman and chief executive. Since the appointment of Bill Hooley as chief executive the roles have been separated, however because of his long service with the group, John Kearney is not regarded as independent in his roles as director or chairman.
- A.4.1 The nominations committee was not set up until January 2008.
- A.6.1 There has been no formal and rigorous annual evaluation of the performance of the board, its committees and the individual directors; a procedure for doing so was introduced during the year.
- B.2.1 and C.3.1 Danesh Varma is a member of the audit and remuneration committees: because he has been on the board for more than 9 years and is connected with Juno Limited, under the Code provisions he is not defined as independent.

We have audited the group and parent company financial statements (the "financial statements") of Anglesey Mining Plc for the year ended 31 March 2008 which comprise the Consolidated Income Statement, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Cash Flow Statements, the Consolidated and Parent Company Statement of Changes in Shareholders' Equity and the related notes 1 to 33. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in 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

The directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the parts of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the group financial statements, Article 4 of the IAS Regulation. We also report to you whether, in our opinion, the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the company's compliance with the nine provisions of the Combined Code on Corporate Governance 2006 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 controls procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report, the unaudited part of the Directors' Remuneration Report, the Chairman's Statement and the Corporate Governance Statement. We 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 further information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 and the part of the Directors' Remuneration Report to be audited. 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 group's and 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 to be 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 to be audited.

Opinion

In our opinion:

- the group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at 31 March 2008 and of its profit for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 31 March 2008;
- 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 and, as regards the group financial statements, Article 4 of the IAS Regulation and
- the information given in the Directors' Report is consistent with the financial statements.

Mazars LLP

Chartered Accountants and Registered Auditors
Tower Bridge House
St Katharine's Way
London
E1W 1DD

30 July 2008

Consolidated income statement

for the year ended 31 March 2008

	Notes	Year ended 31 March 2008 £	*Year ended 31 March 2007 £*
Continuing operations			
Revenue		-	-
Administration expenses		(409,788)	*(320,054)*
Equity-settled employee benefits	24	(142,723)	*(68,840)*
Impairment reversal	13	-	*7,200,000*
Share of profits in associate	17	10,449	-
Investment income	6	18,959	*24,520*
Finance costs	7	(67,326)	*(72,875)*
Profit on deemed disposal	17	11,427,730	-
Parys properties fair value adjustment	10	(698,321)	-
Profit before tax	4	10,138,980	*6,762,751*
Tax	8	-	-
Profit for the year from continuing operations		10,138,980	*6,762,751*
Operations to be discontinued			
Profit for the year from operations to be discontinued	9	13,468	-
Profit for the year		10,152,448	*6,762,751*
Earnings per share from continuing and discontinued operations			
Basic - pence per share	12	6.8	*4.9*
Diluted - pence per share	12	6.7	*4.7*
Earnings per share from continuing operations			
Basic - pence per share	12	6.8	*4.9*
Diluted - pence per share	12	6.7	*4.7*

Consolidated balance sheet

	Notes	31 March 2008 £	*31 March 2007 £*
Assets			
Non-current assets			
Mineral property development	13	-	*13,655,700*
Property, plant and equipment	14	-	*185,102*
Interest in associate	17	12,068,276	-
Deposit	18	-	*114,076*
		12,068,276	*13,954,878*
Current assets			
Other receivables	19	4,519	*19,103*
Cash and cash equivalents		217,968	*34,003*
		222,487	*53,106*
Assets classified as held for sale	10	13,069,019	-
Total assets		25,359,782	*14,007,984*
Liabilities			
Current liabilities			
Trade and other payables	20	(63,819)	*(583,284)*
		(63,819)	*(583,284)*
Net current assets/(liabilities)		158,668	*(530,178)*
Non-current liabilities			
Loan	21	(1,475,993)	*(1,408,667)*
Long term provision	22	-	*(42,000)*
		(1,475,993)	*(1,450,667)*
Liabilities directly associated with assets classified as held for sale	10	(464,741)	-
Total liabilities		(2,004,553)	*(2,033,951)*
Net assets	3	23,355,229	*11,974,033*
Equity			
Share capital	23	7,036,414	*6,898,914*
Share premium		8,092,423	*7,189,359*
Equity-settled employee benefits reserve	24	372,272	*229,549*
Currency translation reserve		(2,718)	*(48,179)*
Retained profits/(losses)		7,856,838	*(2,295,610)*
Total shareholders' equity		23,355,229	*11,974,033*

The financial statements were approved by the board of directors and authorised for issue on 30 July 2008 and were signed on its behalf by:

John F. Kearney, Chairman

Ian Cuthbertson, Finance Director

Company balance sheet

	Notes	31 March 2008 £	*As restated 31 March 2007* £
Assets			
Non current assets			
Property, plant and equipment	14	-	*65,102*
Investments	16	681,238	*13,429,598*
Deposit	18	-	*114,076*
		681,238	*13,608,776*
Current assets			
Other receivables	19	4,519	*13,521*
Cash and cash equivalents		191,750	*21,761*
		196,269	*35,282*
Investments classified as held for sale	16	12,617,128	-
Total Assets		13,494,635	*13,644,058*
Liabilities			
Current liabilities			
Trade and other payables	20	(59,819)	*(184,139)*
		(59,819)	*(184,139)*
Net current assets/(liabilities)		136,450	*(148,857)*
Non-current liabilities			
Loan	21	(1,475,993)	*(1,408,667)*
		(1,475,993)	*(1,408,667)*
Total liabilities		(1,535,812)	*(1,592,806)*
Net assets		11,958,823	*12,051,252*
Equity			
Share capital	23	7,036,414	*6,898,914*
Share premium		8,092,423	*7,189,359*
Equity-settled employee benefit reserve	24	372,272	*229,549*
Retained losses		(3,542,286)	*(2,266,570)*
Shareholders' equity		11,958,823	*12,051,252*

The financial statements were approved by the board of directors and authorised for issue on 30 July 2008 and were signed on its behalf by:

John F. Kearney, Chairman

Ian Cuthbertson, Finance Director

Statements of changes in equity

for the year ended 31 March 2008

Group

	Share capital	Share premium	Equity-settled benefits reserve	Currency translation reserve	Retained losses	Total
	£	£	£	£	£	£
At 1 April 2006	6,885,914	7,090,049	160,709	(4,652)	(9,058,361)	5,073,659
Equity-settled employee benefits	-	-	68,840	-		68,840
Shares issued for cash	13,000	99,760	-	-	-	112,760
Share issue expenses	-	(450)	-	-	-	(450)
Exchange differences on translation of foreign operations	-	-	-	(43,527)	-	(43,527)
Profit for the year	-	-	-	-	6,762,751	6,762,751
At 31 March 2007	6,898,914	7,189,359	229,549	(48,179)	(2,295,610)	11,974,033
Equity-settled employee benefits	-	-	142,723	-	-	142,723
Shares issued for cash	137,500	962,500	-	-	-	1,100,000
Share issue expenses	-	(59,436)	-	-	-	(59,436)
Exchange differences on translation of foreign operations	-	-	-	45,461	-	45,461
Profit for the year	-	-	-	-	10,152,448	10,152,448
At 31 March 2008	7,036,414	8,092,423	372,272	(2,718)	7,856,838	23,355,229

Company

	Share capital	Share premium	Equity-settled benefits reserve	Currency translation reserve	Retained losses	Total
	£	£	£	£	£	£
At 1 April 2006	6,885,914	7,090,049	160,709	-	(9,054,360)	5,082,312
Equity-settled employee benefits	-	-	68,840	-	-	68,840
Shares issued for cash	13,000	99,760	-	-	-	112,760
Share issue expenses	-	(450)	-	-	-	(450)
Profit for the year	-	-	-	-	1,587,790	1,587,790
At 31 March 2007 - as previously stated	6,898,914	7,189,359	229,549	-	(7,466,570)	6,851,252
Prior year adjustment to Parys property transfer value - see note 25					5,200,000	5,200,000
At 31 March 2007 - as restated	6,898,914	7,189,359	229,549	-	(2,266,570)	12,051,252
Equity-settled employee benefits	-	-	142,723	-	-	142,723
Shares issued for cash	137,500	962,500	-	-	-	1,100,000
Share issue expenses	-	(59,436)	-	-	-	(59,436)
Loss for the year	-	-	-	-	(1,275,716)	(1,275,716)
At 31 March 2008	7,036,414	8,092,423	372,272	-	(3,542,286)	11,958,823

Consolidated cash flow statement

for the year ended 31 March 2008

	Year ended 31 March 2008 £	*Year ended 31 March 2007 as restated £*
Operating activities		
Profit for the year	10,152,448	*6,762,751*
Adjustments:		
Finance costs recognised in profit or loss	67,326	*72,875*
Investment revenue recognised in profit or loss	(18,959)	*(24,520)*
Investment revenue recognised in discontinued operations	(3,011)	-
Impairment reversal	-	*(7,200,000)*
Equity-settled employee benefits	142,723	*68,840*
Share of profit retained in associate	(10,449)	-
Profit on deemed disposal	(11,427,730)	-
Parys properties fair value adjustment	698,321	-
	(399,331)	*(320,054)*
Movements in working capital		
(Decrease) in payables	(203)	*(31,099)*
(Increase) in receivables	(12,168)	*(2,397)*
Cash utilised by operations	(411,702)	*(353,550)*
Interest paid	-	*(600)*
Net cash used in operating activities	(411,702)	*(354,150)*
Investing activities		
Interest received	19,121	*22,123*
Mineral property development	(445,763)	*(947,661)*
Payments for land and buildings	(19,585)	-
Net cash used in investing activities	(446,227)	*(925,538)*
Financing activities		
Proceeds from issue of shares	1,040,564	*112,310*
Net cash from financing activities	1,040,564	*112,310*
Net increase/(decrease) in cash	182,635	*(1,167,378)*
Cash and cash equivalents at start of year	34,003	*1,201,381*
Exchange rate changes on foreign currency balances	1,330	-
Cash and cash equivalents at end of year	217,968	*34,003*

Company cash flow statement

for the year ended 31 March 2008

	Year ended 31 March 2008 £	*Year ended 31 March 2007 £*
Operating activities		
(Loss)/profit for the year	(1,275,716)	*6,787,790*
Adjustments:		
Finance costs recognised in profit or loss	67,326	*72,875*
Investment revenue recognised in profit or loss	(18,861)	*(24,436)*
Impairment reversal	-	*(7,200,000)*
Equity-settled employee benefits	142,723	*68,840*
	(1,084,528)	*(294,931)*
Movements in working capital		
(Decrease) in payables	(124,320)	*(108,198)*
Decrease/(increase) in receivables	9,002	*(2,721)*
Cash utilised by operations	(1,199,846)	*(405,850)*
Interest paid	-	*(600)*
Net cash used in operating activities	(1,199,846)	*(406,450)*
Investing activities		
Interest received	18,861	*22,039*
Investments	131,232	*(1,027,519)*
Receipts from disposals of tangible assets	179,178	*120,000*
Net cash used in investing activities	329,271	*(885,480)*
Financing activities		
Proceeds from issue of shares	1,040,564	*112,310*
Net cash from financing activities	1,040,564	*112,310*
Net increase/(decrease) in cash	169,989	*(1,179,620)*
Cash and cash equivalents at start of year	21,761	*1,201,381*
Cash and cash equivalents at end of year	191,750	*21,761*

1 General information

Anglesey Mining plc is incorporated in the United Kingdom under the Companies Act 1985. The nature of the group's operations and its principal activities are set out in note 3 and in the business review section of the directors' report.

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

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

Going concern

The financial statements are prepared on a going concern basis. The validity of the going concern concept is dependent on finance being available for the continuing working capital requirements of the group and finance for the development of the group's projects 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.

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 profit and loss in the period of acquisition. The results of subsidiaries acquired or disposed of during the year are included in the consolidated 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.

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 each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet 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, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

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

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 benefit schemes.

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 balance sheet 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 deferred tax assets is reviewed at each balance sheet 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.

Non-current assets and disposal groups

Discontinued operations represent cash generating units or groups of cash generating units that have either been disposed of or classified as held for sale, and represent a separate major line of business or are part of a single co-ordinated plan to dispose of a separate major line of business. Cash generating units forming part of a single co-ordinated plan to dispose of a separate major line of business are classified within continuing operations until they meet the criteria to be held for sale.

Discontinued operations

The post-tax profit or loss of the discontinued operation is classified as a single line on the face of the consolidated income statement, together with any post-tax gain or loss recognised on the remeasurement to fair value less costs to sell or on the disposal of the assets or disposal group constituting the discontinued operation.

On changes to the composition of groups of units comprising discontinued operations, the presentation of discontinued operations within prior periods is restated to reflect consistent classification of discontinued operations across all periods presented.

Property, plant and equipment

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

Plant, equipment, fixtures and motor vehicles are stated in the 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% and motor vehicles 25%.

Intangible assets - mineral property development costs

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

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

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

Impairment of tangible and intangible assets

Mineral properties are written down when any impairment in their value has occurred and are written off when abandoned. Where a provision is made or reversed it is dealt with in the income statement in the period in which it arises.

Investment in associates

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 balance sheet at cost adjusted by any material post-acquisition changes of the net assets of the associates, less any impairment of value in the individual investments.

Investments

Financial fixed assets are shown at cost less provisions for impairment in value. Income from financial fixed assets together with any related withholding tax is recognised in the income statement in the period in which it is recoverable.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as met only when a sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Disposal groups are groups of assets, and liabilities directly associated with those assets, that are to be disposed of together as a group in a single transaction.

Non-current assets (and disposal groups) classified as held for sale are initially measured at the lower of carrying value and fair value less costs to sell. At subsequent reporting dates non-current assets (and disposal groups) are remeasured to the latest estimate of fair value less costs to sell. As a result of this remeasurement any impairment is recognised by charging to the consolidated income statement, any increase in fair value is applied to reverse previous impairment charges on the non-current assets (or disposal groups) to a maximum of the original amortised cost.

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 balance sheet date and are discounted to present value where the effect is material.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

Equity instruments

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

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 binomial Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Segmental analysis

The group's primary format for segmental reporting is geographical segments which also correspond with the nature of the different projects being undertaken. The group has two segments: (i) the United Kingdom, which comprises the Parys Mountain base metal project (transferred to assets available for sale at 31 March 2008) and the much smaller Dolaucothi gold project and (ii) the Labrador Iron project in Canada, which from 3 December 2007 ceased to be carried in a subsidiary of the company and is not included in this analysis from that date.

New accounting standards

During the year the group adopted IFRS 7 on the disclosure of financial instruments and the consequential amendments to IAS 1 on the presentation of financial statements. These changes have resulted in increased disclosures in note 29.

The group and company have not applied the following IFRSs and IFRICs that have been issued and are applicable but are not yet effective: IAS 27, Consolidated and Separate Financial Statements, revised 2008 (effective 1 July 2009); IAS 32, Financial Instruments: Presentation, revised 2008 (effective 1 January 2009); and IFRS 8, Operating Segments (effective 1 January 2009).

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

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

(a) the directors' believe, after careful consideration, that the group does not, as a matter of fact, control the activities and operations of Labrador Iron Mines Holdings Limited (LIMH), and that the correct accounting treatment of this interest is to account for it on an equity basis as an associate company. In any event, although the group currently has a 50.01% ownership share in LIMH, there are outstanding exercisable warrants and options which if exercised would reduce the group's voting control to approximately 40% and under these circumstances the use of equity accounting is mandated by accounting standards.

(b) the directors' have reviewed the qualitative judgements from IFRS 5 in respect of the classification of assets as held for sale.

In determining the discounted value of the proposed deferred consideration receivable in respect of the intended sale of the Parys Mountain project, the directors have assumed that the deferred consideration will (i) be settled within two years of the sale, (ii) should be discounted at a rate of 8.25%, approximately 1% above Australian bank overnight lending rate and (iii) will be settled at A$2.047/£1.00, the rate of exchange on 22 July 2008.

3 Business and geographical segments

All activities relate to the group's principal activity which is the exploration and development of mining properties. The geographical and operational segments in which these activities are carried out coincide and are shown below. The direct property expenses in the UK are in respect of the Parys Mountain base metal project and in Canada they are in respect of the Labrador Iron project prior to its flotation in Toronto on 3 December 2007, after which it became an associated company investment.

Direct property expenses capitalised

Discontinued operations

	Parys Mountain 2008 £	Labrador Iron Mines 2008 £	Total 2008 £	*Parys Mountain 2007 £*	*Labrador Iron Mines 2007 £*	*Total 2007 £*
Site labour and support	72,778	-	72,778	*53,350*	-	*53,350*
Geology & drilling	106,006	58,471	164,477	*254,447*	*298,923*	*553,370*
Feasibility reports	55,650	75,004	130,654	*63,340*	*161,180*	*224,520*
Property rentals and charges	78,183	-	78,183	*60,172*	-	*60,172*
Travel	-	24,366	24,366	-	-	-
Currency translation difference	-	59,054	59,054	-	-	-
Total capitalised	312,617	216,895	529,512	*431,309*	*460,103*	*891,412*

Income statement analysis	United Kingdom	Canada	Total	*United Kingdom*	*Canada*	*Total*
Continuing operations						
Corporate salaries	185,994	-	185,994	*122,276*	-	*122,276*
Other corporate costs	200,213	-	200,213	*172,655*	-	*172,655*
	386,207	-	386,207	*294,931*	-	*294,931*
Discontinued operations						
Investment income	(3,011)	-	(3,011)	-	-	-
Rentals less administrative costs	(10,457)	-	(10,457)	-	-	-
Other corporate costs	-	23,581	23,581	-	*25,123*	*25,123*
	(13,468)	23,581	10,113	-	25,123	25,123
Unallocated items						
Equity-settled employee benefits			142,723			*68,840*
Impairment reversal			-			*(7,200,000)*
Share of profits in associate			(10,449)			-
Investment income			(18,959)			*(24,520)*
Finance costs			67,326			*72,875*
Profit on deemed disposal			(11,427,730)			-
Parys properties fair value adjustment			698,321			-
Profit for the year			(10,152,448)			*(6,762,751)*

Assets and liabilities

	United Kingdom	Canada	Total	*United Kingdom*	*Canada*	*Total*
Assets	13,291,506	12,068,276	25,359,782	*13,464,227*	*543,757*	*14,007,984*
Liabilities	(2,004,553)	-	(2,004,553)	*(1,937,430)*	*(96,521)*	*(2,033,951)*
Net assets	11,286,953	12,068,276	23,355,229	*11,526,797*	*447,236*	*11,974,033*

The group does not have any revenues. A proportion of the salary and corporate costs in the UK are in respect of investigating other mineral development opportunities.
In accordance with the group's accounting policy, mineral property development expenses are capitalised. All other expenses are expensed in the income statement.

4 Operating profit

The operating profit for the year has been arrived at after charging/(crediting):

	2008	*2007*
	£	*£*
Auditor's remuneration - audit services	20,439	*11,379*
Auditor's remuneration - taxation	-	*28,375*
Directors' remuneration	177,930	*92,055*
Equity-settled employee benefits	142,723	*68,840*
Impairment provision reversal	-	*(7,200,000)*

5 Staff costs

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

	2008	*2007*
Technical	1	*1*
Administrative	2	*2*
	3	*3*

Their aggregate remuneration was:

	£	*£*
Wages and salaries	163,444	*110,233*
Social security costs	5,888	*5,124*
Other pension costs	10,930	*930*
	180,262	*116,287*

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

6 Investment income

	2008	*2007*
	£	*£*
Loans and receivables		
Interest on bank deposits	18,959	*22,118*
Interest on site re-instatement deposit	-	*2,402*
	18,959	*24,520*

7 Finance costs

	2008	*2007*
	£	*£*
Loan interest to Juno Limited	67,326	*72,275*
Other interest	-	*600*
	67,326	*72,875*

8 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 an unrecognised deferred tax asset at 31 March 2008 of £1.3 million *(2007- £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, exceeding £10 million unclaimed and available at 31 March 2008, in respect of assets held as available for sale *(2007 - exceeding £9 million on assets not held as available for sale)*.

	2008	***2007***
	£	***£***
Current tax	-	-

Domestic income tax is calculated at 28% *(2007 - 30%)* of the estimated assessed profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

	2008	2007
Profit before tax	10,138,980	*6,762,751*
Tax at the domestic income tax rate of 28% (2006: 30%)	2,838,914	*2,028,825*
Tax effect of:		
Different tax rates of subsidiary operations	-	*(2,010)*
Expenses that are not deductible in determining taxable profit	(42,817)	*(20,652)*
Impairment reversal not subject to tax	-	*(2,160,000)*
Profit arising from consolidation adjustment in respect of deemed profit on disposal	(3,199,764)	-
Tax losses carried forward	403,667	*153,837*
Tax expense for the year	-	-

9 Discontinued operations - Parys Mountain

On 10 April 2008 the company agreed and signed a term sheet with ASX-listed Western Metals Limited (WMT) of Perth, Western Australia under which it is expected that both parties will enter into a formal agreement for the sale to WMT of the Parys Mountain poly-metallic base metal project in North Wales. The total consideration for the sale would be Australian dollars 29.136 million, equivalent to approximately £14.2 million at the exchange rate current on 22 July 2008. The results of the operations which are intended to be sold are as set out below. Note that no income statement was prepared for these operations in 2007.

Profit for the year from operations to be discontinued

	2008	*2007*
	£	*£*
Revenues	-	-
Other income	11,667	-
Administrative expenses	(1,210)	
Investment income	3,011	-
	13,468	-
Taxation	-	-
Profit for the year from operations to be discontinued	13,468	-

Cash flows from operations to be discontinued

	2008	*2007*
	£	*£*
Net cash flows from operating activities	10,457	-
Net cash flows from investing activities	(229,091)	*(462,732)*
Net cash flows from financing activities	-	-
Net cash flows	(218,634)	*(462,732)*

10 Assets classified as held for sale - Parys Mountain

As described in note 9, the Parys Mountain project is expected to be sold shortly after the date of these accounts. The values of the assets and liabilities which are included in the sale are:

Parys Mountain assets and liabilities held for sale

	2008	*2007*
	£	*£*
Mineral development expenses	13,424,560	-
Freehold property	204,687	-
Deposit	116,923	
Receivables	21,170	-
Less: Parys properties fair value adjustment	(698,321)	
Assets classified as held for sale	13,069,019	-
Trade payables	(58,697)	
Accruals	(364,044)	-
Provision for reinstatement	(42,000)	-
Liabilities directly associated with assets classified as held for sale	(464,741)	-

The Parys properties fair value adjustment arises in respect of the deferred element of the proposed consideration receivable for the intended sale of the Parys Mountain project to Western Metals Limited, which IFRS 5 requires to be discounted to its present value. This adjustment will be written back to the income statement over the next two years.

11 Asset disposals - Labrador properties

As described in the directors' report, the group's 100% owned subsidiary Labrador Iron Mines Limited was restructured during the year and its Schefferville operations were floated on the Toronto stock exchange on 3 December 2007 when £25.9 million before expenses was raised. The dilution of the group's interest in the Schefferville properties has given rise to a profit on the deemed disposal of part of the properties, which are now held in Labrador Iron Mines Holdings Limited (LIMH). The company's interest in LIMH is classified as an associate company in the group accounts.

	2008	*2007*
	£	*£*
Cash and cash equivalents	1,413	-
Amounts receivable	5,586	-
Mineral property expenditures	760,652	-
Amounts payable	(137,554)	-
Net assets disposed of, representing historic cost of interest in associated company	630,097	-
Profit on deemed disposal	11,427,730	-
Carrying value at 3 December 2007	12,057,827	-

12 Earnings per ordinary share

	2008	*2007*
	£	*£*
Earnings		
Profit for the year from continuing operations	10,138,980	6,762,751
Profit for the year from discontinued operations	13,468	-
Profit for the year	10,152,448	*6,762,751*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	148,387,969	*138,563,941*
Shares deemed to be issued for no consideration in respect of employee options	2,529,054	*4,839,894*
Weighted average number of ordinary shares for the purposes of diluted earnings per share	150,917,023	*143,403,835*
Basic earnings per share		
From continuing operations	6.8 pence	*4.9 pence*
From discontinued operations	0.0 pence	*0.0 pence*
Total basic earnings per share	6.8 pence	*4.9 pence*
Diluted earnings per share		
From continuing operations	6.7 pence	*4.7 pence*
From discontinued operations	0.0 pence	*0.0 pence*
Total diluted earnings per share	6.7 pence	*4.7 pence*

13 Intangible assets

Group - Mineral property development costs

	Parys Mountain	Labrador	Dolaucothi	Total
Cost	£	£	£	£
At 1 April 2006	12,680,634	90,400	194,065	12,965,099
Additions - own expenditure	431,309	460,103	-	891,412
Currency translation difference	-	(6,746)	-	(6,746)
At 31 March 2007	13,111,943	543,757	194,065	13,849,765
Additions - own expenditure	312,617	275,949	-	588,566
Transfer to associate company	-	(760,652)	-	(760,652)
Reclassification as assets held for sale	(13,424,560)	-	-	(13,424,560)
Currency translation difference	-	(59,054)	-	(59,054)
At 31 March 2008	-	-	194,065	194,065
Impairment provision				
At 1 April 2006	(7,200,000)	-	(194,065)	(7,394,065)
Reversed in year	7,200,000	-	-	7,200,000
At 31 March 2007 and 2008	-	-	(194,065)	(194,065)
Carrying amount				
Net book value 2008	-	-	-	-
Net book value 2007	*13,111,943*	*543,757*	-	13,655,700

Accumulated development expenditure in respect of each project is carried in the financial statements at cost, less an impairment provision where there are grounds to believe that the discounted present value of the future cash flows from the project is less than cost or there are other reasons to indicate that cost is not a suitable value. Each project is reviewed separately in order to make a determination of whether any impairment of its value has occurred.

At Parys Mountain, impairment provisions were made over the financial years 2001 to 2003 as the prices of the metals to be produced from the mine fell. However in 2007 these provisions were reversed since the result of re-estimating the cash flows of the Parys Mountain project was a value significantly higher than the accumulated costs. The basis for these calculations was directors' estimates of future metal prices and capital and operating costs, and a discount rate of 10% (which had also been used in previous calculations). The directors believe, based on current estimations on the same basis, that no further impairment provisions are necessary, and in any event, the assets on which these mineral development costs have been expended are subject to an agreement for sale as described in the directors' report and note 9 and have been reclassified as assets held for disposal.

The Labrador assets were reclassified to associate company status following the flotation of Labrador Iron Mines Holdings Limited on the Toronto stock exchange on 3 December 2007.

As the group has no plans to develop the Dolaucothi project in the near future and has written down the carrying value of the Dolaucothi expenditure.

14 Property, plant and equipment

Group

Cost	Freehold land and property £	Plant & equipment £	Office equipment £	Vehicles £	Total £
At 1 April 2006	185,102	17,434	5,487	3,200	211,223
Disposals	-	-	-	(3,200)	(3,200)
At 31 March 2007	185,102	17,434	5,487	-	208,023
Additions	19,585	-	-	-	19,585
Disposals	-	-	-	-	-
Reclassified as held for sale	(204,687)	(17,434)	(5,487)	-	(227,608)
At 31 March 2008	-	-	-	-	-
Depreciation					
At 1 April 2006	-	17,434	5,487	3,200	26,121
Disposals	-	-	-	(3,200)	(3,200)
At 31 March 2007	-	17,434	5,487	-	22,921
Charge for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Reclassified as held for sale	-	(17,434)	(5,487)	-	(22,921)
At 31 March 2008	-	-	-	-	-
Carrying amount					
At 31 March 2008	-	-	-	-	-
At 31 March 2007	*185,102*	-	-	-	*185,102*

Company

Cost	Freehold land and property £	Plant & equipment £	Office equipment £	Vehicles £	Total £
At 1 April 2006	185,102	17,434	5,487	3,200	211,223
Additions	-	-	-	-	-
Transfers and disposals	(120,000)	-	-	(3,200)	(123,200)
At 31 March 2007	65,102	17,434	5,487	-	88,023
Additions	-	-	-	-	-
Transfers and disposals	(65,102)	-	-	-	(65,102)
Reclassified as held for sale	-	(17,434)	(5,487)	-	(22,921)
At 31 March 2008	-	-	-	-	-
Depreciation					
At 1 April 2006	-	17,434	5,487	3,200	26,121
Disposals	-	-	-	(3,200)	(3,200)
At 31 March 2007	-	17,434	5,487	-	22,921
Charge for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Reclassified as held for sale	-	(17,434)	(5,487)	-	(22,921)
At 31 March 2008	-	-	-	-	-
Carrying amount					
At 31 March 2008	-	-	-	-	-
At 31 March 2007	*65,102*	-	-	-	*65,102*

15 Subsidiaries - company

The subsidiaries of the company at 31 March 2008 were as follows:

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

* These companies are classified as assets held for sale.

16 Investments - company

	Shares at cost	Amounts due as restated	Total
	£	£	£
At 1 April 2006	100,001	5,102,078	5,202,079
Added in year	-	1,027,519	1,027,519
Reversal of impairment provision	-	2,000,000	2,000,000
Transfer for impairment	-	5,200,000	5,200,000
At 31 March 2007	100,001	13,329,597	13,429,598
Added in year	102	566,987	567,089
Parys properties fair value adjustment	-	(698,321)	(698,321)
Less: Assets classified as held for sale	(100,101)	(12,517,027)	(12,617,128)
At 31 March 2008	2	681,236	681,238

The realisation of investments is dependent on finance being available for development and other factors as set out in more detail in note 13. Note 25 describes the prior year adjustment which is in the company accounts only.

17 Investment in associate

Labrador Iron Mines Holdings Limited (LIMH), a company registered in Ontario, Canada, became the holder of the group's interests in the Labrador properties at Schefferville, formerly held by the 100% owned subsidiary Labrador Iron Mines Limited, following a restructuring and flotation on the Toronto stock exchange effective on 3 December 2007.

At 31 March 2008 the group had a 50.01% ownership interest in LIMH, however since there are warrants and options outstanding and exercisable at that date, the group's diluted interest is less than 50% and consequently LIMH is treated as an associate for the purposes of these group financial statements.

	31 March 2008	*31 March 2007*
	£	*£*
Values in group financial statements:		
Historic cost of interest in associate at disposal date	630,097	-
Profit on deemed disposal	11,427,730	-
Group's share of profits of associate, adjusted to eliminate fair value uplift, for the period from disposal date to year end	10,449	-
Value of group's share of net assets of the associate as carried in the group accounts without any fair value adjustment in respect of mineral properties	12,068,276	-
Fair value of group's interest based on market price of associate's quoted shares at 31 March 2008	43,344,944	-
Values as shown in the published accounts of the associate including a fair value adjustment in respect of mineral properties, after conversion into sterling:		
Total assets	86,210,124	-
Total liabilities	(17,787,265)	-
Total net assets	68,422,859	-
	2008	**2007**
Total profit of associate for the period from incorporation to 31 March 2008	977,758	-

The group's interest in LIMH is held in these financial statements at original cost to the group, adjusted for the group's share of changes in net assets of the associate since acquisition.

In the financial statements of LIMH for the period to 31 March 2008, the Labrador mineral properties are recognised at fair value as indicated by the value ascribed to the Labrador companies in the Canadian flotation. This fair value is very significantly higher than the adjusted cost to the group. It follows that the carrying value of the group's share of net assets of its associate shown above is not 50.01% of the associate's net assets.

The published fair value of the group's investment in LIMH of £43.3 million is derived by valuing the group's shareholding in LIMH at the LIMH share price quoted in Toronto on 31 March 2008 of Canadian $4.75 per common share.

Continued . . .

Investment in associate continued . . .

The associated undertakings of the company at 31 March 2008 were as follows:

Name of company	Country of incorporation	Percentage owned	Principal activity
Labrador Iron Mines Holdings Limited, an associated company (from 3 December 2007)	Ontario, Canada	50.01%	Holding company for Labrador Iron Mines Limited (100%)
Labrador Iron Mines Limited, an associated company (restructured during the year), a subsidiary of LIMH	Ontario, Canada	50.01%	Development of Labrador Iron property

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

18 Deposit

	Group		Company	
	2008	*2007*	**2008**	*2007*
	£	**£**	**£**	**£**
Due from Isle of Anglesey County Council	-	*114,076*	-	*114,076*

This deposit was required and made under the terms of the group's Section 106 Agreement with the Isle of Anglesey County Council which has granted planning permissions for mining at Parys Mountain. It has been reclassified to assets held for sale at 31 March 2008.

19 Other receivables

	Group 2008	*Group 2007*	Company 2008	*Company 2007*
	£	**£**	**£**	**£**
Other	4,519	*19,103*	4,519	*13,521*

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

20 Trade and other payables

	Group 2008	*Group 2007*	Company 2008	*Company 2007*
	£	**£**	**£**	**£**
Trade creditors	(40,325)	*(124,712)*	(40,325)	*(98,971)*
Property royalties and rentals	-	*(298,624)*	-	-
Other accruals	(23,494)	*(159,948)*	(19,494)	*(85,168)*
	(63,819)	*(583,284)*	(59,819)	*(184,139)*

The carrying value of the trade and other payables approximates to their fair value. Certain payables have been reclassified to assets held for sale at 31 March 2008.

21 Loan

	Group 2008 £	*Group 2007 £*	Company 2008 £	*Company 2007 £*
Loan from Juno Limited	(1,475,993)	*(1,408,667)*	(1,475,993)	*(1,408,667)*

The loan from Juno Limited is denominated in sterling, unsecured, carries interest at 10% and is repayable from any future financing undertaken by the company. 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.

22 Long term provision

	Group 2008 £	*Group 2007 £*	Company 2008 £	*Company 2007 £*
Provision for site reinstatement	-	*(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. It has been reclassified to assets held for sale at 31 March 2008.

23 Share capital

	Ordinary shares of 1p		Deferred shares of 4p		Total
	Nominal value £	Number	Nominal value £	Number	Nominal value £
Authorised share capital					
At 1 April 2006 & 31 March 2007	1,840,000	184,000,000	7,320,000	183,000,000	9,160,000
Created 30 November 2007	400,000	40,000,000	-	-	400,000
At 31 March 2008	2,240,000	224,000,000	7,320,000	183,000,000	9,560,000
Issued and fully paid					
At 1 April 2006	1,375,081	137,508,051	5,510,833	137,770,835	6,885,914
Issued 3 May 2006	6,000	600,000	-	-	6,000
Issued 8 July 2006	7,000	700,000	-	-	7,000
At 31 March 2007	1,388,081	138,808,051	5,510,833	137,770,835	6,898,914
Issued 20 July 2007	137,500	13,750,000	-	-	137,500
At 31 March 2008	1,525,581	152,558,051	5,510,833	137,770,835	7,036,414

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

On 20 July 2007, 13,750,000 ordinary shares were issued in respect of a placing at 8 pence per share to five institutional investors.

24 Equity-settled employee benefits

Share option plan
The group plan provides for a grant price equal to the average quoted market price of the ordinary shares for the three trading days prior to the date of grant. The vesting period for options granted in the past two years 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	**2008 Weighted average exercise price in pence**	***Options***	***2007 Weighted average exercise price in pence***
Outstanding at beginning of period	9,400,000	5.45	*10,100,000*	*5.31*
Granted during the period	4,000,000	21.90	-	-
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	*700,000*	*3.47*
Expired during the period	-	-	-	-
Outstanding at the end of the period	13,400,000	10.36	*9,400,000*	*5.45*
Exercisable at the end of the period	9,400,000	5.45	*9,400,000*	*5.45*

The options granted during the year had a fair value of 10.3 pence each *(2007 - 2.1 pence each)*. The options outstanding at 31 March 2008 had a weighted average exercise price of 10.36 pence *(2006 -5.45 pence)*, and a weighted average remaining contractual life of 7.5 years *(2007 - 8.6 years)*.

The inputs into the Black-Scholes model in respect of options granted during the year are as follows:

	2008	***2007***
Weighted average share price in pence	21.90	*10.63*
Weighted average exercise price in pence	21.90	*10.63*
Expected volatility	66%	*66%*
Expected life	3 years	*3 years*
Risk free rate	5%	*5%*
Expected dividends	None	*None*

Expected volatility was determined by calculating the historical volatility of the share price over the previous three years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.
The group recognised total expenses of £142,723 *(2007 - £68,840)* in respect of equity-settled employee remuneration during the year.
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**
Executive approved	300,000	3,000	2.00p	3 May 2005	2 May 2012
Unapproved	300,000	3,000	2.00p	3 May 2002	2 May 2009
2004 Unapproved	6,700,000	67,000	4.13p	22 October 2004	21 October 2014
2004 Unapproved	2,100,000	21,000	10.625p	15 January 2007	14 January 2016
2004 Unapproved	4,000,000	40,000	21.9p	26 November 2008	26 November 2017
Total	13,400,000	134,000			

25 Loss attributable to Anglesey Mining plc

The loss after taxation in the parent company amounted to £1,275,716 *(2007 – restated profit - £1,587,790)*. The directors have taken advantage of the exemptions available under section 230 of the Companies Act 1985 and not presented a profit and loss account for the company alone.

Prior period adjustment in parent company accounts

In the year to 31 March 2007, an impairment provision in respect of Parys Mountain deferred development costs of £7,200,000 was credited in the accounts of the company's subsidiary Parys Mountain Mines Limited as the relevant assets were no longer impaired. £5,200,000 of this provision was originally made in the accounts of the company prior to the transfer of the relevant assets in 2002. That transfer was made on the basis that, in the event of a reduction in the impairment to which the assets were subject at the time of transfer, the subsidiary would pay an equivalent deferred consideration to the company.

Although the impairment provision was removed entirely during the year to 31 March 2007 the deferred consideration was not recorded until the year ended 31 March 2008. This transaction has been shown in these financial statements as a prior year adjustment, the effect of which has been to increase the company's profit for the year to 31 March 2007 by £5,200,000 and to increase the company's net assets by £5,200,000.

26 Material non cash transactions

Other than the share transactions disclosed in note 23, there were no material non-cash transactions.

27 Commitments

Other than commitments under leases (note 31) there is no capital expenditure authorised or contracted which is not provided for in these accounts *(2007 - nil)*.

28 Contingent liabilities

There are no contingent liabilities *(2007 - nil)*.

29 Financial instruments

Capital risk management

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 21, 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 group finances its operations through a mixture of equity, and loans from Juno Limited. These 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.

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 agreement with Juno Limited. Since the flotation of Labrador Iron Mines Holdings Limited (LIMH) on 3 December 2007, the group had a significant shareholding in LIMH which is quoted on the Toronto stock exchange (see note 17). This holding is subject to lock-up arrangements, the major part of which are removed on 3 December 2008.

Continued . . .

Financial instruments continued . . .

Currency risk
The functional currency of the group is pounds sterling and 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 company has no other foreign currency denominated balances at the year end.
If the sale of the Parys Mountain properties to Western Metals Limited described in the directors' report goes ahead as envisaged, the group will be exposed to a currency risk in respect of the consideration to be received which is proposed to be denominated in Australian dollars.

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.

The financial instruments of the group and the company at 31 March 2008 are:

	Group		Company	
	Cash, loans & receivables	Liabilities	Cash, loans & receivables	Liabilities
	£	£	£	£
Financial assets				
Other debtors	4,519		4,519	
Cash and cash equivalents	217,968		191,750	
Financial liabilities				
Trade creditors		(40,325)		(40,325)
	222,487	(40,325)	196,269	(40,325)

All financial assets and liabilities are initially stated at fair value and measured at amortised cost, and all carrying values approximate to fair values.

30 Related party transactions

Juno Limited
Juno Limited ("Juno") which is registered in Bermuda holds 38.0% 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 21. There were no transactions between the group and Juno or its group during the year other than the accrual of interest due to Juno. Danesh Varma is a director and, through his family interests, a significant shareholder of Juno.

Labrador Iron
Upon the flotation in Canada in December 2007 of the group's interests in its Labrador iron ore project at Schefferville, John Kearney became chairman of the newly formed Labrador Iron Mines Holdings Limited (LIMH), Bill Hooley became a director and chief operations officer and Danesh Varma became chief financial officer. All three are shareholders of LIMH, receive salaries from LIMH and have been granted options over the shares of LIMH. Ian Cuthbertson has been granted options over LIMH shares. There are no transactions between LIMH and the group which are required to be disclosed.

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

31 Mineral holdings

Parys

(a) All 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 by the company's subsidiary Parys Mountain Mines Limited.

(b) Under a lease from Lord Anglesey dated 18 December 2006, the company's subsidiary Parys Mountain Land Limited holds the eastern part of Parys Mountain, formerly known as the Mona Mine. An annual certain rent of £5,426 is payable for the year beginning 23 March 2008; the base part of this rent increases to £10,000 in 2012 and to £20,000 when extraction of minerals at Parys Mountain commences; all of these rental figures are index-linked. A royalty of 1.8% of net smelter returns from mineral sales is also payable. The lease may be terminated at 12 months notice but not before 2012 and otherwise terminates in 2070.

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

(d) Under a royalty agreement with Intermine Limited the group is obligated to make payments of C$50,000 (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. There is an option to buy out the royalty and advance payments. The agreement may be terminated at 12 months notice on abandonment of the property. The group has not paid all of the amounts due under this agreement and has made settlement proposals to Intermine Limited but no understanding has yet been reached. Intermine Limited holds a charge over the mining rights held by Parys Mountain Mines Limited to secure the payment of royalties in respect of minerals produced in the areas described in (a) and (b) above.

Labrador

During the year the group's interests in the Schefferville properties were substantially restructured, as described in the circular to shareholders dated 6 November 2007. Following the initial public offering of Labrador Iron Mines Holdings Limited (LIMH) in Toronto in November 2007, the group has a 50.01% ownership interest in the common stock of LIMH, which holds a 100% interest in the Schefferville properties, subject to continuing obligations, principally to place the properties into production. A royalty of 3% of the FOB selling price of iron ore produced is payable to a third party.

Dolaucothi

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

32 Post balance sheet events

On 10 April 2008 the company announced that it had agreed and signed a term sheet with ASX-listed Western Metals Limited (WMT) of Perth, Western Australia under which it is expected that both parties will enter into a formal agreement for the sale to WMT of the company's Parys Mountain poly-metallic base metal project in North Wales. The total consideration for the sale would be Australian dollars 29.136 million, equivalent to approximately £14.2 million at the exchange rate applicable on 22 July 2008. At that date negotiations on the formal agreement were continuing and are expected to reach a satisfactory conclusion.

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of the company will be held at 11 am on 3 October 2008 at the offices of the company's lawyers DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE for the following purposes:

As Ordinary Business

To consider and if thought fit to pass the following resolutions:

1. To receive and adopt the report and accounts for the year ended 31 March 2008.
2. To approve the directors' remuneration report.
3. To re-elect as a director Bill Hooley who is retiring by rotation.
4. To re-elect as a director Roger Turner who is retiring by rotation.
5. To re-elect as a director Danesh Varma.
6. To appoint Mazars LLP as auditors and to authorise the directors to fix their remuneration.

As Special Business

To consider and if thought fit to pass the following special resolution:

7. That 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 at the annual general meeting held in 2007, 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 £381,000;

   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

30 July 2008

Notes to the notice of AGM:

1. Only holders of the company's ordinary shares are entitled to attend and vote at the Annual General Meeting. A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and to vote at the meeting. A member 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 him. A proxy need not be a member of the company.

2. A Form of Proxy is enclosed with this notice and instructions for completion are shown on the form. Forms of Proxy need to be deposited with the company's registrars, Capita Registrars Limited, not later than 48 hours before the start of the Annual General Meeting. Completion of a Form of Proxy does not preclude members attending and voting in person at the Annual General Meeting, should they so wish.

3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the company specifies that in order to have the right to attend and vote at the meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the company 48 hours before the time of the meeting, or, in the event of any adjournment, 48 hours before the time of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may have a right under an agreement between him/her and the member by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such right or does not wish to exercise it, he/she may have a right under such an agreement, to give instructions to the member as to the exercise of voting rights. The statement of the rights of the members in relation to the appointment of proxies does not apply to Nominated Persons.

5. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – http://www.icsa.org.uk – for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.

6. As at 29 July 2008 (the last business day prior to the publication of this notice), the company's issued share capital consisted of 152,558,051 ordinary shares of 1 pence each, carrying one vote each and 137,770,835 deferred shares of 4 pence each carrying no voting rights. At such date, the company held no shares in treasury. Therefore, the total voting rights in the company are 152,558,051.

Directors

John F. Kearney	Irish, aged 57, chairman, is a mining executive with 35 years experience in the mining industry. He is also chairman of the company's associate Labrador Iron Mines Holdings Limited and chairman of Canadian Zinc Corporation, Sulliden Exploration Inc., Minco plc and Conquest Resources Limited. He is a director of the Mining Association of Canada and has degrees in law and economics from University College Dublin and an MBA from Trinity College Dublin. He is a member of the nomination committee and is resident in Canada.
Bill Hooley	aged 61, chief executive, is a mining engineering graduate from the Royal School of Mines and has extensive experience in many countries including the UK and Australia. He is chief operating officer and a director of the company's associate Labrador Iron Mines Holdings Limited. He has been a director of a number of companies involved in the minerals industry. He is a Fellow of the Australasian Institute of Mining and Metallurgy.
Ian Cuthbertson	aged 61, finance director and company secretary, is a chartered accountant. He has extensive previous experience in the international oilfield and construction industries and has been secretary of the company since 1988.
David Lean	Australian, aged 61, 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 64, non-executive director, a lawyer with over 40 years experience in the legal and mining finance sector in Africa, Canada and the UK. He has extensive experience in the financing of resource companies. He is chairman of Avnel Gold Mining Limited. He is a member of the remuneration and nomination committees and the senior independent director.
Roger Turner	aged 65, non-executive director, is a mining engineer with more than 30 years experience in engineering, management and project development. He is a Camborne graduate and has an MSc in geology. He was previously President of Nelson Gold Corporation and Oxus Gold plc and chairman of Minco plc.
Danesh Varma	Canadian, aged 58, non-executive director, is a chartered accountant and a member of the Chartered Institute of Taxation. He is chief financial officer of the company's associate Labrador Iron Mines Holdings Limited. He is also chief financial officer of Minco plc, Ovoca Gold plc and Conquest Resources Limited. He is a member of the audit and remuneration committees.

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