



Anglesey Mining plc

Trading Symbol
LSE: AYM

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Anglesey Mining plc ("Anglesey" or "the Company")

Chairman's AGM Statement – Outlook remains positive for metal prices

Anglesey Mining plc (LSE:AYM), the UK minerals exploration and development company, is pleased to release the Chairman's Statement at the Annual General Meeting of Shareholders held in London today, which highlights the drivers behind the Company's positive outlook for metals prices.

Highlights

- Strength in metal prices over the last 12-months has been driven by electrification, decarbonisation and global commitments to build new, or replace, critical infrastructure
- Metals and minerals are essential for addressing climate change and are critical components for governments around the world to hit their green economy targets
- The current environment provides a unique opportunity for the Company's Parys Mountain project, with work to commence shortly on feasibility study activities including infill drilling the White Rock Zone and completing geotechnical and metallurgical testwork
- The results of these work programmes will flow into the updated mine plan and permitting activities

Jo Battershill, the CEO & Managing Director of Anglesey Mining, commented: *"With today's AGM Statement, the Chairman of Anglesey Mining has explained very clearly why the Parys Mountain and Grängesberg assets will most definitely play a part in the supply of minerals for adapting to a green economy.*

We have recently hosted visits to Parys Mountain with the Ynys Môn MP, Mrs Virginia Crosbie and a senior member of the North Wales Minerals and Waste Planning Service to discuss and promote our plans for the project and the broader community. We continue to believe Parys Mountain is positioned very strongly and has all the hallmarks of a highly cash generative mine development with a long life.

Initial work programmes are now being planned and will include infill drilling to convert inferred resources within the White Rock and Engine Zones into the higher confidence indicated category together with geotechnical drilling to assist with mine optimisation planning and provide bulk samples for confirmatory metallurgical testwork. We are also targeting a start to the environmental baseline studies as soon as possible.

As disclosed in the recently published Annual Report, our current financial resources are sufficient to undertake these important workstreams and the proposed PEA for Grängesberg. As additional funding becomes available these programmes will be accelerated. Options for additional funding remain open and the Board of Anglesey will pursue all relevant opportunities including strategic investors, partners and consideration to moving the listing to AIM, which could potentially enhance investor interest and provide increased financing flexibility.

As previously stated, the Company will maintain a continued focus on the sustainable development of our resource projects with the use of appropriate environmentally friendly solutions where possible."

Anglesey Mining plc (“Anglesey”) is pleased to release the Statement of Anglesey’s Chairman, John Kearney, to Shareholders at the AGM held in London today.

Positive Metal Price Outlook

The strength of metal prices to date in 2021 is very encouraging. Over the past year, base metal prices have posted strong gains, driven by resilience in the global economy, investment speculation, supply disruptions and inventory depletion.

In 2021, continued fiscal and monetary policy support is providing additional momentum to prices against a backdrop of multi-year low exchange stocks. Because China accounts for more than half of global base metal demand and a significant share of global metal supply, economic developments in China will continue to be a major factor in metal markets and prices over the long term. Notwithstanding a mid-summer slowdown and negativity surrounding property developer Evergrande, Chinese demand is expected to remain strong in 2021.

The principal reason for our positive outlook for metal prices, as discussed in our recent 2021 Annual Report, is the growing recognition that metals and minerals are essential for addressing climate change and adapting to a green economy. Metals are essential for electrification: copper for power generation, transmission and energy storage; nickel and lead for energy storage; and zinc for extending the lifespan of products. The two key metals for Parys Mountain are copper and zinc.

At current mid 2021 metal prices, copper production from a Parys Mountain mine would represent a little over 50% of the net smelter revenue under the expanded Case C of the 2021 PEA, while zinc and lead would represent 28% and 12% respectively. The PEA indicates production of 103,500 tonnes of copper over the project’s 12-year mine life, equivalent to an average production of 8,500 tonnes of copper per year.

The need for metals and minerals – Minerals are essential for a green economy

It is expected that post-pandemic global stimulus plans and the challenging targets of the Paris Agreement to achieve climate neutrality by 2050 will provide long term demand and support for critical and strategic minerals and thus for metal prices, including in particular copper, and indeed lead and zinc.

Amid resurging demand and as the world recovers from the pandemic, trillions of dollars being invested to rebuild infrastructure as well as transitioning to a green economy, the outlook for copper is extremely bullish. Governments around the world are launching huge stimulus programmes focused on job creation and environmental stability, leading to the potential for a multi-decade commodity cycle ahead driven by decarbonisation of the global economy and a shift to cleaner energy.

The International Energy Agency (IEA), in its May 2021 report, *The Role of Critical Minerals in Clean Energy Transitions*, states that the rapid deployment of clean energy technologies as part of energy transitions implies a significant increase in demand for minerals. The IEA report suggests that an energy system powered by clean energy technologies differs profoundly from one fuelled by traditional hydrocarbon resources. It concludes that solar photovoltaic plants, wind farms, and battery-electric vehicles (BEVs) generally require more minerals to build than their fossil fuel-based counterparts.

According to the IEA, a typical electric car requires six times the mineral inputs of a conventional car and an onshore wind plant requires nine times more mineral resources than a gas-fired plant.

Internal combustion engine vehicles (ICEVs) are the greatest contributors to carbon emissions in the UK. As recognized by the Committee on Climate Change, for transport to hit ‘net zero’, the internal combustion engine needs to be eliminated from cars. To switch the UK’s fleet of 31.5 million ICEVs to BEVs it would take an estimated 2,362,500 tonnes of copper, plus other critical minerals. In addition, the energy revolution towards

renewables, that is, wind, solar, wave, tidal, hydro, geothermal and nuclear, together with the newly built infrastructure for delivery, are highly reliant on mineral-based technologies.

A letter authored by Natural History Museum Head of Earth Sciences, Prof. Richard Herrington, delivered to the Committee on Climate Change, explains that to meet UK electric car targets for 2050 the UK would require at least half of the world's copper production, as well as other minerals, and to replace all UK-based vehicles today with electric vehicles would take 2.36 million tonnes of copper, representing approximately half of the world's annual copper production.

The focus on the renewable energy transition has continued to intensify since March 2020, with the world's major economies — the U.S., China and Europe — establishing carbon-neutrality goals through to 2060. As policymakers injected unprecedented amounts of stimulus into the global economy toward recovery from the COVID-19-induced downturn, some of this investment was directed toward boosting the rollout of green energy technologies to reduce global carbon emissions.

Based on S&P Global projections for the rollout of solar, wind and EVs to 2025, together with analysis of metals intensities in these use cases, S&P Global Market Intelligence forecasts demand to grow by a CAGR of 15% for copper, 35% for lithium, 28% for cobalt and 35% for nickel.

Copper is a major component of EVs; it is used in the anode current collector of lithium-ion batteries, in the stator and rotor of induction motors, in inverters and wiring. Pure battery electric vehicles, or BEVs, which are powered exclusively by the electricity stored in their battery, are more copper-intensive than plug-in hybrid electric vehicles, or PHEVs, which have both a battery-powered motor and an internal combustion engine.

Global copper demand will be positively impacted by an expansion in electrification infrastructure to support growth in energy demand, as well as from the expansion and upgrade of telecommunications and EV charging networks, particularly in China and the U.S.

Copper demand from solar and wind energy and from EVs, including e-buses, is projected to account for 2.8 Mt in 2025, which represents approximately 10.8% of the total forecast global copper demand. The wide variation in copper usage intensity in the renewable energy sector, however, simultaneously poses significant upside and downside risks to copper demand to 2025.

Mineral resources are the key to a more sustainable future.

To quote Prof. Richard Herrington, *“Mineral resources are the lifeblood of our modern society and the key to a more sustainable future. Today, we are in the middle of disruptive innovation in emerging green energy, e-mobility and clean technology, triggered by pressing societal challenges. The growing need for carbon-neutral technology creates a strong demand for minerals, metals and advanced materials”*.

Development of a new mine at Parys Mountain, producing copper, zinc and lead with gold and silver credits, can deliver economic growth in the UK, regional jobs for the community and business opportunities for local service providers. Hardly any of these critical and strategic metals, essential for reduction in our carbon footprint and transition to a green economy, are currently produced in the UK leaving the country entirely dependent on imports.

This creates a unique and timely opportunity, both for Anglesey Mining and for the UK, to develop a new, modern, mine at Parys Mountain in an environmentally sustainable manner.

About Anglesey Mining plc

Anglesey Mining is listed on the London Stock Exchange and currently has 225,475,732 ordinary shares in issue.

Anglesey is developing its 100% owned Parys Mountain copper-zinc-lead deposit in North Wales, UK with a 2020 reported resource of 5.2 million tonnes at 4.3% combined base metals in the Indicated category and 11.7 million tonnes at 2.8% combined base metals in the Inferred category.

Anglesey holds an almost 20% interest, and management rights to the Grangesberg Iron project in Sweden, together with a right of first refusal to increase its interest by a further 50.1%. Anglesey also holds 12% of Labrador Iron Mines Holdings Limited which holds direct shipping iron ore deposits in Labrador and Quebec.

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