

Anglesey Mining plc

Annual Report 2019

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Glossary

AGM - the annual general meeting to be held on 5 September 2019

DFS - Definitive Feasibility Study

DMS - dense media separation, a process for the elimination of low-density waste from crushed ore

EIA - environmental impact assessment

GIAB - Grangesberg Iron AB, a privately owned Swedish company

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

IRR - internal rate of return

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

mtpa - million tonnes per annum

NPV - net present value

NSR - net smelter return

PFS - Preliminary Feasibility Study

tonne - metric tonne of 2,204.6 pounds avoirdupois

SEK - Swedish Krona

tpd - tonnes per day



Anglesey Mining plc

A UK mining company
listed on the London Stock Exchange

Projects:

100% of the Parys Mountain underground zinc-copper-lead-silver-gold deposit in North Wales, UK where an updated Scoping Study was completed in 2017. The results of this Study are positive and a further optimisation study is currently underway.

12% of Labrador Iron Mines Holdings Limited which holds direct shipping iron ore deposits in Labrador and Quebec.

A 8.7% interest in, and management rights to, the Grangesberg Iron project in Sweden, together with a right of first refusal to increase its interest to 58.8%.

To Anglesey Shareholders

Metal prices are a key factor in the outlook for the mining and mineral exploration industry as a whole and for Anglesey Mining in particular. Despite the current geopolitical uncertainty caused by fears of trade wars and tariffs, there is a general expectation of a continued positive outlook for base metals, particularly for zinc and copper, and more recently for iron ore.

The first half of 2018 saw a continued improvement in base metal prices which stalled mid-year as the optimism provided by shrinking metal inventories and generally declining mine production was overshadowed by the growing threat of a US-China trade war, tariffs, potential interest rate hikes in the US, uncertainty in Europe and a general slowdown in the global economy. These conditions caused most metal prices to retreat in the second half of 2018, before stabilizing towards year end.

After having risen consistently for almost two years, the prices of zinc and copper began falling in mid-2018. Prices softened throughout the second half of 2018 and the first half of 2019 in response to the US/China trade conflict and concerns of slowing global economic growth. The zinc price improved through the first quarter of 2019, reaching a high of US\$1.37 per pound (US\$3,000/tonne) in mid-April, before weakening in the second quarter of 2019 as the opening of several large new zinc mines negatively impacted the price.

The expectations for supply and demand fundamentals are positive for 2019. According to the International Lead and Zinc Study Group global demand for refined zinc metal is expected to rise in the second half of 2019 and the expectation is that global demand for refined zinc will exceed global supply, drawing down stocks. Meanwhile, global demand for lead increased slightly year on year as demand for batteries for the new vehicle market increased.

Metal stocks on the LME remain below long-term average levels. With low or no copper mine production growth, the expansion of China’s smelting capacity and its demand for imported concentrates and the recent reduction in copper concentrate treatment charges, the outlook for the remainder of 2019 is for the copper price to trend upwards.

During the last year the substantial changes in the iron ore market favouring higher quality (+65% Fe) product has continued to result in very healthy premiums for higher grade product. Over the first half of 2019, the base price of 62% Fe jumped to a five year high of over US\$120 per tonne, as a result of tailings dam failures affecting the Brazilian operations of Vale and a cyclone temporarily disrupting Australian production of both Rio and BHP.

Parys Mountain – Moving steadily forward

In 2017 a new Scoping Study on the Parys Mountain copper-lead-zinc project located on the island of Anglesey in North Wales, was prepared by Micon International Limited and Fairport Engineering Ltd. The Scoping Study envisages a mining rate of 1,000 tonnes per day, to produce an average annual output of 14,000 tonnes of zinc concentrate at 57% Zn, 7,200 tonnes of lead concentrate at 52% Pb and 4,000 tonnes of copper concentrate at 25% Cu, annually over an initial mine life of eight years.

The Scoping Study demonstrates a viable mine development and a healthy financial rate of return based on copper prices of \$US2.50 per pound, zinc of \$US1.25 per pound and lead of \$US1.00 per pound, generating an overall net smelter return of \$US270 million with an IRR of 28% and an NPV10 of \$US43 million. Using assumptions of longer term metal price projections of \$1.35 per pound for zinc and \$3.00 per pound for copper, and using an 8% discount rate, to reflect the relatively low political risk in the UK, the NPV indicated would be \$52 million, or £42 million, with an IRR of 30%.

Following completion of the positive 2017 Scoping Study, Anglesey has been working to progress the Parys Mountain project towards production. The Study recommended further work as interim steps towards undertaking a feasibility study, including more detailed mine planning and design, more engineering studies, additional metallurgical test work and a review of tailings management and environmental and planning permissions, all of which will require new and further financing.

In late 2018, Anglesey entered into a Project Development and Cooperation Agreement with QME Mining Technical Services, a division of QME Ltd, to carry out an agreed programme of design, engineering and optimisation studies relating to the future development of Parys Mountain. The Agreement with QME will see the completion of a substantial part of the recommended further work on mine planning and design and project optimisation at no cost to Anglesey and at no dilution to Anglesey’s current shareholders.

The primary objective is to determine the optimum production plan for Parys Mountain, utilising all available and potential means of accessing both the indicated resources and inferred resources, at various “cut-off” grades.

As part of its work QME is developing a revised mine model with the objective of incorporating more of the indicated resources and some of the inferred resources, including part of the higher-grade Engine Zone inferred resources, into the

earlier years of the mine plan with the intention of bringing forward cashflows and increasing the projected life of the Parys Mountain mine to at least 10 years, with potential positive outcomes on the project economics.

QME has undertaken a detailed review of various development and mining alternatives for Parys Mountain. In its preliminary work to date, QME has identified the potential for improvements in the development plans contained in the 2017 Scoping Study which was based on mining only the 2.1 million tonnes of indicated resources reported by Micon in 2012. Micon had reported a further 4.1 million tonnes of inferred resources which were not incorporated into the Scoping Study.

The QME studies have suggested that the project can be further improved if the potential mineable tonnage can be increased by using a lower cut-off grade and generating a revised mine development plan. This second stage of the process is ongoing with completion scheduled for the end of 2019. Subject to financing being available, this work would then form the basis for commissioning an updated scoping or preliminary feasibility study.

Following delivery of the optimisation studies, and the subsequent completion of a feasibility study, QME will have the option to undertake at QME's investment, the mine development component of the Parys Mountain project, including decline and related underground development and shaft development, in consideration of which QME would earn a 30% undivided joint venture interest in the Parys Mountain project. If exercised this would significantly reduce the capital cost to the group for the development of the mine.

Grangesberg Iron

Anglesey continues to manage the Grangesberg iron ore project in Sweden, about 200 kilometres north-west of Stockholm. Until its closure in 1989 due to then prevailing market conditions, the Grangesberg mine had produced in excess of 150 million tonnes of iron ore. A Technical Report prepared by Roscoe Postle Associates Inc in 2014 estimated a resource of 115.2 million tonnes at 40.2% Fe in the indicated category and 33.1 million tonnes at 45.2% Fe in the inferred category and concluded that the Grangesberg deposit hosts a significant iron resource that has excellent potential for expansion at depth.

The high-quality product that Grangesberg will be expected to produce, which would attract premium prices in the current iron ore market, together with the potential for sales within the adjacent European markets, make Grangesberg more attractive than many other undeveloped iron ore projects.

Labrador Iron

The group holds a 12% interest in Labrador Iron Mines Holdings Limited (LIM) which owns extensive iron ore resources in its Schefferville Projects in Labrador and in Quebec, Canada. LIM has not undertaken mining operations since 2013 but maintains its iron ore assets on a stand-by care and maintenance basis. The Houston property, which is planned as LIM's next direct shipping mine project, is situated in Labrador about 25 km southeast of the town of Schefferville, and is estimated to contain a resource of 40.6 million tonnes grading 57.6% iron. Subject to securing financing, LIM plans to pursue development of the Houston Project and resume mining operations when economic conditions warrant. When in full production, the Houston deposits are expected to produce consistent saleable product of about 2 million tonnes per year, with an initial mine-life of 10 years.

Outlook

We remain confident that demand for metals will remain strong and the outlook for commodity prices will remain positive for the foreseeable future. The 2017 Scoping Study demonstrated a viable mine development at Parys Mountain with a healthy financial rate of return. The outlook for metal prices, particularly zinc, copper and lead, which form the basis of Parys Mountain revenue, remains very positive.

We will also continue to review the commercial and development opportunities for our iron ore projects as the medium-term outlook for iron ore is also positive.

Anglesey also plans to pursue new opportunities for mineral exploration and development projects, with a focus on advanced copper and other base metal exploration or development projects.

I would like to thank the current directors for their ongoing diligence and support in moving the Parys Mountain mine project forward and again thank all our shareholders for their continued confidence and support.

John F. Kearney
Chairman
30 July 2019

Principal activities and business review

Anglesey Mining is engaged primarily in the business of exploring and evaluating its wholly owned Parys Mountain zinc, lead, copper project in North Wales. In 2017 a new Scoping Study prepared by Micon International Limited and Fairport Engineering Ltd. demonstrated a viable mine development and a healthy financial rate of return.

In late 2018 QME, an Irish contracting and consulting group commenced an optimisation project of this Scoping Study. Site activities during the year have continued to be limited to care and maintenance.

In addition, under various agreements the group participates in the management of the Grangesberg iron ore property in Sweden in which it increased its holding to 9%, following a small investment in late 2018, and a right of first refusal to acquire a further 50% ownership interest. The group also has a 12% holding in the Labrador Iron Mines in eastern Canada, currently operating in care and maintenance.

During 2019 the company made a private placement of approximately 9.4 million new shares to raise a gross sum of £200,000.

The group's objective remains to phase the development and financing of the Parys Mountain project by undertaking various studies, completing a prefeasibility or feasibility study and progressing the Parys Mountain Mine towards production.

Parys Mountain

The Parys Mountain property hosts a significant polymetallic zinc, copper, lead, silver and gold deposit. The site has a head frame, a 300m deep production shaft and planning permission for operations. The group has freehold ownership of the minerals and surface land. Infrastructure is good, political risk is low and the project enjoys the support of local people and government.

An independent JORC resource estimate completed in 2012 by Micon International Limited reported a resource of 2.1 million tonnes in the indicated category at 6.9% combined base metals and 4.1 million tonnes at 5.0% combined base metals in the inferred category, with substantial exploration potential.

In July 2017 a new Scoping Study using the 2012 resource estimate was prepared by Micon International Limited and Fairport Engineering Ltd. The Scoping Study demonstrates a viable mine development mining 1000 tpd to produce lead, zinc and copper concentrates and yielding a healthy financial rate of return.

Development Plan – 2017 Scoping Study

During the period 2006-2010 Anglesey Mining carried out a detailed drilling programme on the White Rock Zone which lies adjacent to the existing 300m Morris Shaft and largely overlies the deeper Engine Zone deposits, but which extends to surface. As a result of this drilling the 2012 resource estimate by Micon included both the White Rock Zone and the Engine Zone.

A new mining plan based on a surface decline to access the White Rock zone was prepared. It proposed that a decline would be developed by mining contractors and would be used as the initial means of access to the resource for development and mining. During the initial production phase from the White Rock zone the decline would continue to be driven to reach the current bottom of the Morris Shaft and beyond. The shaft would then be dewatered and deepened by approximately 150 metres and recommissioned as a hoisting shaft for the remnant White Rock ore and for the deeper and more valuable Engine Zone ore. Mining would be carried out initially from the main decline using rubber-tired equipment including drill jumbos, load-haul-dump machines and trucks to remove development waste to surface and production ore to the planned adjacent processing plant. The existing hoist and headframe would be refurbished and used to bring ore to the surface for delivery to the processing plant through the deepened shaft.

The 2017 Scoping Study concluded that the preferred development option for Parys Mountain is a 1,000 tpd mine and plant with a Dense Media Separation (DMS) section and that after an initial ramp-up period, the higher production level can be maintained. This would result in a mine life of approximately eight years based only on the indicated resources.

Metal Production

The processing plant proposed in the 2017 Scoping Study will consist of crushing and grinding followed by conventional three stage flotation to produce copper, zinc and lead concentrates to be shipped to smelters in Europe. Metallurgical performance and recovery is based on the large volume of information available from test work on Parys Mountain ores over the years. Total base metal recovery to each of the three copper, zinc and lead concentrates is forecast to be 89.8% and taking into account the DMS losses overall recovery will be approximately 85.7%. Significant amounts of silver and gold will report to each of the concentrates. Some free gold will be recovered by gravity methods and will be sold as Welsh gold.

On average 14,000 tonnes of zinc concentrate at 57% Zn, 7,200 tonnes of lead concentrate at 52% Pb and 4,000 tonnes of copper concentrate at 25% Cu, will be produced annually. These figures will vary somewhat during the life of the mine as mine feed varies depending upon the particular ore bodies being mined at any time. Life of mine average annual metal production into concentrates is forecast at 17.6 million pounds of zinc, 8.3 million pounds of lead and 2.2 million pounds of copper.

Using estimated shipping costs, smelter terms and penalties, the overall NSR for the three concentrates, including the precious metals, was projected to total in excess of \$270 million at the metal prices used for the base case. This would represent net smelter revenue of approximately 72% of the metal value in concentrates delivered to the smelters.

Project Financial Results

The pre-production capital cost of the base case including mining, DMS, concentrator and infrastructure is estimated at \$56 million, including a \$4 million contingency. The initial capital cost for mine development is estimated to be \$16 million, the concentrator \$29.5 million including \$3 million for the DMS plant, and infrastructure \$10 million. Operating costs were developed by Micon and Fairport

based on current knowledge and experience which at the higher levels of production are forecast at around \$47 per tonne of ore treated.

The base case yields a pre-tax net present value of \$33 million, or £26 million, at a conservative 10% discount rate, using metal prices of \$1.25 per pound for zinc, \$1.00 per pound for lead, \$2.50/pound for copper, \$17.50 per ounce for silver and \$1,275 per ounce for gold and at an exchange rate of £1.00 = \$US1.25. With an estimated pre-production capital cost of \$56 million, or £45 million, this results in an indicated internal rate of return (IRR) of 26%.

At an 8% discount rate, used to reflect the relatively low risks of the project given its advanced level of development and low political risk in the UK, the NPV8 would be enhanced to \$40 million, or £32 million, for the base case metal price scenario. The Parys Mountain project is sensitive to metal prices and exchange rates. Using metal price projections of \$1.35 per pound for zinc and \$3.00 per pound for copper the NPV10% would be \$43.2 million, or £34.6 million and the NPV8% \$52 million, or £42 million, with an IRR of 30%.

The pre-tax net present values, at 10% and 8% discount rates, and internal rates of return, are illustrated in the table below, all at a sterling:US dollar exchange rate of £1.00 = \$US1.25.

Metal Prices					Pre-Tax Cash Flows			
Zinc US\$/lb	Lead US\$/lb	Copper US\$/lb	Silver US\$/oz	Gold US\$/oz	Undiscounted \$M	NPV10% \$M	NPV8% \$M	IRR %
1.25	1.00	2.50	17.50	1,275	91.2	33.2	40.2	26
1.35	1.00	3.00	17.50	1,275	110.8	43.5	52.3	30

QME Optimization Studies

The 2017 Scoping Study recommended further work as interim steps towards undertaking a feasibility study, including more detailed mine planning and design, more detailed engineering studies, additional metallurgical test work and review of tailings management and environmental and planning permissions, all of which would normally require new and further financing.

In late 2018 Anglesey announced that it had entered into a Project Development and Cooperation Agreement with QME Mining Technical Services, a division of QME Ltd, to carry out an agreed programme of engineering and optimisation studies relating to the future development of Parys Mountain.

Summary of QME Work to-date.

QME has made significant progress including detailed reviews of mine development capital and mine operating costs of the basic mine plan using their extensive experience in mine development throughout Europe.

In its preliminary work to date, QME has identified the potential for improvements in the development plans contained in the 2017 Scoping Study. The QME preliminary work has indicated that, based on the projected life-of-mine operating cost, the NSR cut-off for both the 2012 Mineral Resource Estimate and the 2017 Scoping Study was too high and that the optimum case can be improved if the potential mineable tonnage can be increased using a lower NSR cut-off.

QME developed a model to estimate the capital cost of contract mine development and also to estimate the mine operating costs for the life of mine during operations using either a contractor or direct hire labour with contractor management, as two separate cases. The purpose and benefit of using a contractor for initial mine development is to defer capital expenditure on mining equipment and also to ensure an efficient project start-up and mine ramp-up with trained and experienced mine development management and personnel.

The QME review work completed to date has generated revised mine development capital and operating costs for a number of cases that now enables support for a lower cut-off. The Micon 2012 Mineral Resource Estimate generated an indicated resource of 2.1 million tonnes using 2012 metal prices and a cut-off of \$60/t. This was the resource used in the 2017 Scoping Study.

By using a lower cut off and updated prices QME identified mineable material of approximately 5M tonnes at \$48/t cut-off, with an indicated NSR of \$93/t. This will then give an opportunity to develop a new mining plan by re-defining the mining shapes and the stoping plan, to be followed by a new development plan and schedule, which is expected to demonstrate a longer mine life.

The 2017 Scoping Study was based on the initial development and production from the White Rock zone using a newly developed decline eventually leading to development of the deeper Engine Zone and then the rehabilitation and use of the Morris Shaft as a hoisting facility. The QME review examined whether different approaches to accessing the orebodies, particularly by early dewatering, rehabilitation and recommissioning of the Morris Shaft, could provide early access to the higher-grade Engine zone resources.

QME estimated the cost of the shaft pump out and refurbishment in order to access the 280m level for exploration purposes. A similar exercise was carried out to estimate the cost of deepening the shaft from the current 300m level down to 450m to permit in-shaft hoisting of ore after initial production via the decline. It was confirmed that the shaft will need to be refurbished for ore hoisting purposes, but the potential utilisation of the shaft for early production would require additional tonnage above that contemplated in the original plan in the scoping study.

It was originally envisaged that the QME Optimisation Study would be completed by the end of June 2019. The preliminary phase of the exercise has been completed. The QME studies have suggested that the project can be further improved if the mineable tonnage can be increased. QME has suggested that additional studies are carried out and this second stage of the process remains ongoing.

These additional studies will look at utilising some of the inferred resources into the mining plan, continuing review of cut-off grades and use of updated metal prices and it is expected that this will generate a significant increase of tonnage in the mineable tonnage in

any future 2019 mining model. While the inclusion of inferred resources does not meet the strict criteria for feasibility studies used by banks for loan evaluation, given the detailed geological knowledge of Parys Mountain now available it is useful to include some of this inferred resource for comparative financial modelling.

It is now expected that these additional studies will be completed by the end of 2019 and, subject to financing being available, would then form the basis for commissioning of an updated scoping study or preliminary feasibility study.

Agreement with QME

QME Limited is based in Navan, County Meath, Ireland from which it operates several divisions and provides a wide range of services in the fields of both mine development and mine operations to the local and international mining community.

QME Mining Technical Services division undertakes contract mining projects and employs an 'in-house' team of highly experienced operations managers, underground supervisors, miners, fitters and electricians. QME has carried out both large- and small-scale underground mine development contracts, providing all technical evaluation and budgeting services, personnel, management, equipment and maintenance.

Under the Development Co-Operation Agreement with QME, the Company has agreed to grant QME various rights and options relating to the future development of Parys Mountain. On completion of the optimisation study and delivery to Anglesey of the results thereof:

- (i) the Company will award QME, on an exclusive basis, contracts for the development of the decline and underground mine development, including rehabilitation of the shaft. This will be done on terms to be agreed following a decision by Anglesey to proceed with the development of Parys Mountain;
- (ii) In the event Anglesey and QME are not able to agree terms the Company may offer such contracts to third parties, subject to a right of first refusal in favour of QME, and subject to a payment by the Company to QME, upon the award of such contracts to a third-party, of a break-fee; and
- (iii) In addition, the Company will grant to QME the right and option, upon completion of a Prefeasibility Study ("PFS"), to undertake at QME's cost and investment, the mine development component of the Parys Mountain project, including decline and related underground development and shaft development, with a scope to be agreed, to the point of commencement of production, in consideration of which QME would earn a 30% undivided joint venture interest in the Parys Mountain project.

Mineral Exploration Potential at Parys Mountain

In addition to the indicated and inferred resources reported by Micon, the Parys Mountain area, over which the group holds the mineral rights, contains numerous indications of mineralisation across several kilometres many of which have been disclosed in earlier reports and releases.

Grangesberg Iron AB

The Grangesberg iron ore project is situated in the mineral-rich Bergslagen district of central Sweden about 200 kilometres north-west of Stockholm. Until its closure in 1989 due to prevailing market conditions, the Grangesberg mine had produced in excess of 150 million tonnes of iron ore.

The group now holds a direct 8.7% interest in Grangesberg Iron AB (GIAB) and a right of first refusal over 50.1% of the share capital of GIAB. This right has been granted in exchange for the group continuing to co-manage GIAB on a cost recovery basis. The group also has shareholder and cooperation agreements such that it holds operatorship of GIAB subject to certain conditions and appoints three out of five directors to the board of GIAB.

GIAB is a private Swedish company founded in 2007 which in 2014 completed (with assistance from the group) a financial and capital restructuring of the mine. GIAB holds a 25-year exploitation permit covering the previously mined Grangesberg underground mining operations granted by the Swedish Mining Inspectorate in May 2013.

In September 2014 an NI 43-101 Technical Report was prepared by Roscoe Postle Associates Inc showing a resource estimate for the Grangesberg Mine of 115.2 million tonnes at 40.2% Fe in the indicated category and 33.1 million tonnes at 45.2% Fe in the inferred category. RPA concluded that the Grangesberg iron ore deposit hosts a significant iron resource that has excellent potential for expansion at depth.

During the last year the substantial changes in the iron ore market favouring higher grade quality (+65% Fe) product has continued to result in very healthy premiums for higher grade product. Additionally, during this first half of 2019, following production problems that have developed in Brazil as a result of a number of tailings dam failures, the base price of 62% Fe has increased significantly.

The +67% Fe high-quality product expected to be produced from Grangesberg, together with the recent announcement by LKAB, Sweden's largest iron ore producer, that its flagship Kiruna project in northern Sweden will have a shorter life than originally planned, makes the interest in developing the Grangesberg project, albeit at significant capital cost much more likely and make Grangesberg more attractive than many other undeveloped iron ore projects.

Labrador Iron

The group has an investment holding of 12% (2018 -12%) in Labrador Iron Mines Holdings Limited. LIM owns extensive iron ore resources in its exploration properties in Labrador and in Quebec, Canada, one of the major iron ore producing regions in the world.

In the three-year period of 2011 to 2013 LIM produced a total of 3.6 million dry metric tonnes of iron ore, all of which was sold in 23 cape-size shipments into the China spot market. LIM has not undertaken mining operations since 2013, primarily due to the low iron

ore price environment, but maintains its properties on a stand-by care and maintenance basis and, subject to securing financing, is positioned to resume mining operations as soon as economic conditions warrant.

Other activities

The directors continue to seek out new properties suitable for development that would be complementary to or provide synergies with the group's existing projects within the financing capability likely to be available to the group. The directors have identified copper and other VMS projects as the most potentially attractive and the group continues to evaluate a number of early stage opportunities.

Performance

The group holds shares in mineral companies and has interests in exploration and evaluation properties and, until economically recoverable reserves can be identified, there are no standardised performance indicators which can usefully be employed to gauge the performance of the group, other than the market price of the company's shares.

The chief external factors affecting the ability of the group to move forward are primarily the demand for metals and minerals, levels of metal prices and exchange rates and the market sentiment for investment in mining and mineral exploration companies. These and other factors are dealt with in the risks and uncertainties section below.

Financial results and position

The group has no revenues from the operation of its properties. The loss for the year ended 31 March 2019 after tax was £234,621 compared to a loss of £278,189 in the 2018 fiscal year. The administrative and other costs excluding investment income and finance charges were £75,538 compared to £109,677 in the previous year.

During the year there were no additions to fixed assets (2018 - nil) and £54,747 (2018 - £100,319) was capitalised in respect of the Parys Mountain property as mineral property exploration and evaluation.

At 31 March 2019 the group held mineral property exploration and evaluation assets with a carrying value of £15.2 million. These carrying values are supported by the results of the 2017 Scoping Study and may not reflect the realizable value of the properties if they were offered for sale at this time.

The group's cash balance at 31 March 2019 was £6,012 (2018 - £137,113) the reduction being due to ongoing operating and capital expenses. After year end a loan of £100,000 was received from Juno Limited and the group also made a placement for cash of new shares resulting in an inflow after fees of £180,000.

At 31 March 2019 the company had 177,608,051 ordinary shares in issue, unchanged from the previous year. At 18 July 2019 there were 186,975,732 ordinary shares in issue.

Financial instruments

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

Employment, community and donations

The group is an equal opportunity employer in all respects and aims for high standards from and for its employees. At 31 March 2019 the company had five male directors; there were no female directors or employees. It also aims to be a valued and responsible member of the communities which it operates in or affects. There are no social, community or human rights issues which require the provision of further information in this report.

Environment

The group currently has no operations and consequently its effect on the environment is very slight, being limited to the usage of two small offices, where recycling and energy usage minimisation are encouraged. It is not practical or useful to quantify the effects of these measures.

Risks and uncertainties

The directors have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity. 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. The board believes the principal 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. In reviewing the risks facing the group, the board considers it is sufficiently close to the group's operations and aware of its activities to be able to adequately monitor risk without the establishment of any formal process. The group may become subject to risks against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons. However, there are also risks and uncertainties of a nature common to all mineral projects and these are summarised below.

General mining risks

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

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

Development and liquidity risk

The group has relied on equity financing to fund its working capital requirements and will need to generate additional financial resources to fund future planned exploration programs.

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

There is no assurance that the group will continue to obtain additional financial resources and/or achieve positive cash flows or profitability.

Exploration and development

Exploration for minerals and development of mining operations involve risks, many of which are outside the group's control. Exploration by its nature is subject to uncertainties and unforeseen or unwanted results are always possible. Mineral exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production.

Substantial expenditures are required to develop the mining and processing facilities and infrastructure at any mine site. No assurance can be given that a mineral deposit can be developed to justify commercial operations or that funds required for development can be obtained on a timely basis and at an acceptable cost. There can be no assurance that the group's current development programs will result in profitable mining operations. Current operations are in politically stable environments and hence unlikely to be subject to expropriation but exploration by its nature is subject to uncertainties and unforeseen or unwanted results are always possible.

Metal prices

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

Foreign exchange

LIM is a Canadian company; Angmag AB and GIAB are Swedish companies. Accordingly, the value of the group's holdings in these companies is affected by exchange rate risks. Operations at Parys Mountain are in the UK and exchange rate risks are minor. Most of the cash balance at the year end was held in sterling – see notes 17 and 24.

Permitting, environment and social

The group holds planning permissions for the development of the Parys Mountain property but further environmental studies and assessments and various approvals and consents will be required to carry out proposed activities and these may be subject to various operational conditions and reclamation requirements.

Employee and personnel

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

Brexit

In the event that the UK leaves the European Union, the directors believe that the effect on the specific operations of the group would not be material.

This report was approved by the board of directors on 30 July 2019 and signed on its behalf by:

Bill Hooley

Chief executive officer

The directors are pleased to submit their report and the audited accounts for the year ended 31 March 2019.

The corporate governance statement which follows forms part of this report. The principal activities of the group and other information is set out in the strategic report section preceding this report. Certain matters relating to financial performance, risk exposure and management, and future developments which are required to be disclosed in the directors report have instead been included within the strategic report.

Directors

The names of the directors are shown in the directors' remuneration report and biographical details are shown on the inside rear cover. All directors remain in office. It is the company's procedure to submit re-election resolutions for all directors at the annual general meeting. The company maintains a directors' and officers' liability policy on normal commercial terms which includes third party indemnity provisions. The powers of the directors are described in the Corporate Governance Report.

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

Directors' interests in material contracts

Juno Limited (Juno), which is registered in Bermuda, holds 31.0% of the company's ordinary share capital. The company has a controlling shareholder agreement and working capital agreement with Juno and note 19 sets out movements under this working capital agreement. There was none during the year however £100,000 was advanced on 2 April 2019. Apart from any advances and 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.

Bill Hooley and Danesh Varma are directors of Grangesberg Iron AB and of the special purpose vehicle Eurmag AB. Danesh Varma has been associated with the Grangesberg project since 2007 when he became a director of Mikula Mining Limited, a company subsequently renamed Eurang Limited, previously involved in the Grangesberg project. He did not take part in the decision to enter into the Grangesberg project when this was approved by the board. The group has a liability to Eurmag AB, a subsidiary of Eurang, amounting to £300,087 at the year end (2018 – £280,835). See also note 25.

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

Substantial shareholders

At 18 July 2019 the following shareholder had advised the company of an interest in the issued ordinary share capital:
Juno Limited notified an interest in 57,924,248 shares representing 31% of the issued ordinary shares.

Shares

Allotment authorities and disapplication of pre-emption rights

The directors would usually wish to allot any new share capital on a pre-emptive basis, however in the light of the group's potential requirement to raise further funds for the acquisition of new mineral ventures, other activities and working capital, they believe that it is appropriate to have a larger amount available for issue at their discretion without pre-emption than is normal or recommended for larger listed companies. At this year's annual general meeting, the directors will seek a renewal and replacement of the company's existing share allotment authorities.

The authority sought in resolution 11 of the notice of the AGM is to enable the directors to allot new shares and grant rights to subscribe for, or convert other securities into shares, up to a nominal value of £620,000 (62,000,000 ordinary shares) which is approximately one third of the total issued ordinary share capital of the company as at 18 July 2019. The directors will consider issuing shares if they believe it would be appropriate to do so in respect of business opportunities that arise consistent with the company's strategic objectives. The directors have no present intention of exercising this general authority, other than in connection with the potential issue of shares pursuant to the company's employee share and incentive plans.

The purpose of resolution 12 is to authorise the directors to allot new shares pursuant to the general authority given by resolution 11 in connection with a pre-emptive offer or offers to holders of other equity securities if required by the rights of those securities or as the board otherwise considers necessary, or otherwise up to an aggregate nominal amount of £460,000 (46,000,000 ordinary shares). This aggregate nominal amount represents approximately 25% of the issued ordinary share capital of the company at 18 July 2019. Whilst such authority is in excess of the 5% of existing issued ordinary share capital which is commonly accepted and recommended for larger listed companies, it will provide additional flexibility which the directors believe is in the best interests of the group in its present circumstances. The authority sought under resolution 12 will expire on 31 December 2020. The directors intend to seek renewal of this authority at future annual general meetings.

Rights and obligations attached to shares

The rights and obligations attached to the ordinary and deferred shares are set out in the Articles of Association. Details of the issued share capital are shown in note 21. Details of employee share schemes are set out in the directors remuneration report and in note 22.

Each ordinary share carries the right to one vote at general meetings of the company. Holders of deferred shares, which are of negligible value, are not entitled to attend, speak or vote at any general meeting of the company, nor are they entitled to receive notice of general meetings.

Subject to the provisions of the Companies Act 2006, the rights attached to any class may be varied with the consent of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. There are no restrictions on the transfer of the company's shares.

Voting rights

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

No member shall be entitled to vote at any meeting unless all monies presently payable in respect of their shares have been paid. Furthermore, no member shall be entitled to attend or vote at any meeting if he has been served with a notice after failing to provide the company with information concerning interests in his shares.

Significant agreements and change of control

There are no agreements between the company and its directors or employees that provide for compensation for loss of office or employment that may occur because of a takeover bid. The company's share plans contain provisions relating to a change of control. Outstanding awards and options would normally vest and become exercisable on a change of control, subject to the satisfaction of any performance conditions.

Dividend

The group has no revenues and the directors are unable to recommend a dividend (2018 – nil).

Going concern

The directors have considered the business activities of the group as well as its principal risks and uncertainties as set out in this report. When doing so they have carefully applied the guidance given in the Financial Reporting Council's documents 'Going concern and liquidity risk: Guidance for directors of UK companies 2009' and 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' issued in September 2014.

The financial statements are prepared on a going concern basis. The validity of the going concern basis is dependent on finance being available for the continuing working capital requirements of the group for the foreseeable future, being a period of at least twelve months from the date of approval of the accounts. During the year the group depleted its working capital and at 31 March 2019 had cash and cash equivalent reserves of £6,012 and net assets of £11.8 million. Immediately after the year end the group received £100,000 from Juno Limited under a long-running working capital agreement. A further £180,000 net was received as a result of a placing of new shares in May 2019. Based on the current cash reserves and the committed support of Juno, the group has sufficient finance available for the continuing working capital requirements of the group on a status quo basis for at least twelve months from the date of the financial statements.

The group will need to generate additional financial resources to meet its planned business objectives, progress the ongoing development of the Parys Mountain project and continue as a going concern. The plans to phase the development of the project by undertaking the various optimisation programmes and completing a prefeasibility or feasibility study to progress the Parys Mountain Mine towards production require interim funding to finance the further studies and optimisation programmes and, in the longer term, senior financing to fund the capital and development costs to put the Parys Mountain Mine into production.

The group has relied primarily on equity financings and its largest shareholder Juno Limited to fund its working capital requirements and may be required to do so in the future to ensure the group will have adequate funds for its current activities and to continue as a going concern.

The directors recognise that the continuing operations of the group are dependent upon its ability to raise adequate financing and that there is a risk that additional funding may not be available on a timely basis or on acceptable terms. The directors are actively pursuing various financing options with certain shareholders and financial institutions regarding proposals for financing and have engaged in discussions with a range of investors, including a number of private equity funds. Whilst these discussions are not finalised the directors have reasonable expectations that these financing discussions will be successful and therefore the financial statements have been prepared on the going concern basis. However, given the limited financial resources currently available, and that there is no guarantee that such funding will be available in the short term, there is a risk that the group will not have sufficient financial resources to fund its short-term project funding requirements, and therefore there exists a material uncertainty concerning the ability of the group and the company to continue as a going concern.

Greenhouse gas emissions

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

Report on payments to governments

The group is required to disclose payments made to governments in countries where exploration or extraction activities are undertaken and hereby reports that any such payments made in the year were below the minimum disclosable level.

Post balance sheet events

A loan of £100,000 was received from Juno Limited on 2 April 2019 under the terms of a working capital agreement.

On 17 May 2019, 9,367,681 new ordinary shares, representing approximately 5.3% of the company's current issued share capital, were placed with an institution at a price of 2.135 pence per share to raise a total of £200,000 gross and £180,000 net.

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

Statement of directors' responsibilities

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

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

In preparing the financial statements the directors are required to:

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

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

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

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

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

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

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

Auditor

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

This report was approved by the board of directors on 30 July 2019 and signed on its behalf by:

Danesh Varma

Company Secretary

The Directors' Remuneration Report has been prepared in accordance with schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in August 2013.

The remuneration committee comprises Howard Miller (chairman) and David Lean. No remuneration consultants have been engaged.

Statement by the chair of the Remuneration Committee

During the year the funding difficulties referred to in previous reports of the committee continued. All directors' salaries and fees were waived from 1 July 2014 at a time when funding such cash expenses was very difficult. These waivers have continued through this financial year.

It is the group's policy to keep contract durations, notice periods and termination payments to a minimum. In practice, for executive directors, this results in rolling 12 month contracts. The grant of share options forms part of overall executive director remuneration as does the potential of a discretionary incentive bonus for attainment of key corporate targets. At present there are no pension contributions of any type.

Fortunately loyalty to the company has been strong and we have been able to go forward with unchanged policies on remuneration which are set out below. The committee continues to believe that the existing policies and structure are suitable for the year ahead. There have been no new appointments during the year and the committee has not recommended any changes to existing remuneration packages.

Howard Miller

Remuneration committee chair

30 July 2019

Directors' remuneration policy

The group policy, implemented by the remuneration committee, with regard to executive and non-executive directors' remuneration, is to provide a package which will attract, retain and motivate directors of the calibre required and be consistent with the group's ability to pay.

In an ideal situation, the group would wish to remunerate its directors on a basis consistent with remuneration paid to directors of comparable companies and, subject to the financial position, to pay annual director fees in cash. However, due to funding difficulties directors' salaries and fees have been waived since 2014. In recognition of the efforts being made by directors, grants of options under the share option scheme were recommended and made in September 2016 as some compensation for the continuing waiver of fees or salary remuneration. The committee recognises that under the Code, share option grants should not be made to non-executive directors, however these were exceptional circumstances which required special measures.

These policies have been in effect throughout the year.

Share schemes

The company has one active share scheme: the 2014 Unapproved Share Option Scheme. All options outstanding under the 2004 Unapproved Share Option Scheme have lapsed during the year and it is now closed.

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

Annual report on remuneration

Terms and conditions of service

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

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

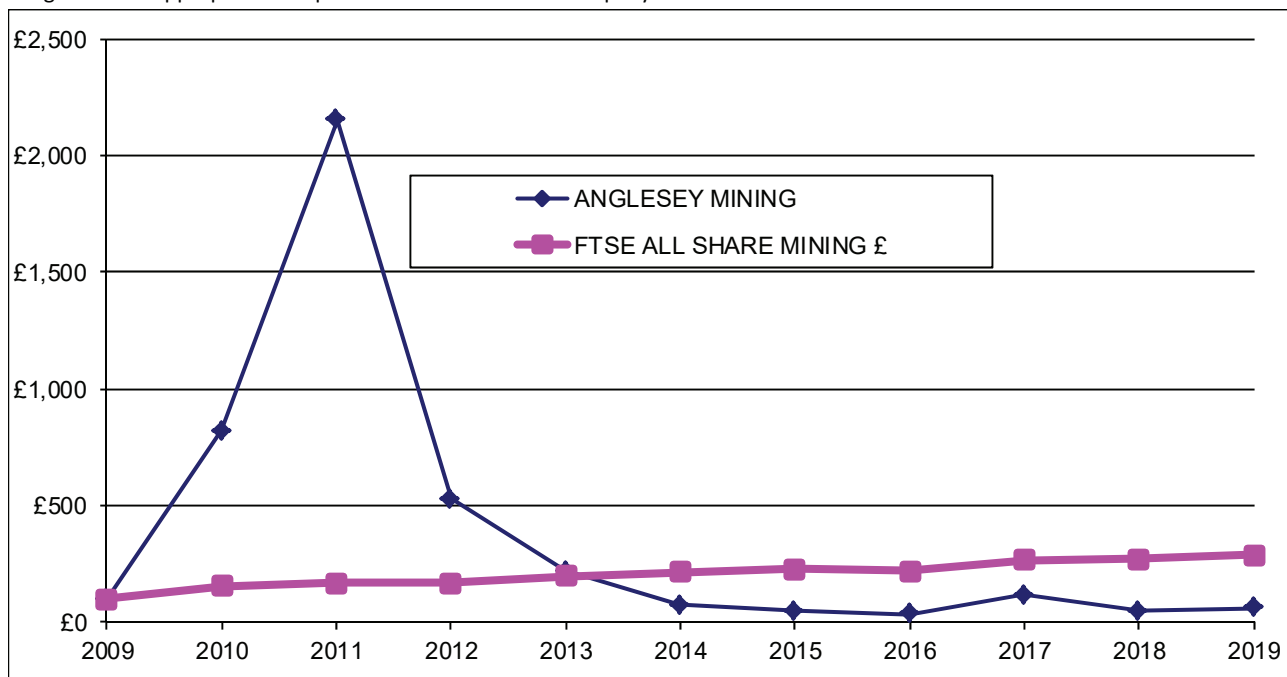
Each of the non-executive directors has a written contract for services, terminable at one month's notice.

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

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

Total shareholder return graph

This graph shows the total shareholder return over a ten year period for the company in relation to the FTSE All Share Mining index, this being the most appropriate comparative available for the company:

**Single figure of total remuneration - audited**

Name	2019	Total	2018	Total
	Salary and fees		Share based payments	
	£	£	£	£
Executive				
John Kearney	-	-	1,332	1,332
Bill Hooley	-	-	2,664	2,664
Danesh Varma	-	-	2,664	2,664
Non-executive				
Howard Miller	-	-	1,332	1,332
David Lean	-	-	1,332	1,332
Totals	-	-	9,324	9,324

Since July 2014 the directors have waived their entitlement to remuneration from the company and there are no components of remuneration other than those shown which are required to be disclosed.

CEO remuneration table - audited

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
CEO total remuneration in £	-	-	-	-	15,000	60,000	60,000	33,297	20,000	20,000
Bonus payout against maximum	0%	0%	0%	0%	0%	0%	0%	0%	0%	50%

There were no other forms of remuneration required to be included in this table. See note on remuneration waiver above.

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

This table shows the percentage change in remuneration of the director undertaking the role of chief executive and the company's employees as a whole between 2018 and 2019:

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

Directors' share options - audited

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

Name	Options at 1 April 2018	Granted in year	Exercised in year	Lapsed in year	Options at 31 March 2019	Exercise price	Date from which exercisable	Expiry date
John Kearney	500,000	-	-	-	500,000	2.000p	30 Sep 17	30 Sep 21
Bill Hooley	1,000,000	-	-	-	1,000,000	2.000p	30 Sep 17	30 Sep 21
David Lean	500,000	-	-	-	500,000	2.000p	30 Sep 17	30 Sep 21
Howard Miller	200,000	-	-	200,000	-	5.000p	27 Mar 10	27 Mar 19
Howard Miller	500,000	-	-	-	500,000	2.000p	30 Sep 17	30 Sep 21
Danesh Varma	200,000	-	-	200,000	-	5.000p	27 Mar 10	27 Mar 19
Danesh Varma	1,000,000	-	-	-	1,000,000	2.000p	30 Sep 17	30 Sep 21
	3,900,000	-	-	400,000	3,500,000			

The market price of the ordinary shares at 31 March 2019 was 2.3 pence, the high for the year to 31 March 2019 was 3.0 pence and the low for the year was 1.2 pence. The mid-market price at 18 July 2019 was 2.10 pence.

Other components of remuneration - audited

There were no taxable benefits, incentive plans, bonuses, share scheme interests, payments to past directors, payments for loss of office or other remuneration or payments which are required to be disclosed made during the year.

Directors' share and share option holdings summarised – audited

Director	19 July 2019		31 March 2019			31 March 2018		
	Number of options	Number of ordinary shares	Number of options	Number of ordinary shares	Total	Number of options	Number of ordinary shares	Total
John Kearney	500,000	-	500,000	-	500,000	500,000	-	500,000
Bill Hooley	1,000,000	200,000	1,000,000	200,000	1,200,000	1,000,000	200,000	1,200,000
Danesh Varma	1,000,000	-	1,000,000	-	1,000,000	1,200,000	-	1,200,000
David Lean	500,000	-	500,000	-	500,000	500,000	-	500,000
Howard Miller	500,000	-	500,000	-	500,000	700,000	-	700,000
	3,500,000	200,000	3,500,000	200,000	3,700,000	3,900,000	200,000	4,100,000

All of these interests are beneficial.

Relative importance of spend on pay

The total pay for the year ended 31 March 2019 was £11,606 (all in respect of employees not directors) and for the year ended 31 March 2018 it was £17,847. The change between the years is a decrease of 35%. There are no dividends or distributions with which to compare this reduction and no relevant performance related pay to consider.

Statement of voting at general meeting

The voting in respect of the approval of the directors' remuneration report at the annual general meeting held on 20 September 2018 was as follows: for the resolution 99.7%, against the resolution 0.03% and withheld votes 0.3%.

Future remuneration policy

The rates of remuneration and pay structures of the three executive directors to be considered in the future remuneration policy have not changed for several years (excepting the waivers which have been in place since June 2014). There is no current intention to change them and consequently the information which would normally constitute the future policy table has not been provided.

Awards under previous remuneration policies

Any awards or remuneration-related commitments made to directors under previous remuneration policies will continue to be honoured. The only awards received by directors relate to the share options presented within this report.

Payments to past directors

No payments were made during the year to past directors.

Approach to recruitment remuneration

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

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

Where a director is appointed as a result of internal promotion, any contractual commitments made prior to their promotion would be honoured, where appropriate. When recruiting a new non-executive director, the board would determine the appropriate fee level in line with the policy stated above.

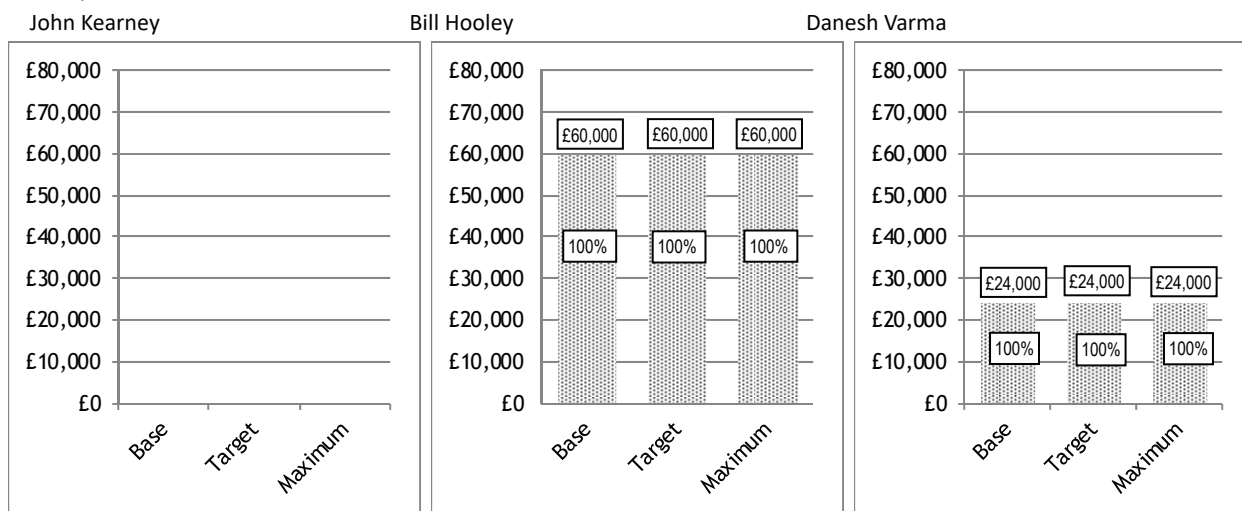
Service contracts

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

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

Remuneration scenario charts

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



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

During the year Bill Hooley waived remuneration of £60,000 and Danesh Varma waived remuneration of £24,000 however the charts above show the amount which would be due in accordance with the employment contracts in force and the group's policy.

Policy on loss of office

Generally any severance payments on termination are limited to established contractual arrangements only. Any payment in lieu of notice would be limited to salary and benefits, and subject to mitigation. It is the group's policy to keep contract durations, notice periods and termination payments to a minimum. In practice, for executive directors, this results in rolling 12 month contracts.

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

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

There are no contractual provisions agreed prior to 27 June 2012 that could impact on the quantum of any payments made in respect of a loss of office.

Difference between director remuneration policy and that for other employees

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

Consideration of employment conditions

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

Consideration of shareholder views

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

This report was approved by the board of directors on 30 July 2019 and signed on its behalf by:

Danesh Varma

Company Secretary

Principles

The board bases its policies and practices in relation to corporate governance on the Financial Reporting Council UK Corporate Governance Code April 2016 (the "Code"). The group has also made use of the Corporate Governance Guidelines for Smaller Quoted Companies published by the Quoted Companies Alliance in 2013 which relates to the implementation of corporate governance for smaller quoted companies.

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

The Board

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

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

Bill Hooley is the chief executive and John Kearney, formerly chairman and chief executive, is the chairman, a role he has held since 1994. He divides his time between a number of mineral companies and other activities. The board values the participation of directors on the boards of other companies in the mineral industry as this provides exposure to developments and other opportunities which is useful to enhance the experience of the directors and advantageous to the group.

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

The board considers that Howard Miller is the senior independent non-executive director and David Lean is an independent director. However Howard Miller and David Lean have now served for more than sixteen years as non-executive directors and, under the Code, directors with more than nine years of service are presumed to be at risk of being no longer independent. This potential for non-compliance with the Code is reported at the end of this section. Notwithstanding this, the board believes it has sufficient compliance with other aspects of the Code in relation to independent directors both of whom are subject to re-election every year.

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

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

There are written terms of reference for the remuneration, audit and nomination committees, each of which deals with specific aspects of the group's affairs. These are made available to shareholders at each general meeting of the company. The board receives periodic reports from all committees.

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

Remuneration committee

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

Audit committee

The report of the audit committee follows this corporate governance report.

Nomination committee

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

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

Assessment of directors' performance

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

Internal control

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

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

Risks and uncertainties

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

Communication with shareholders

Extensive information about the group and its activities is given in this annual report and accounts and the interim report which are sent to shareholders. Further information is available on the company's website, www.angleseymining.co.uk, which is updated whenever announcements or press releases are made. Presentations on the group's activities are made at the AGM and at industry events; discussions are held with shareholders at or after each of these occasions.

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

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

Directors' appointment and attendance at board and committee meetings

During the year attendance at meetings was as follows:

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

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

Compliance with the Combined Code

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

A.3.1 – John Kearney was, on appointment, both chairman and chief executive of the company. He is currently executive chairman.

B.1.1 – Non-executive directors hold options over shares; some of these were granted before the Code came into effect. Although it is not the aim of the board to grant further options to non-executive directors, grants of options under the share option scheme were recommended and made in September 2016 as some compensation for their continuing waiver of remuneration.

The non-executive directors of the board have served for more than 9 years.

B.6.3 - There has been no formal and rigorous annual evaluation of the performance of the board, its committees or the individual directors.

D.1.2 – Executive directors' remuneration from other sources: John Kearney and Danesh Varma divide their time between a number of mineral companies and other activities; they are not currently receiving any remuneration from the group.

Danesh Varma
Company Secretary
30 July 2019

The audit committee comprises Howard Miller and David Lean. Both members of the committee have extensive mineral industry experience and the necessary recent and relevant experience required by the Code. The committee's terms of reference have been approved by the board and follow published guidelines. The audit committee's primary responsibilities are to establish and monitor the group's financial risk management systems with particular reference to internal control systems and to ensure that the group's financial statements and other financial communications are properly prepared.

Financial statements and internal control

The audit committee reviews the half-yearly and annual accounts before they are presented to the board, focusing in particular on accounting policies and areas of management judgement and estimation. The committee ensures that the judgements made in applying accounting policies and key sources of estimation uncertainty are properly set out at the end of note 2 to the accounts and has nothing further to report in respect of them. The committee is responsible for monitoring the controls which are in force to ensure the information reported to the shareholders is accurate and complete. It also discusses and considers internal control and risk management issues and contributes to the board's review of the effectiveness of the group's internal control and risk management systems and to the disclosure and explanation of the risks faced by the group. These are set out in the strategic report.

The audit committee meets with the external auditors to review the planning of their audit and, before approving the financial statements, to discuss any issues which arise from the audit

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

Internal and external audits

The committee considers the need for an internal audit function, which it believes is not required at present due to the limited staff and operations of the group. The members of the committee have agreed to make themselves available should any member of staff wish to make representations to them about the conduct of the affairs of the group.

The committee advises the board on the appointment of external auditors and on their remuneration for both audit and non-audit work and discusses the nature, scope and effectiveness of the audit with the external auditor with whom it meets formally at least once a year. The committee also reviews the effectiveness of the external audit by enquiries and discussions with the group staff involved in the audit and with the finance director.

The audit committee also undertakes a formal assessment of the auditor's independence each year which includes: a review of any non-audit services provided to the group; discussion with the auditor of all relationships with the company and any other parties that could affect independence or the perception of independence; a review of the auditor's own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner; and obtaining written confirmation from the auditor that, in his professional judgement, he is independent. An analysis of the fee payable to the external audit firm in respect of both audit and non-audit services during the year is set out in note 4 to the financial statements.

Mazars were originally appointed as auditors in 2008 after a tendering process involving four firms. In 2018 a further tendering process involved three firms including Mazars and the result of it was that Mazars were reappointed.

Howard Miller
Audit committee chair
30 July 2019

Opinion

We have audited the financial statements of Anglesey Mining plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statements of Changes in Equity, the Group and Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2019 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, as applied to public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements concerning the applicability of the going concern basis of preparation. As detailed in the financial statements and the Strategic Report, the parent company and group are not generating revenue and are in the process of getting the Parys Mountain mining project ready to move into development. Its business model requires generation of additional financial resources to progress the ongoing development of the Parys Mountain project.

At 31 March 2019 the group and parent company had net current liabilities of £61k and £56k respectively and cash and cash equivalent reserves of £6k and £4k. Subsequent to the year end, the group has received a £100k loan from its major shareholder, Juno Limited and issued further shares with net proceeds of £180k. The group therefore has sufficient resources to support its on-going non-project related expenditure for the foreseeable future, however the current level of resources may not be sufficient to finance the short-term project needs.

In Note 2, the directors explain that to date they have successfully raised funds to finance ongoing expenditure and that they are in the process of securing additional funding sufficient to finance the next steps in order to progress the development of the Parys Mountain project. As the directors are confident that the group will raise the additional funding, they have prepared the accounts on the going concern basis. However, as described in Note 2, until the group secures sufficient investment for short-term funds required for the additional studies and ultimately for the production phase in the longer term, a material uncertainty exists that may cast a significant doubt on the group's and parent company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

The impact of uncertainties due to United Kingdom exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 8.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the group and parent company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the group and parent company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the group and parent company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the group and parent company and this is particularly the case in relation to Brexit.

Conclusions relating to principal risks, going concern and viability statement

Other than as above under 'Material uncertainty related to going concern', we have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on pages 7 and 8 that describe the principal risks and explain how they are being managed or mitigated;
- the directors’ confirmation set out on page 7 in the annual report that they have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors’ statement set out on page 10 in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors’ identification of any material uncertainties to the group and the parent company’s ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors’ statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors’ explanation set out on page 10 in the annual report as to how they have assessed the prospects of the group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we summarise below other key audit matters in forming our audit opinion above, together with an overview of the principal audit procedures performed to address each matter and, where relevant, key observations arising from those procedures.

These matters, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

Key audit matter	Our response
<p><u>Impairment of exploration and evaluation asset (group)</u></p> <p>The group’s accounting policy in respect of its exploration and evaluation asset is set out under “mineral property exploration and evaluation costs” and its accounting policy in respect of impairment is set out under “impairment of tangible and intangible assets” in Note 2 to the financial statements.</p> <p>The group has held rights to explore and mine the Parys Mountain site for a number of years and have completed a further scoping study in 2017 reaffirming the facts from old reports. As indicated in the study reports, there are still further studies to optimise and enhance the project ahead of development, some of which are currently underway.</p> <p>There is a risk that accounting criteria associated with the capitalisation of exploration and evaluation expenditure may no longer be appropriate and that capitalised costs exceed the value in use.</p> <p>Any assessment of the value in use is highly judgemental based on a combination of independent experts studies and directors’ assessment of long term metal commodity prices, the estimated mineral deposits, costs associated with mineral extraction and sale, discount rates , exchange rate factors and the group’s ability to raise finances.</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • review of the validity and applicability of the 2017 scoping study report for the current year and other ongoing studies, including consideration of the independence and qualifications of experts used by management to perform these studies; • Challenge of the consistency of management’s assumptions and forward looking information included in the impairment model; • Performing a sensitivity analysis on key assumptions used by the management in their assessment; • An arithmetic review of the impairment model prepared by management; and • Assessment of the adequacy and completeness of the relevant financial statement disclosures in the financial statements by involving our financial reporting advisory team where necessary <p>Based on the work performed above, no impairment to the exploration and evaluation asset was noted.</p>
<p><u>Impairment of investment in subsidiary (company)</u></p> <p>The group’s accounting policies in respect of investments and impairment of investments are set out under “investments” and “impairment of investments” in Note 2 to the financial</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> - Consideration of the results of the impairment review of the underlying exploration and

<p>statements</p> <p>The cost of the investment in and loan due from the subsidiary, Parys Mountain Mines Limited, held in the balance sheet of the company, is supported by the future cash flows associated with the recovery of the exploration and evaluation assets following the development of the Parys Mountain site held by Parys Mountain Mines Limited. If there were impairment in the exploration and evaluation assets included above, this would have a direct impact on the carrying value of the investment in and the loan due from the subsidiary.</p> <p>Under the accounting policy investments are held at cost less accumulated impairments therefore there is a risk that the investment in subsidiary undertaking is impaired as a result of indicators within the underlying assets of the subsidiary, the exploration and evaluation asset discussed above.</p>	<p>evaluation asset held within the subsidiary; and</p> <ul style="list-style-type: none"> - Assessment of the completeness and accuracy of the disclosures in the financial statements, by involving our financial reporting advisory team where necessary <p>Based on the work performed, no impairment to the investment in subsidiary undertakings was noted.</p>
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Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group

Overall materiality	£353,000
How we determined it	3% of group's net assets
Rationale for benchmark applied	Group's net assets represents shareholders' funds and we have determined it to be the principal benchmark within the financial statements relevant to shareholders, as the group does not generate revenue and is in pre-production phase.
Performance materiality & specific materiality	Performance materiality is set as 75% of financial statement materiality being £265,000. Specific materiality of £80,000 is used for the audit of group income statement.
Reporting threshold	3% of financial statement materiality being £11,000.

Parent company

Overall materiality	£210,000
How we determined it	75% of company's net assets
Rationale for benchmark applied	Net assets is considered most appropriate as the parent company is none-trading and mainly holds investment in subsidiaries
Performance materiality	Performance materiality is set at 75% of financial statement materiality being £158,000.
Reporting threshold	3% of financial statement materiality being £6,000.

The range of performance materiality used within the components for the purposes of the group audit was £3,000 to £222,000.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements such as making assumptions on significant accounting estimates.

We gained an understanding of the legal and regulatory framework applicable to the group and parent company, the structure of the group and the parent company and the industry in which it operates. We considered the risk of acts by the company which were

contrary to the applicable laws and regulations including fraud. We designed our audit procedures to respond to those identified risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006. We tailored the scope of our group audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the parent company and group's accounting processes and controls and its environment and considered qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

Our tests included, but were not limited to, obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by irregularities including fraud or error, review of minutes of directors' meetings in the year and enquiries of management. As a result of our procedures, we did not identify any Key Audit Matters relating to irregularities, including fraud.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are discussed under "Key audit matters" within this report.

Our group audit scope included an audit of the group and parent financial statements of Anglesey Mining Plc. The legal entities within the group account for 100% of the group's operating loss, 100% of group's net assets and 100% of group's total assets.

Based on our risk assessment, all entities within the group were subject to a full scope audit performed by the group audit team. At the parent level we also tested the consolidation process and carried out overall analytical procedures to confirm our conclusion that there were no additional risks of material misstatement of the aggregated financial information.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable** set out on page 11 – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit committee reporting** set out on page 20 – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code** set out on page 19 – the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in:

- the Strategic Report or the Directors' Report; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the audit committee, we were reappointed by the Board of Directors on 21 February 2018 to audit the financial statements for the year ended 31 March 2018 and subsequent financial periods. The period of total uninterrupted engagement since reappointment is 2 years, covering the years ended 31 March 2018 and 31 March 2019.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Robert Neate (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Tower Bridge House, St. Katharine's Way, London, E1W 1DD

30 July 2019

Group income statement

All attributable to equity holders of the company

	Notes	Year ended 31 March 2019 £	Year ended 31 March 2018 £
All operations are continuing			
Revenue		-	-
Expenses		(75,538)	(109,677)
Equity-settled employee benefits	22	-	(9,324)
Investment income	6	233	121
Finance costs	7	(159,336)	(159,267)
Foreign exchange movement		20	(42)
Loss before tax	4	(234,621)	(278,189)
Taxation	8	-	-
Loss for the period		(234,621)	(278,189)
Loss per share			
Basic - pence per share	9	(0.1)p	(0.2)p
Diluted - pence per share	9	(0.1)p	(0.2)p

Group statement of comprehensive income

Loss for the period	(234,621)	(278,189)
Other comprehensive income		
Items that may subsequently be reclassified to profit or loss:		
Exchange difference on translation of foreign holding	(15,095)	31,489
Total comprehensive loss for the period	(249,716)	(246,700)

Group statement of financial position

	Notes	31 March 2019 £	31 March 2018 £
Assets			
Non-current assets			
Mineral property exploration and evaluation	10	15,165,888	15,111,141
Property, plant and equipment	11	204,687	204,687
Investments	14	97,795	86,660
Deposit	15	123,460	123,227
		<u>15,591,830</u>	<u>15,525,715</u>
Current assets			
Other receivables	16	19,215	19,790
Cash and cash equivalents	17	6,012	137,113
		<u>25,227</u>	<u>156,903</u>
Total assets		<u>15,617,057</u>	<u>15,682,618</u>
Liabilities			
Current liabilities			
Trade and other payables	18	(86,539)	(65,870)
		<u>(86,539)</u>	<u>(65,870)</u>
Net current (liabilities)/assets		<u>(61,312)</u>	<u>91,033</u>
Non-current liabilities			
Loans	19	(3,706,722)	(3,543,236)
Long term provision	20	(50,000)	(50,000)
		<u>(3,756,722)</u>	<u>(3,593,236)</u>
Total liabilities		<u>(3,843,261)</u>	<u>(3,659,106)</u>
Net assets		<u>11,773,796</u>	<u>12,023,512</u>
Equity			
Share capital	21	7,286,914	7,286,914
Share premium		10,171,986	10,171,986
Currency translation reserve		(57,116)	(42,021)
Retained losses		(5,627,988)	(5,393,367)
Total shareholders' funds		<u>11,773,796</u>	<u>12,023,512</u>

The financial statements of Anglesey Mining plc which include the notes to the accounts on pages 33 to 48 were approved by the board of directors, authorised for issue on 30 July 2019 and signed on its behalf by:

John F. Kearney, Chairman

Danesh Varma, Finance Director

Company statement of financial position

	Notes	31 March 2019 £	31 March 2018 £
Assets			
Non-current assets			
Investments	13	14,389,142	14,325,116
		<u>14,389,142</u>	<u>14,325,116</u>
Current assets			
Other receivables	16	6,705	5,772
Cash and cash equivalents	17	3,979	132,589
		<u>10,684</u>	<u>138,361</u>
Total assets		<u>14,399,826</u>	<u>14,463,477</u>
Liabilities			
Current liabilities			
Trade and other payables	18	(66,477)	(54,121)
		<u>(66,477)</u>	<u>(54,121)</u>
Net current (liabilities)/assets		<u>(55,793)</u>	<u>84,240</u>
Non-current liabilities			
Loan	19	(3,406,635)	(3,262,401)
		<u>(3,406,635)</u>	<u>(3,262,401)</u>
Total liabilities		<u>(3,473,112)</u>	<u>(3,316,522)</u>
Net assets		<u>10,926,714</u>	<u>11,146,955</u>
Equity			
Share capital	21	7,286,914	7,286,914
Share premium		10,171,986	10,171,986
Retained losses		(6,532,186)	(6,311,945)
Shareholders' equity		<u>10,926,714</u>	<u>11,146,955</u>

The company reported a loss for the year ended 31 March 2019 of £220,241 (2018 - £266,821). The financial statements of Anglesey Mining plc registered number 1849957 which include the notes to the accounts were approved by the board of directors and authorised for issue on 30 July 2019 and signed on its behalf by:

John F. Kearney, Chairman

Danesh Varma, Finance Director

Statements of changes in equity

All attributable to equity holders of the company.

Group	Share capital £	Share premium £	Currency translation reserve £	Retained losses £	Total £
Equity at 1 April 2017	7,286,914	10,171,986	(73,510)	(5,124,502)	12,260,888
Total comprehensive loss for the year:					
Loss for the year	-	-	-	(278,189)	(278,189)
Exchange difference on translation of foreign holding	-	-	31,489	-	31,489
Total comprehensive loss for the year	-	-	31,489	(278,189)	(246,700)
Transactions with owners:					
Equity-settled employee benefits	-	-	-	9,324	9,324
Equity at 31 March 2018	7,286,914	10,171,986	(42,021)	(5,393,367)	12,023,512
Total comprehensive loss for the year:					
Loss for the year	-	-	-	(234,621)	(234,621)
Exchange difference on translation of foreign holding	-	-	(15,095)	-	(15,095)
Total comprehensive income/(loss) for the year	-	-	(15,095)	(234,621)	(249,716)
Equity at 31 March 2019	7,286,914	10,171,986	(57,116)	(5,627,988)	11,773,796
Company					
		Share capital £	Share premium £	Retained losses £	Total £
Equity at 1 April 2017		7,286,914	10,171,986	(6,054,448)	11,404,452
Total comprehensive loss for the year:					
Loss for the year		-	-	(266,821)	(266,821)
Total comprehensive loss for the year		-	-	(266,821)	(266,821)
Transactions with owners:					
Equity-settled employee benefits		-	-	9,324	9,324
Equity at 31 March 2018		7,286,914	10,171,986	(6,311,945)	11,146,955
Total comprehensive loss for the year:					
Loss for the year		-	-	(220,241)	(220,241)
Total comprehensive loss for the year		-	-	(220,241)	(220,241)
Equity at 31 March 2019		7,286,914	10,171,986	(6,532,186)	10,926,714

Group statement of cash flows

	Notes	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Operating activities			
Loss for the period		(234,621)	(278,189)
Adjustments for:			
Investment income	6	(233)	(121)
Finance costs	7	159,336	159,267
Equity-settled employee benefits	22	-	9,324
Management fee to associate		(9,354)	-
Foreign exchange movement		(20)	42
		<u>(84,892)</u>	<u>(109,677)</u>
Movements in working capital			
Decrease in receivables		374	3,813
Increase/(decrease) in payables		15,345	(53,730)
Net cash used in operating activities		<u>(69,173)</u>	<u>(159,594)</u>
Investing activities			
Investment income		-	12
Mineral property exploration and evaluation		(49,476)	(95,556)
Investment		(12,472)	-
Net cash used in investing activities		<u>(61,948)</u>	<u>(95,544)</u>
Net (decrease) in cash and cash equivalents		<u>(131,121)</u>	<u>(255,138)</u>
Cash and cash equivalents at start of period		137,113	392,293
Foreign exchange movement		20	(42)
Cash and cash equivalents at end of period	17	<u>6,012</u>	<u>137,113</u>

Company statement of cash flows

	Notes	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Operating activities			
Loss for the period	23	(220,241)	(266,821)
Adjustments for:			
Equity-settled employee benefits		-	9,324
Finance costs		144,234	144,234
		(76,007)	(113,263)
Movements in working capital			
(Increase)/decrease in receivables		(933)	6,987
Increase/(decrease) in payables		12,356	(53,451)
Net cash used in operating activities		(64,584)	(159,727)
Investing activities			
Investments and long term loans		(64,026)	(96,564)
Net cash used in investing activities		(64,026)	(96,564)
Net (decrease) in cash and cash equivalents		(128,610)	(256,291)
Cash and cash equivalents at start of period		132,589	388,880
Cash and cash equivalents at end of period	17	3,979	132,589

1 General information

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

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

2 Significant accounting policies

Basis of Accounting

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

The financial statements have been prepared on the historical cost basis except for the fair valuation of certain financial assets. The principal accounting policies adopted are set out below.

Going concern

The directors have considered the business activities of the group as well as its principal risks and uncertainties as set out in this report. When doing so they have carefully applied the guidance given in the Financial Reporting Council's documents 'Going concern and liquidity risk: Guidance for directors of UK companies 2009' and 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' issued in September 2014.

The financial statements are prepared on a going concern basis. The validity of the going concern basis is dependent on finance being available for the continuing working capital requirements of the group for the foreseeable future, being a period of at least twelve months from the date of approval of the accounts. During the year the group depleted its working capital and at 31 March 2019 had cash and cash equivalent reserves of £6,012 and net assets of £11.8 million. Immediately after the year end the group received £100,000 from Juno Limited under a long-running working capital agreement. Further funds were received as a result of a placing of new shares to an institution in May 2019. Based on the current cash reserves and the committed support of Juno, the group has sufficient finance available for the continuing working capital requirements of the group on a status quo basis for at least twelve months from the date of the financial statements.

The group will need to generate additional financial resources to meet its planned business objectives, progress the ongoing development of the Parys Mountain project and continue as a going concern. The plans to phase the development of the project by undertaking the various optimisation programmes and completing a prefeasibility or feasibility study to progress the Parys Mountain Mine towards production require interim funding to finance the further studies and optimisation programmes and, in the longer term, senior financing to fund the capital and development costs to put the Parys Mountain Mine into production.

The group has relied primarily on equity financings and its largest shareholder Juno Limited to fund its working capital requirements and may be required to do so in the future to ensure the group will have adequate funds for its current activities and to continue as a going concern.

The directors recognise that the continuing operations of the group are dependent upon its ability to raise adequate financing and that there is a risk that additional funding may not be available on a timely basis or on acceptable terms. The directors are actively pursuing various financing options with certain shareholders and financial institutions regarding proposals for financing and have engaged in discussions with a range of investors, including a number of private equity funds. Whilst these discussions are not finalised the directors have reasonable expectations that these financing discussions will be successful and therefore the financial statements have been prepared on the going concern basis. However, given the limited financial resources currently available, and that there is no guarantee that such funding will be available in the short term, there is a risk that the group will not have sufficient financial resources to fund its short-term project funding requirements, and therefore there exists a material uncertainty concerning the ability of the group and the company to continue as a going concern.

Basis of consolidation

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

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

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

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.

Note 2 - Significant accounting policies – continued

Foreign currencies

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

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

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

Segmental analysis

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

Retirement benefit costs

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

Equity-settled employee benefits

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

Taxation

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of any deferred tax assets is reviewed at each period end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised and 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.

The charge for current tax is based on the results for the year as adjusted for items which are non-taxable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Property, plant and equipment

The group's freehold land is stated in the statement of financial position at cost. The directors consider that the residual value of buildings, based on prices prevailing at the date of acquisition and at each subsequent reporting date as if the asset were already of the age and in the condition expected at the end of its useful life, is such that any depreciation would not be material.

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

Intangible assets - mineral property exploration and evaluation costs

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

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

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

Note 2 - Significant accounting policies – continued

Impairment of tangible and intangible assets

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

Investments

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

Investments which are not subsidiaries are shown at cost unless there is a practical method of determining a reliable fair value, in which case that fair value is used.

Impairment of investment

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For an equity instrument that does not have a quoted price in an active market, and that is not carried at fair value because its fair value cannot be reliably measured, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Provisions

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

Financial instruments - Policy applicable from 1 April 2018**Initial recognition**

All financial assets and liabilities are initially recognised on the trade date; this being the date that group becomes a party to the contractual provisions of the instrument.

All financial instruments are initially recognised at fair value plus, in the case of financial assets and financial liabilities not held at fair value through profit or loss, directly attributable transaction costs.

Classification and measurement**Financial assets**

The classification of financial instruments depends on the purpose and management's intention for which the financial instruments were acquired and their characteristics. The group classifies its financial assets in one of the following categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)

Financial assets classified and measured at amortised cost

Amortised cost financial instruments are non-derivative financial assets held within a business model, whose objective is to collect contractual cash flows, on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Such financial instruments are those that are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment based on Expected Credit Loss (ECL). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the financial asset.

Financial assets classified as amortised cost are other receivables, deposits and cash and cash equivalent. Carrying value of these financial assets at yearend are not material to the group.

Financial assets classified and measured at fair value through other comprehensive income "FVOCI"

FVOCI financial assets are those non-derivative financial assets held within a business model, whose objectives are both to sell the financial assets and to collect contractual cash flows, on specified dates, that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that are classified as FVOCI are measured at fair value. The changes in fair value are recognised directly in equity with three exceptions, which are recognised in profit and loss:

- Interest, calculated using the effective interest method;
- Impairment losses; and
- Foreign exchange gains and losses on monetary financial assets.

When the investment is disposed of, the cumulative gain or loss previously recognised in equity is recognised in the statement of comprehensive income.

Financial assets classified as FVOCI are unlisted shares held by the group. The group has made the irrevocable election at initial recognition to classify these investments at FVOCI. Carrying value of these financial assets at yearend are not material to the group

Note 2 - Significant accounting policies – continued

Financial liabilities

The group classifies all financial liabilities as other financial liabilities measured at amortised cost. Financial liabilities are initially recognised at fair value, net of directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Financial instruments - Policy Applicable before 1 April 2018

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

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

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

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

(c) Available for sale financial assets. Unlisted shares held by the group that are classified as being AFS are stated at cost on the basis that the shares are not quoted and a reliable fair value is not able to be estimated. Dividends on AFS equity instruments are recognised in profit or loss when the group’s right to receive the dividends is established. The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The foreign exchange gains and losses that are recognised in profit or loss are determined based on amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

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

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

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

Equity instruments

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

Leases

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

Mining lease payments are recognised as an operating expense in the income statement on a straight line basis over the lease term unless they relate to mineral property exploration and evaluation in which case they are capitalised. There are no finance leases or other operating leases.

New accounting standards

Standards, amendments and interpretations adopted in the current financial year:

The adoption of the following standards, amendments and interpretations in the current financial year has not had a material impact on the financial statements of the group or the company. All financial assets which were classified as loans and receivables and under IAS 39 are now classified as financial assets at amortised cost under IFRS 9 with no changes in the measurement of those financial assets. Financial assets which were classified as available for sale under IAS 39 are now classified as financial assets at FVOCI under IFRS9 and measured at fair value. The directors’ assessment of fair value of these financial assets has been disclosed in note 14. No separate transitional note is presented because there are no adjustments as a result of the transition to IFRS9.

IFRS 2 Share-based Payment: Amendment in relation to classification and measurement of share-based payment transactions

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contracts with Customers, including the subsequent clarifications

Annual Improvements to IFRSs (2014 - 2016)

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Standards, amendments and interpretations in issue but not yet effective are tabulated on the next page.

Note 2 - Significant accounting policies – continued

Standards, amendments and interpretations in issue but not yet effective:

	Effective date
Amendments to IFRS 9 Financial Instruments: Prepayment features with negative compensation	1 January 2019
IFRS 16 Leases	1 January 2019
Annual Improvements to IFRSs (2015 - 2017)	1 January 2019
Amendment to IAS 19 Employee Benefits: Plan amendment, curtailment or settlement	1 January 2019
Amendment to IAS 28 Investments in Associates and Joint Ventures: Amendment in relation to Long-term interests in Associates and Joint Ventures.	1 January 2019.
IFRIC 23 Uncertainty over Income Tax Treatments.	1 January 2019.
Amendments to IAS 1 and IAS 8: Definition of Material	Expected endorsement date to be 1 January 2020
Amendment to IFRS 3 Business Combinations: Definition of a Business	Expected endorsement date to be 1 January 2020
Conceptual Framework (Revised) and amendments to related references in IFRS Standards	Expected endorsement date to be 1 January 2020
IFRS 17 Insurance Contracts	Expected endorsement date not available

The directors' impact assessment indicates that the adoption of the above pronouncements will have no material impact on the financial statements in the period of initial application other than disclosure. The directors have not yet fully assessed the impact IFRS16 on these financial statements but believe that since the group is a lessee in respect of mineral leases only, the standard will not be applicable to the group's financial statements.

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

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

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

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

(b) In connection with possible impairment of exploration and evaluation assets and the company's investment in and loan due from the subsidiary Parys Mountain Mines Limited, the directors assess each potentially cash generating unit annually to determine whether any indication of impairment exists. The judgements made when doing so are similar to those set out above and are subject to the same uncertainties. See note 10 for further detail.

(c) The directors applied assumptions and judgement in determining the fair value of investments classified and measured as financial assets at FVOCI. These financial assets disclosed in note 14 are unquoted investments in companies holding mining rights. The inputs in determining fair value are taken from observable markets where possible, but where this is not feasible, a degree of judgement has been applied in establishing fair values. Judgements include considerations of inputs such as exploration potential, available market information relating to current demand, prices, economic viability and future financing. See note 14 for further details.

Nature and purpose of equity reserves

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

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

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

3 Segmental information

The group is engaged in the business of exploring and evaluating the wholly-owned Parys Mountain project in North Wales, managing its interest in the Grangesberg properties and has an investment in the Labrador iron project in eastern Canada. In the opinion of the directors, the group's activities comprise one class of business which is mine exploration, evaluation and development. The group reports geographical segments; these are the basis on which information is reported to the board. As yet there have been no site expenses incurred in respect of the group's interest in Grangesberg and management expenses are included in the UK total.

Income statement analysis

	2019				2018			
	UK £	Sweden £	Canada £	Total £	UK £	Sweden £	Canada £	Total £
Expenses	(75,538)	-	-	(75,538)	(109,677)	-	-	(109,677)
Equity-settled employee benefits	-	-	-	-	(9,324)	-	-	(9,324)
Investment income	233	-	-	233	121	-	-	121
Finance costs	(144,234)	(15,102)	-	(159,336)	(144,234)	(15,033)	-	(159,267)
Exchange rate loss	-	20	-	20	(16)	(26)	-	(42)
Loss for the year	(219,539)	(15,082)	-	(234,621)	(263,130)	(15,059)	-	(278,189)

Assets and liabilities

	31 March 2019				31 March 2018			
	UK £	Sweden £	Canada £	Total £	UK £	Sweden £	Canada £	Total £
Non-current assets	15,494,035	97,794	1	15,591,830	15,439,055	86,659	1	15,525,715
Current assets	24,149	1,078	-	25,227	155,792	1,111	-	156,903
Liabilities	(3,543,174)	(300,087)	-	(3,843,261)	(3,378,271)	(280,835)	-	(3,659,106)
Net assets/liabilities	11,975,010	(201,215)	1	11,773,796	12,216,576	(193,065)	1	12,023,512

4 Loss before taxation

The loss before taxation for the year has been arrived at after charging/(crediting):

	2019 £	2018 £
Fees payable to the group's auditor:		
for the audit of the annual accounts	22,000	22,000
for the audit of subsidiaries' accounts	3,000	3,000
for other services	-	-
Directors' remuneration	-	-
Foreign exchange movement	(20)	42

5 Staff costs

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

	2019	2018
Administrative	3	3
	<u>3</u>	<u>3</u>

Their aggregate remuneration was:

	£	£
Wages and salaries	11,175	16,425
Social security costs	431	1,422
Other pension costs	-	-
	<u>11,606</u>	<u>17,847</u>

The directors did not receive any remuneration during the year. Further details are provided in the directors' remuneration report together with information on share options.

6 Investment income

	2019	2018
	£	£
Loans and receivables		
Interest on bank deposits	-	12
Interest on site re-instatement deposit	233	109
	<u>233</u>	<u>121</u>

7 Finance costs

	2019	2018
	£	£
Loans and payables		
Loan interest to Juno Limited	144,234	144,234
Loan interest to Eurmag AB	15,102	15,033
	<u>159,336</u>	<u>159,267</u>

For both loans the interest shown is accrued and will be repaid together with the loan principal.

8 Taxation

Activity during the year has generated trading losses for taxation purposes which may be offset against investment income and other revenues. Accordingly no provision has been made for Corporation Tax. There is an unrecognised deferred tax asset at 31 March 2019 of £1.3 million (2018 - £1.4 million) which, in view of the group's trading results, is not considered by the directors to be recoverable in the short term. There are also capital allowances, including mineral extraction allowances, of £12.7 million unclaimed and available at 31 March 2019 (2018 - £12.5 million). No deferred tax asset is recognised in respect of these allowances.

	2019 £	2018 £
Current tax	-	-
Deferred tax	-	-
Total tax	-	-

Domestic income tax is calculated at 19% (2018 - 19%) of the estimated assessed profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. The total charge for the year can be reconciled to the accounting profit or loss as follows:

Loss for the year	(234,621)	(278,189)
Tax at the domestic income tax rate of 19%	(44,578)	(52,856)
Tax effect of:		
Expenses that are not deductible		
in determining taxable result:		
Equity-settled employee benefits	-	1,772
Unrecognised deferred tax on losses	44,578	51,084
Total tax	-	-

9 Earnings per ordinary share

	2019 £	2018 £
Earnings		
Loss for the year	(234,621)	(278,189)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	177,608,051	177,608,051
Weighted average number of ordinary shares for the purposes of diluted earnings per share	177,608,051	177,608,051
Basic earnings per share	(0.1)p	(0.2)p
Diluted earnings per share	(0.1)p	(0.2)p

As the group has a loss for the year ended 31 March 2019 the effect of the outstanding share options is anti-dilutive and diluted earnings are reported to be the same as basic earnings.

10 Mineral property exploration and evaluation costs - group

	Parys Mountain
Cost	£
At 31 March 2017	15,010,822
Additions - site	64,856
Additions - rentals & charges	35,463
<hr/>	
At 31 March 2018	15,111,141
Additions - site	29,726
Additions - rentals & charges	25,021
<hr/>	
At 31 March 2019	15,165,888
<hr/>	
Carrying amount	
Net book value 2019	15,165,888
<hr/>	
Net book value 2018	15,111,141

Included in the additions are mining lease expenses of £16,626 (2018 - £11,208).

Potential impairment of mineral property

Accumulated exploration and evaluation expenditure in respect of the Parys Mountain property is carried in the financial statements at cost less any impairment provision, the need for which is reviewed each year.

This year the directors carried out an impairment review with an effective date of 26 March 2019. The directors determined that value-in-use was the appropriate methodology for calculating the recoverable amount of the Parys project, as they consider the asset to be at the development stage from a project perspective, given the ongoing scoping study work, the existence of site infrastructure, the existing 300 metre shaft, 900 metres of horizontal underground development, completed metallurgical testing and current valid planning permission and as they are considering various options regarding developing the asset further which will lead to expected future cash inflows.

In calculating the value in use, the directors have included the cash outflows that are expected to be incurred before the asset is ready for use. The calculation of the recoverable amount was based on the pre-tax discounted future cash flows from the development and operation of the project at a throughput of 1000 tonnes per day over the initial projected mine life of 9 years during which time the indicated resources of 2.1 million tonnes would be mined. The financial model included an assumption of a two year delay before construction activities commence. There may be unexpected further delays due to adverse changes in future mineral prices or delays in respect of financing.

The directors used past experience and an assessment of future conditions, together with external sources of information, to determine the assumptions which were adopted in the preparation of the financial model used to estimate the cashflows.

Key assumptions

- Mine plan with development and mining of the indicated resources of 2.1 million tonnes only without inclusion of any of the 4.1 million tonnes of inferred resources.
- Capital costs estimated at current costs when the expenditure is planned to be incurred. Revenues and operating costs do not take into account any inflation.
- Long-term estimates of metal prices were made by the directors and were as follows: zinc US\$1.25/lb; copper US\$2.50/lb; lead US\$0.9/lb; silver US\$17.50 per ounce and gold US\$1275 per ounce. The exchange rate used was US\$1.30/£1.00 approximating the rate at the date of the impairment review. The Scoping Study used a rate of US\$1.25/£1.00.
- A discount rate of 10% was considered by the directors to be appropriate and has been applied to the estimated future cashflows. The discount rate was selected by considering the estimated cost of capital and the time value of money, reviewing discount rates applied by other mining companies, and finally considering the risks associated with the project due to its location in the United Kingdom with excellent access to existing infrastructure and readiness for development, which were considered to be at the lower level, together with the directors' allowance for unforeseen risks.

These assumptions are unchanged from those used in the impairment assessment of the previous year, except that the exchange rate used in 2018 was US\$1.35/£1.00 and the lead price was US\$1.00/lb.

Note 10 - Mineral property exploration and evaluation costs – group – continued

Sensitivities

The sensitivity of the assumptions used in the cashflow model which would significantly affect the pre-tax discounted net present value of the projected Parys cashflows were tested. The sensitivities which follow are the variation expressed in percent of each specific assumption which would, on its own, reduce the calculated net present value to the carrying value of the intangible asset in the accounts: copper price -27%, zinc price -7%, lead price -18%, capital expenditure +10%, operating costs +10%, the discount rate +18% (that is an 18% increase in the discount rate applied, not an increase of that number of percentage points) and a reduction in tonnage mined of 10%. The effect of an increased delay before the commencement of project development would be to decrease the net present value by 10% (a decrease in rate, as earlier) for each year of delay. The directors consider the sensitivities resulting from the changes in assumptions stated above to be reasonably possible.

Other than the typical mining industry risk factors already taken into consideration in the mine plan underlying the net present value calculation the directors are not aware of any other risks which it would be reasonable to consider when reviewing these sensitivities.

There are significant inferred resources available to the project, the value of which is not included in the cash flow model as the inferred resources were not incorporated in the underlying mine plan. It is expected that a high proportion of these inferred resources will be converted to indicated resources, or probable reserves, once exploration drilling from underground takes place. Development and mining of these additional resources would increase the projected life of the mine.

Conclusion

Based on the above parameters the directors concluded that no impairment provision is necessary or appropriate to the carrying value of the exploration and evaluation expenditure in respect of the Parys Mountain project. However estimates of the net present value of any project, and particularly one like Parys Mountain, are always subject to many factors and wide margins of error. The directors believe that the estimates and calculations supporting their conclusions have been carefully considered and represent a fair representation of value in use of the property.

11 Property, plant and equipment

Group	Freehold land & property	Plant & equipment	Office equipment	Total
Cost	£	£	£	£
At 31 March 2017, 2018 and 2019	204,687	17,434	5,487	227,608
Depreciation				
At 31 March 2017, 2018 and 2019	-	17,434	5,487	22,921
Carrying amount				
At 31 March 2017, 2018 and 2019	204,687	-	-	204,687

Company	Freehold land & property	Plant & equipment	Office equipment	Total
Cost	£	£	£	£
At 31 March 2017, 2018 and 2019	-	17,434	5,487	22,921
Depreciation				
At 31 March 2017, 2018 and 2019	-	17,434	5,487	22,921
Carrying amount				
At 31 March 2017, 2018 and 2019	-	-	-	-

12 Subsidiaries - company

The subsidiaries of the company at 31 March 2019 and 2018 were as follows:

Name of company	Country of incorporation	Percentage owned	Principal activity
Parys Mountain Mines Limited ¹	England & Wales	100%	Development of the Parys Mountain mining property
Parys Mountain Land Limited ¹	England & Wales	100%	Holder of part of the Parys Mountain property
Parys Mountain Heritage Limited ¹	England & Wales	100%	Holder of part of the Parys Mountain property
Labrador Iron plc ²	Isle of Man	100%	Holder of the company's investment in Labrador Iron Mines Holdings Limited
Angmag AB ³	Sweden	100%	Holder of the company's investment in GIAB
Anglo Canadian Exploration (Ace) Limited ¹	England & Wales	100%	Dormant

Registered office addresses:

1. - Parys Mountain, Amlwch, Anglesey, LL68 9RE
2. - Fort Anne, Douglas, Isle of Man, IM1 5PD
3. - Box 1703, 111 87 Stockholm, Sweden

13 Investments - company

	Shares at cost	Capital contributions	Total
	£	£	£
At 1 April 2017	104,025	14,124,527	14,228,552
Advanced	-	96,564	96,564
At 31 March 2018	104,025	14,221,091	14,325,116
Advanced	-	64,026	64,026
At 31 March 2019	104,025	14,285,117	14,389,142

The realisation of investments is dependent on finance being available for development and on a number of other factors. Interest is not charged on capital contributions.

14 Investments - group

	Labrador £	Grangesberg £	Total £
At 1 April 2018 and 31 March 2018	1	86,659	86,660
Change during the period	-	11,135	11,135
At 31 March 2019	1	97,794	97,795

LIM

The directors consider the fair value of 12% investment in LIM for the purposes of these accounts to be £1.

Grangesberg

The group has, through its Swedish subsidiary Angmag AB, an 8.7% ownership interest in GIAB (2018 – 6%), a Swedish company which holds rights over the Grangesberg iron ore deposits. On transition to IFRS 9, the directors assessed the fair value of its investment in Grangesberg, and consider the cost at the date of transition and at year end to approximate its fair value at these dates. The group has until June 2021 a right of first refusal over a further 50.1% of the equity of GIAB together with management direction of the activities of GIAB, subject to certain restrictions. The group has significant influence over certain relevant activities of GIAB however equity accounting has not been applied in respect of this influence as the directors consider this would not have any material affect.

15 Deposit

	Group	
	2019 £	2018 £
Site re-instatement deposit	123,460	123,227

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

16 Other receivables

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Other	19,215	19,790	6,705	5,772

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

17 Cash and cash equivalents

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Held in sterling	4,933	136,001	3,979	132,589
Held in Canadian dollars	1	1	-	-
Held in US dollars	417	417	-	-
Held in Swedish krona	661	694	-	-
	6,012	137,113	3,979	132,589

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

18 Trade and other payables

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Trade payables	(30,067)	(17,631)	(24,477)	(11,383)
Other accruals	(56,472)	(48,239)	(42,000)	(42,738)
	<u>(86,539)</u>	<u>(65,870)</u>	<u>(66,477)</u>	<u>(54,121)</u>

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

19 Loans

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Loan from Juno Limited	(3,406,635)	(3,262,401)	(3,406,635)	(3,262,401)
Loan from Eurmag AB	(300,087)	(280,835)	-	-
	<u>(3,706,722)</u>	<u>(3,543,236)</u>	<u>(3,406,635)</u>	<u>(3,262,401)</u>

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

Eurmag: The loan arose in connection with the acquisition of the investment in Grangesberg. It is the subject of a letter agreement, denominated in Swedish Krona, is unsecured and carries interest at 6.5% per annum on the principal only. It is repayable from any future financing undertaken by the company, or on demand following a notice period of 367 days. The terms of the facility were approved by an independent committee of the board. The carrying value of the loan approximates to its fair value.

Changes in liabilities arising from financing activities

	1 April 2018 £	Cash flows £	Non cash movements £	31 March 2019 £
Loan from Juno Limited	(3,262,401)	-	(144,234)	(3,406,635)
Loan from Eurmag AB	(280,835)	-	(19,252)	(300,087)
	<u>(3,543,236)</u>	<u>-</u>	<u>(163,486)</u>	<u>(3,706,722)</u>

The Juno loan relates to the group and company and the non cash movement represents accrued interest.

The Eurmag loan relates to the group only and its non-cash movement includes accrued interest, a non-cash management fee and foreign exchange changes.

20 Long term provision

	Group	
	2019 £	2018 £
Provision for site reinstatement	<u>(50,000)</u>	<u>(50,000)</u>

The provision for site reinstatement covers the estimated costs of reinstatement at the Parys Mountain site of the work done and changes made by the group up to the date of the accounts. These costs would be payable on completion of mining activities (which is estimated to be more than 20 years after mining commences) or on earlier abandonment of the site. The provision has not been discounted because the impact of doing so is not material to the financial statements. There are significant uncertainties inherent in the assumptions made in estimating the amount of this provision, which include judgements of changes to the legal and regulatory framework, magnitude of possible contamination and the timing, extent and costs of required restoration and rehabilitation activity.

21 Share capital

Issued and fully paid	Ordinary shares of 1p		Deferred shares of 4p		Total
	Nominal value £	Number	Nominal value £	Number	Nominal value £
At 31 March 2018 and					
31 March 2019	1,776,081	177,608,051	5,510,833	137,770,835	7,286,914

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

22 Equity-settled employee benefits

During the year all the options remaining under the 2004 Unapproved share option plan lapsed and the plan is now terminated. The 2014 Unapproved share option plan is active and provides for a grant price equal to or above the average quoted market price of the ordinary shares for the three trading days prior to the date of grant. All options granted to date have carried a performance criterion, namely that the company's share price performance from the date of grant must exceed that of the companies in the top quartile of the FTSE 100 index. The vesting period for any options granted since 2014 has been one year. Options are forfeited if the employee leaves employment with the group before the options vest. No options were granted, lapsed or forfeited in respect of the 2014 plan during the year.

	2019			2018		
	Options	Weighted average exercise price in pence	Remaining contractual life in years	Options	Weighted average exercise price in pence	Remaining contractual life in years
Outstanding at beginning of period	4,200,000	2.50	3.1	8,000,000	11.72	
Granted during the period	-	-		-	-	
Forfeited during the period	-	-		-	-	
Exercised during the period	-	-		-	-	
Expired during the period	700,000	-		3,800,000	-	
Outstanding at the end of the period	3,500,000	2.00	2.5	4,200,000	2.50	3.1
Exercisable at the end of the period	3,500,000	2.00	2.5	4,200,000	2.50	3.1

There were no expenses in respect of equity-settled employee remuneration for the year ended 31 March 2019 (2018 – £9,324). 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
2014 Unapproved	3,500,000	35,000	2.00p	30 September 2017	30 September 2021

23 Results attributable to Anglesey Mining plc

The loss after taxation in the parent company amounted to £220,241 (2018 loss £266,821). The directors have taken advantage of the exemptions available under section 408 of the Companies Act 2006 and not presented an income statement for the company alone.

24 Financial instruments

Capital risk management

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

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

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

Interest rate risk

The amounts advanced under the Juno loans are at a fixed rate of interest of 10% per annum and those from Eurmag are at a fixed rate of 6.5% per annum. As a result the group is not exposed to interest rate fluctuations. Interest received on cash balances is not material to the group's operations or results.

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

Liquidity risk

The group has ensured continuity of funding through a mixture of issues of shares and the working capital agreement with Juno Limited.

Trade creditors are payable on normal credit terms which are usually 30 days. The loans due to Juno and Angmag carry a notice period of 367 days. Juno, in keeping with its practice since drawdown commenced more than 10 years ago, has indicated that it has no current intention of demanding repayment. No such notice had been received by 18 July 2019 in respect of either of the loans and they are classified as having a maturity date between one and two years from the period end.

Currency risk

The presentational currency of the group and company is pounds sterling. The loan from Juno Limited is denominated in pounds sterling. As a result, the group has no currency exposure in respect of this loan. Currency risk in respect of the book value of the investment in LIM is no longer significant.:

In respect of the investment in Grangesberg in Sweden if the rate of exchange between the Swedish Krona and sterling were to weaken against sterling by 10% there would be a loss to the group of £8,925 (2018 - £8,686) and if it were to move in favour of sterling by a similar amount there would be a gain of £10,908 (2018 - £10,616). Regarding liabilities denominated in Krona if the rate of exchange between the Swedish Krona and sterling were to weaken against sterling by 10% there would be a gain to the group of £27,281 (2018 - £25,530) and if it were to move in favour of sterling by a similar amount there would be a loss of £33,343 (2018 - £31,204). These gains or losses would be recorded in other comprehensive income.

Potential exchange variations in respect of other foreign currencies are not material.

Credit risk

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

Note 24 – Financial instruments – continued

Group	Financial assets classified at fair value through other comprehensive income		Financial assets measured at amortised cost	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£	£	£	£
Investments	97,795	86,660	-	-
Deposit	-	-	123,460	123,227
Other receivables	-	-	19,215	19,790
Cash and cash equivalents	-	-	6,012	137,113
	<u>97,795</u>	<u>86,660</u>	<u>148,687</u>	<u>280,130</u>
	Financial liabilities measured at amortised cost			
	31 March 2019	31 March 2018		
	£	£		
Trade payables	(30,067)	(17,631)		
Other payables	(56,472)	(48,239)		
Loans	(3,706,722)	(3,543,236)		
	<u>(3,793,261)</u>	<u>(3,609,106)</u>		
Company	Financial assets measured at amortised cost		Financial liabilities measured at amortised cost	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£	£	£	£
Other receivables	6,705	5,772	-	-
Cash and cash equivalents	3,979	132,589	-	-
Trade payables	-	-	(24,477)	(11,383)
Other payables	-	-	(42,000)	(42,738)
Loan	-	-	(3,406,635)	(3,262,401)
	<u>10,684</u>	<u>138,361</u>	<u>(3,473,112)</u>	<u>(3,316,522)</u>

25 Related party transactions

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

Juno Limited

Juno Limited (Juno) which is registered in Bermuda holds 31% of the company's issued ordinary share capital. The group has the following agreements with Juno: (a) a controlling shareholder agreement dated September 1996 and (b) a consolidated working capital agreement of 12 June 2002. Interest payable to Juno is shown in note 7 and the balance due to Juno is shown in note 19. There were no transactions between the group and Juno or its group during the year. Danesh Varma is a director and, through his family interests, a significant shareholder of Juno.

Grangesberg

Bill Hooley and Danesh Varma are directors of Grangesberg Iron AB and of the special purpose vehicle Eurmag AB; Danesh Varma has been associated with the Grangesberg project since 2007 when he became a director of Mikula Mining Limited, a company subsequently renamed Eurang Limited, previously involved in the Grangesberg project. He did not take part in the decision to enter into the Grangesberg project when this was approved by the board. The group has a liability to Eurmag AB a subsidiary of Eurang amounting to £300,087 at the year end (2018 – £280,835) – see note 19. During the year the group subscribed £12,472 for new shares in GIAB; other GIAB shareholders also participated in the share issue consequently the group's shareholding percentage was unchanged.

Key management personnel

All key management personnel are directors and appropriate disclosure with respect to them is made in the directors' remuneration report.

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

26 Mineral holdings

Parys

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

(b) Under a lease from Lord Anglesey dated December 2006, the subsidiary Parys Mountain Land Limited holds the eastern part of Parys Mountain, formerly known as the Mona Mine. An annual certain rent of £16,626 is payable for the year beginning 23 March 2018; the base part of this rent increases to £20,000 when extraction of minerals at Parys Mountain commences; this rental is index-linked. A royalty of 1.8% of net smelter returns from mineral sales is also payable. The lease may be terminated at 12 months' notice and otherwise expires in 2070.

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

Lease payments

All the group's leases may be terminated with 12 months' notice. If they are not so terminated, the minimum payments due in respect of the leases and royalty agreement are analysed as follows: within the year commencing 1 April 2019 - £17,358 ; between 1 April 2020 and 31 March 2025 - £92,344 . Thereafter the payments will continue at proportionate annual rates, in some cases with increases for inflation, for so long as the leases are retained or extended.

27 Material non cash transactions

There were no material non-cash transactions in the year.

28 Commitments

Other than commitments under leases (note 26) there is no capital expenditure authorised or contracted which is not provided for in these accounts (2018 - nil).

29 Contingent liabilities

There are no contingent liabilities (2018 - nil).

30 Events after the period end

A loan of £100,000 was received from Juno Limited on 2 April 2019 under the terms of a working capital agreement – see notes 19 and 25.

On 17 May 2019, 9,367,681 new ordinary shares, representing approximately 5.3% of the company's current issued share capital, were placed with an institution at a price of 2.135 pence per share to raise a total of £200,000 gross and £180,000 net.

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

Notice of AGM

Notice is given that the 2019 annual general meeting of Anglesey Mining plc will be held at the offices of the company's lawyers, DLA Piper UK LLP, 160 Aldersgate Street, London, EC1A 4HT on 5 September 2019 at 11.00 a.m. to consider and, if thought fit, to pass the following resolutions. Resolutions 1 to 11 will be proposed as ordinary resolutions and resolution 12 will be proposed as a special resolution:

As ordinary business

1. To receive the annual accounts and directors' and auditor's reports for the year ended 31 March 2019.
2. To approve the directors' remuneration report for the year ended 31 March 2019.
3. To approve the directors' remuneration policy in the directors' remuneration report for the year ended 31 March 2019.
4. To reappoint John F. Kearney as a director.
5. To reappoint Bill Hooley as a director.
6. To reappoint David Lean as a director.
7. To reappoint Howard Miller as a director.
8. To reappoint Danesh Varma as a director.
9. To reappoint Mazars LLP as auditor.
10. To authorise the directors to determine the remuneration of the auditor.

As special business

11. That, pursuant to section 551 of the Companies Act 2006 ("Act"), the directors be and are generally and unconditionally authorised to exercise all powers of the company to allot shares in the company or to grant rights to subscribe for or to convert any security into shares in the company up to an aggregate nominal amount of £620,000, provided that (unless previously revoked, varied or renewed) this authority shall expire on 31 December 2020, save that the company may make an offer or agreement before this authority expires which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after this authority expires and the directors may allot shares or grant such rights pursuant to any such offer or agreement as if this authority had not expired.

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

12. That pursuant to section 570 of the Act, the directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted under section 551 of the Act pursuant to resolution 11 above as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

(a) in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise) (i) to holders of ordinary shares in the capital of the company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and (ii) to holders of other equity securities in the capital of the company, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

(b) otherwise than pursuant to paragraph 12(a) above, up to an aggregate nominal amount of £460,000

and (unless previously revoked, varied or renewed) this power shall expire on 31 December 2020, save that the company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired. This power is in substitution for all existing powers under section 570 of the Act which, to the extent effective at the date of this resolution, are revoked with immediate effect.

By order of the board
Danesh Varma
Company secretary
30 July 2019

Notice of AGM

Notes to the notice of AGM

Entitlement to attend and vote

1. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at the close of business on 3 September 2019 (or, if the meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the date and time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

Proxies

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a member of the Company. A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid. A proxy may be appointed only in accordance with the procedures set out in note 3 and the notes to the proxy form. The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.
3. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar Link Asset Services, Proxies, The Registry, 34 Beckenham Road, Kent BR3 4TU or the proxy form may be photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed. To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, Link Asset Services, Proxies, The Registry, 34 Beckenham Road, Kent BR3 4TU, no later than 11.00 a.m. on 3 September 2019 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).

Corporate representatives

4. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

Total voting rights

5. As at 18 July 2019 (being the last practicable date before the publication of this notice), the issued share capital consists of 186,975,732 ordinary shares of £0.01 each, carrying one vote each and 21,529,451 Deferred A Shares and 116,241,384 Deferred B Shares which do not carry any rights to vote. Therefore, the total voting rights as at 18 July 2019 are 186,975,732.

Nominated Persons

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

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

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

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

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

Notice of AGM

Website publication of audit concerns

9. A shareholder or shareholders who meet the qualification criteria set out in note 10 below may require the Company to publish on its website a statement setting out any matter that such shareholders propose to raise at the meeting relating to either the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the meeting or any circumstances connected with an auditor of the Company ceasing to hold office since the last annual general meeting of the Company in accordance with section 527 of the Act. Any such request must (i) identify the statement to which it relates, by either setting out the statement in full or, if supporting a statement requested by another shareholder, clearly identify the statement which is being supported (ii) comply with the requirements set out in note 11 below and (iii) be received by the Company at least one week before the meeting. Where the Company is required to publish such a statement on its website (i) it may not require the shareholders making the request to pay any expenses incurred by the Company in complying with the request (ii) it must forward the statement to the Company's auditors no later than the time when it makes the statement available on the website and (iii) the statement may be dealt with as part of the business of the meeting.

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

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

Questions at the meeting

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

Documents available for inspection

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

Biographical details of directors

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

Website providing information about the meeting

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

Directors

John F. Kearney	Irish, aged 68, chairman, is a mining executive with more than 40 years' experience in the mining industry and is chairman and CEO of Labrador Iron Mines Holdings Limited. He is also chairman of Buchans Resources Limited, Xtierra Inc. 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. He is resident in Canada.
Bill Hooley	aged 72, chief executive, is a mining engineering graduate from the Royal School of Mines and has extensive experience in many countries including the UK and Australia. He is vice-chairman and a director of Labrador Iron Mines Holdings Limited and since May 2014 a director of Grangesberg Iron AB and Eurmag AB. He has been a director of a number of other companies involved in the minerals industry. He is a Fellow of the Australasian Institute of Mining and Metallurgy.
Danesh Varma	Canadian, aged 69, finance director and company secretary is a chartered accountant and a member of the Chartered Institute of Taxation. He is a director of Labrador Iron Mines Holdings Limited and since May 2014 has been a director of Grangesberg Iron AB and Eurmag AB. He is also chief financial officer of Buchans Resources Limited, Xtierra Inc. and Conquest Resources Limited.
David Lean	Australian, aged 72, 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, remuneration and nomination committees.
Howard Miller	aged 75, 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 a member of the remuneration, audit and nomination committees and the senior independent director.

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mail@angleseymining.co.uk

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Phone 020 7062 3782

Registrars

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Beckenham, Kent BR3 4TU
Share dealing phone 0371 664 0445
Helpline phone 0371 664 0300

Calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00am and 5.30pm, Monday to Friday excluding public holidays in England and Wales

Registered office

Tower Bridge House,
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Web site

www.angleseymining.co.uk

Company registered number

1849957

Shares listed

The London Stock Exchange - LSE:AYM