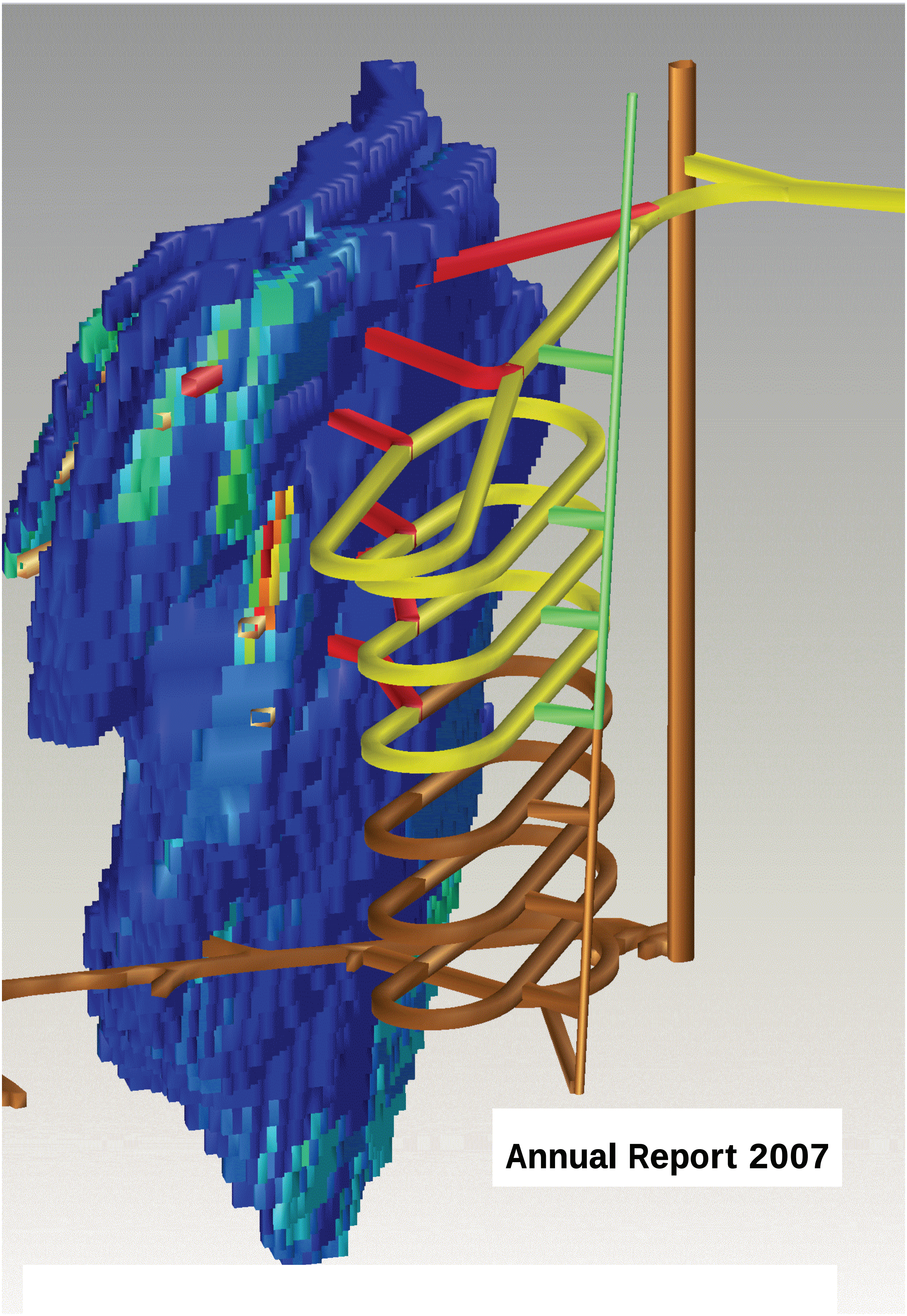
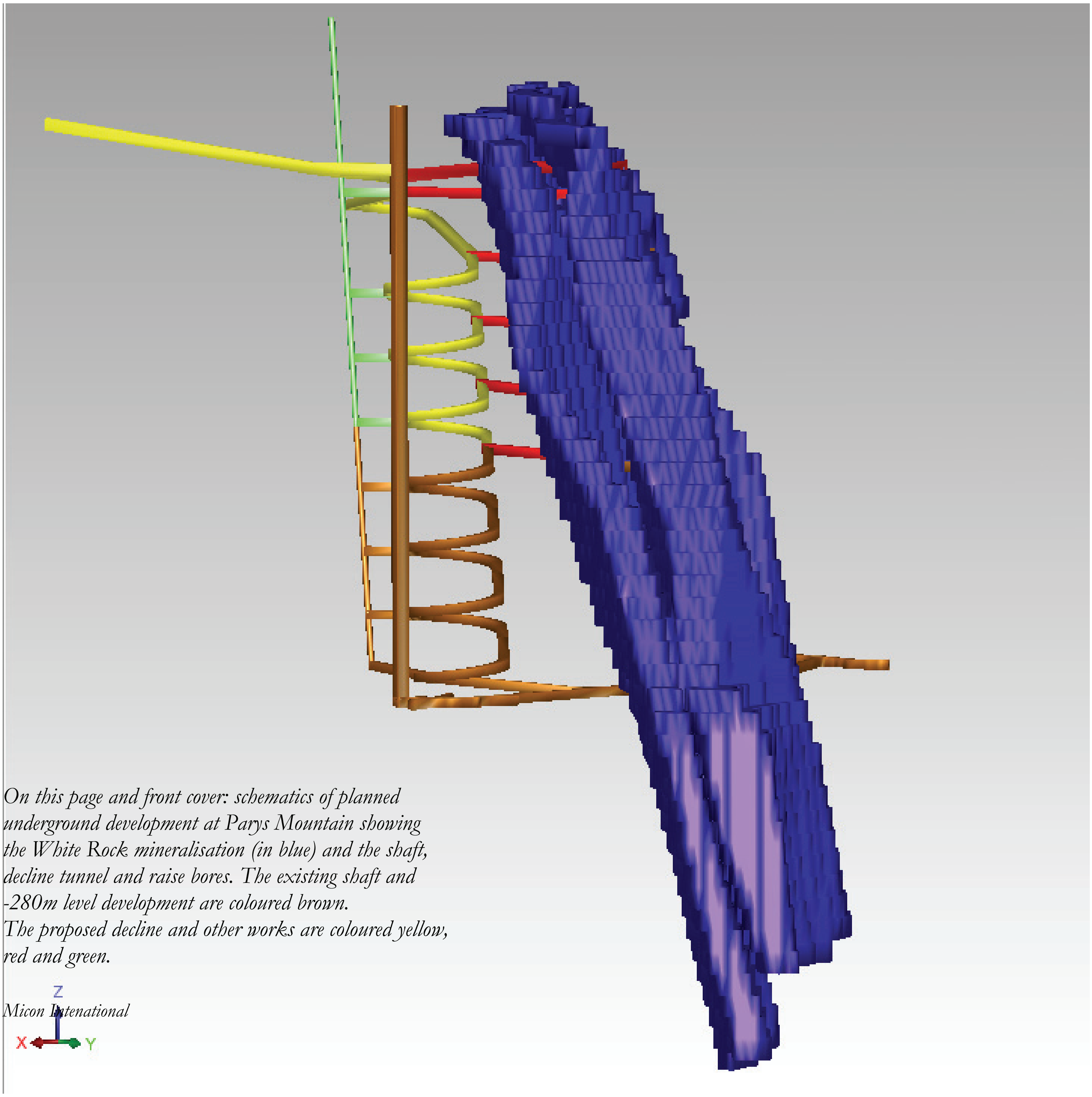


Annual Report 2007

Anglesey Mining plc



On this page and front cover: schematics of planned underground development at Parys Mountain showing the White Rock mineralisation (in blue) and the shaft, decline tunnel and raise bores. The existing shaft and -280m level development are coloured brown.
The proposed decline and other works are coloured yellow, red and green.

Micon International

Contents

Anglesey Mining plc

A fully listed UK based mining company developing two major projects towards mining production by 2009

In North Wales

The Parys Mountain zinc lead copper project with a resource of 6.5 million tonnes at 10% combined metals.

In the White Rock area a new JORC compliant resource estimate and scoping study provide the pathway for a lower risk start to mining operations followed by a phased development of the Parys resources.

In Labrador Canada

The Schefferville project, a historic resource of 100 million tons of high grade direct shipping hematite lump and sinter fine iron ore, already partially developed.

Detailed studies have resulted in a development plan leading to a proposal for an Initial Public Offering in Canada in order to fund further development towards production.

James iron ore deposit, Labrador

Chairman's statement

The period since the start of our last financial year has been one of very significant developments for Anglesey Mining plc. We have made major advances at the Parys Mountain copper-zinc-lead and Labrador iron ore projects and both are being prepared for production in 2009.

At Parys Mountain we revised the development plan, carried out a very successful drilling programme, published a new JORC-compliant resource estimate on the White Rock zone and completed a Scoping Study that, subject to funding, should lead to an early, reduced risk, development plan to bring the mine into commercial production in 2009.

In Labrador we carried out a major assessment and exploration programme of our iron ore properties in the Schefferville area, completed an initial feasibility study that describes a robust economic project, supported this with an independent consultant's review and have made major progress with plans to finance this project through a proposed initial public offering in Canada. This should lead to first iron ore production in mid 2009.

After the year end we raised £1.1 million in July 2007 by means of a private placing with London institutions. We believe this demonstrates institutional support both for our underlying properties and for management's plans to develop the assets and bring them into production.

The group reported a profit for the year of £6.76 million, including a reversal of a £7.2 million impairment provision made in previous years, compared to a loss last year of £517,405. This impairment reversal has changed the balance sheet to better reflect the value of Parys Mountain.

Labrador Iron Ore

During the first year of our management, the iron ore properties at Schefferville, western Labrador, originally developed by the Iron Ore Company of Canada, have been the subject of intensive work. In the summer of 2006 we carried out a drilling programme on most of the deposits that are part of the initial production plan. This was supported by trenching and metallurgical testwork, a positive external engineering review of the railroad, the commencement of environmental baseline studies required as part of upcoming project permit applications and ongoing discussions with First Nations, which should lead to Memoranda of Understanding and subsequently to Impact Benefits Agreements.

This work culminated in the production of an initial feasibility study which demonstrated the viability of our proposed Schefferville Project. As a consequence of this study and the summer 2006 exploration programme, and by committing to put the properties into production, the group now holds a 77.5% joint interest in the Schefferville Project, before the proposed Initial Public Offering.

We have continued to liaise with the Department of Mineral Resources of the Province of Newfoundland and Labrador, and with the relevant Federal authorities, with regards to the permits required to commence construction and development.

These discussions have been positive and no major impediment to the grant of these permits is anticipated.

The respected Canadian consultant SNC-Lavalin was retained to review the development options for the Schefferville Project and has done so in accordance with Canadian National Instrument 43-101. SNC generally conclude that the historical resources of 100 million tons of high grade hematite lump and sinter fine ore on which the initial feasibility study was based can be brought to a modern compliant standard with a relatively limited confirmatory drilling programme.

The world market for iron ore continues to grow strongly in both volume and price and there is considerable interest in iron ore deposits of the size and style of our Schefferville Project, particularly where these can be brought to production rapidly and with relatively low capital cost, both of which are the case at Schefferville.

In conjunction with Canaccord Capital Corporation, the company undertook a review of alternative markets that might be appropriate to raise monies to finance the future development of the Schefferville Project. Following this review it was determined that the Canadian market is more likely to provide a higher valuation of the Labrador properties and greater access to the funds required for development to commence commercial production. In addition, the board believes that a Canadian listed public company with locally based management carrying out operations in Labrador will provide greater likelihood of success for these activities.

A preliminary prospectus was filed with the Ontario Securities Commission on 12 September 2007. These proposals must be approved by Anglesey's shareholders and we will issue a circular describing them in detail and calling an EGM.

We believe that a successful Initial Public Offering in Toronto will transform the Schefferville Project and, subject to funding, lead to a fast track to production and cashflows, resulting in a significant re-appraisal of the value of our activities.

Parys Mountain – copper-zinc-lead-silver-gold

Following the successful Garth Daniel drilling programme in the previous financial year, we conducted a review of the development alternatives for Parys Mountain and as a result carried out a detailed drilling programme in the White Rock area during the year with successful results. A JORC-compliant resource estimate of the White Rock area resulting from this and earlier drilling was published at the beginning of 2007.

The results of this programme met all our expectations and have led us to develop a fundamental change to the development plan for the Parys Mountain Mine. We now intend to mine White Rock using decline access as Phase I of the production plan. This will minimise the initial capital and will accelerate the time scale to first production. The positive cash generated from White Rock will be utilised for Parys Mountain Phase II.

We commissioned a Scoping Study from Micon International Co Limited, published in July 2007, on the development and production plan for White Rock. The study confirms that a viable five year operation could be conducted on White Rock alone and would create the necessary positive cash-flow, including all the costs of a 500 tonnes per day processing plant.

In Phase II the treatment capacity of the processing plant will be expanded and the existing shaft, head-frame and winder will be refurbished and connected to the decline. This will enable expanded production from the larger and higher grade Engine Zone to commence coincident with the end of White Rock production. In

Phase III we will extend the mine to the east into the Garth Daniel and deep Engine zone areas, potentially with a further increase in production rate.

We have now commenced preparatory work ahead of driving the White Rock decline and expect that excavation activities will commence prior to the end of 2007. The capital cost of the development of White Rock is estimated at £15 million and we are in discussions on the alternatives for raising this financing.

The Parys Mountain project benefits from existing valid planning permissions for the planned operations; from the high level of infrastructure already in place; from the extensive exploration and planning work that has been carried out in the past; from strong local and national government support; and from continuing strength in all the commodities that we will produce. Given these benefits and the revised development plan, we believe that the White Rock mine at Parys Mountain should be in production in 12 to18 months from commencement of the decline development.

Financial results

With metal prices at their current and forecast levels, the board considers that the impairment provisions against the carrying value of the Parys Mountain property made in previous years are no longer appropriate and, in accordance with the relevant accounting standards, they have been reversed in this year's financial statements, resulting in a credit to the Profit and Loss account of £7,200,000. Our administrative expenses this year were £388,894 compared with £242,243 last year, the increase being due to higher levels of activity and additions to the payroll. Overall we are reporting a profit this year of £6,762,751 compared with a loss last year of £517,405. The group has no revenues from the operation of its properties.

Outlook

We are now at a most exciting stage in the history of the company. Under the direction of Bill Hooley, our chief executive, Parys Mountain is poised to commence development after an extended period and Labrador Iron is now also in a position where it too should soon be set on the road to early production.

The outlook for all the commodities that we will be producing remains very strong, driven primarily by continuing demand from the growth economies of China and India and other developing nations in Asia. Our decision to operate in stable political environments will ensure the continuity of our tenure and place us in a strong position relative to many of our fellow resource companies.

We have received good institutional support for plans with the recent placement and we expect this to be reinforced both when the Labrador IPO is brought to market and when we raise additional funding for Parys Mountain.

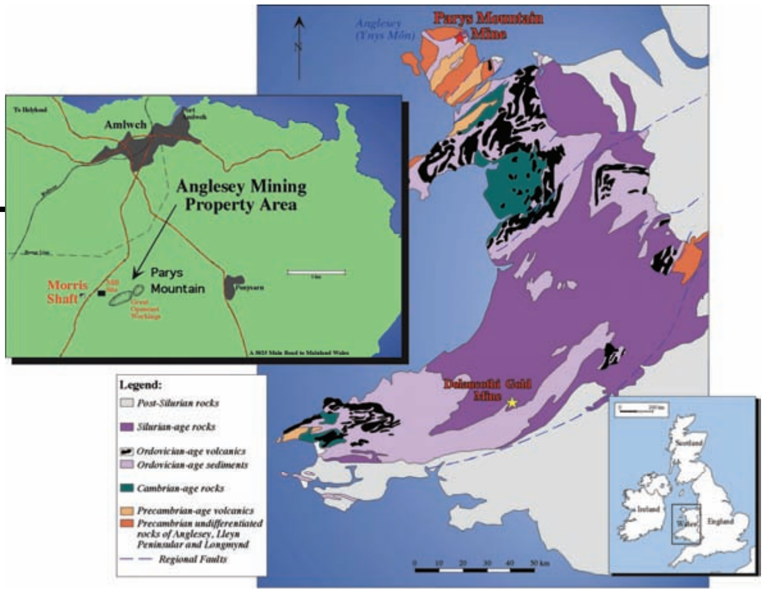
We believe that the value of our assets and our current levels of activity are now beginning to be recognised by the equity market and we confidently expect that this position will be further strengthened as all of these developments are brought to fruition.

John F. Kearney

Chairman

18 October 2007

Parys Mountain



Highlights:

- New phased development plan, initially mining White Rock area from a decline
- Long term planning permission in place
- Ownership of relevant minerals and surface land
- Low political risk
- Local infrastructure in place
- Enthusiasm of local people and government support
- Significant upside in the exploration potential

In 1991 inferred and indicated resources were estimated at 6.5 mt at over 10% combined metal content (not a JORC-compliant resource). There is already a 300 metre deep production shaft in place, together with 1,000 metres of underground development. The project's planning permission remains in good standing and there is strong local support for the proposed mine and mill development. There are no restoration commitments in respect of previous mining and no special environmental issues or causes threatening the development.

Life of mine revenues would be derived chiefly from copper and zinc, each providing about 40 per cent of the total, with lead, silver and gold making up the other 20 per cent. In the early years of production zinc would provide a higher proportion of the revenues. All of the mining would be underground so surface disturbance would be minimal. When in full production at 350,000 tonnes per year the mine is expected to produce about 20,000 tonnes of zinc, 8,000 tonnes of copper and 7,000 tonnes of lead metal in concentrates each year.

The headframe, the most obvious symbol of the operation, has been in place on top of Parys Mountain since 1989. The group owns the freehold of the mining area. Infrastructure around the proposed mine is excellent and relatively high unemployment means the establishment of the project, in an area famous for its mining activities, is favourably viewed by the local authority and by the Welsh Assembly Government which would provide grants towards capital costs.

Extensive geological studies over the period from 1996 to date have greatly increased the level of understanding of the relatively complex, chiefly volcanic hosted, massive sulphide deposits.

The phased production plans and the JORC-compliant White Rock area resources bring Parys Mountain closer to production yet still there are large unexplored and prospective areas close to the proposed mining operation. The plans are characterised by the security of a significant cash flow together with the excitement of blue-sky exploration. The company has always considered the potential for discovery of additional mineral resources in the untested areas of Parys Mountain to be very significant.

White Rock Resources

As estimated by Micon - January 2007

	Million Tonnes	Cu %	Pb %	Zn %	Ag g/t	Au g/t
Above 280 metre level						
Indicated	1.18	0.38	2.47	4.68	41	0.38
Inferred	0.23	0.30	1.55	3.54	45	0.30
Total	1.41	0.37	2.32	4.49	42	0.37
Below 280 metre level						
Indicated	0.57	0.33	1.71	3.42	35	0.54
Inferred	0.17	0.34	1.74	3.53	44	0.49
Total	0.74	0.33	1.72	3.45	37	0.53
Total White Rock						
Indicated	1.75	0.36	2.22	4.27	39	0.43
Inferred	0.40	0.32	1.63	3.54	45	0.38
Total	2.15	0.36	2.11	4.13	40	0.42

Labrador Iron

Highlights:

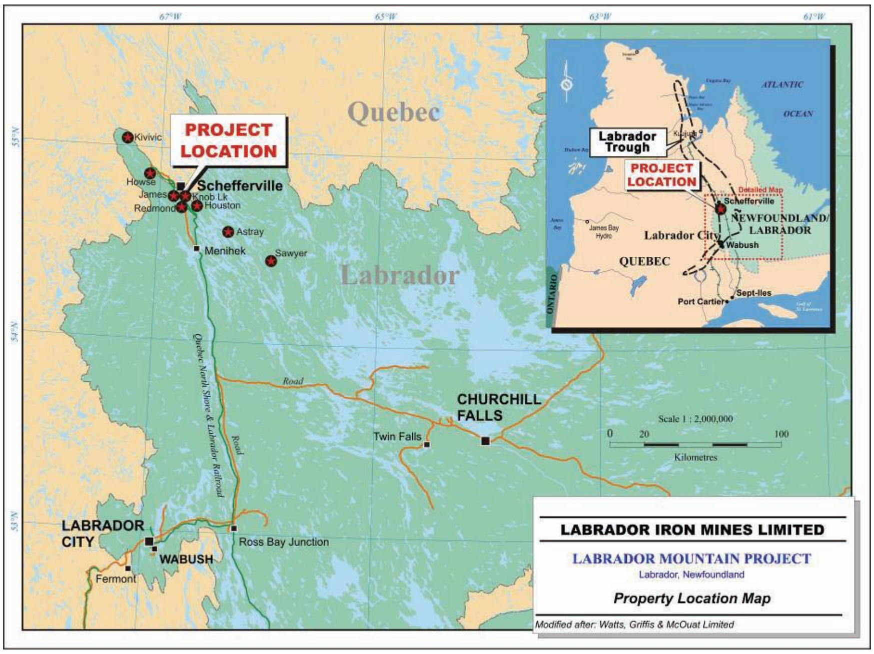
- 100 million tons of hematite iron ore historic resources
- Direct shipping project producing high grade lump and sinter fine ore
- Already partially developed - short time to production - low capital expenditure
- Existing rail transportation, deep water ports, shipping facilities and hydro power
- Former operations of the Iron Ore Company of Canada
- Target production of 2 million tonnes per year by 2009, increasing to between 3 and 5 million tonnes after 3 years
- Potential mine life of more than 20 years

The company plans to mine and partially upgrade the known resources to produce direct shipping lump and sinter ore. The project benefits from a short time to production and relatively low capital expenditure requirements. Significant portions of the operations such as mining and processing will be carried out by external contractors. Target production is 2 million tonnes per year beginning in mid 2009, increasing to between 3 and 5 million tonnes per year after 3 years with a potential mine life of about 20 years.

The resources were formerly worked by the Iron Ore Company of Canada (IOCC) which was formed in 1947 to develop the Labrador Trough, one of the largest iron ore resources identified in the world.

Based on these deposits IOCC grew into the largest iron ore company in Canada. Declining prices in the 1980s coupled with the discovery of major new deposits in Brazil and Australia and the development by IOCC of other deposits, led to closure of Schefferville operations in 1982. At that time IOCC had identified 250 million tons of remaining resources in Labrador and Quebec of which the group currently controls 100 million tons in Labrador. Much of the extensive infrastructure from the former operations remains intact.

A initial feasibility study in September 2006 was followed by independent technical report from SNC-Lavalin which indicated that the proposed project would involve open pit mining from a number of deposits initially at a rate of 8,000 tonnes per day, using a mining contractor, over a period of 8 months per year. Washing and screening would separate the mined material into lump and fine sinter ore which will then be loaded on to rail cars for transportation to the port of Sept Iles for onward shipping. First production is expected in 2009.



Location map of Labrador iron deposits, showing the railway south to Sept-Isles. Currently there are major producing iron ore operations of other companies in the Labrador City area.

The directors have pleasure in submitting their report and the audited accounts for the year ended 31 March 2007.

Principal activities and business review

Since its formation in 1984 the principal business of the company has been the development of the copper-zinc-lead deposits at Parys Mountain in North Wales together with the sourcing and development of other mineral properties that are close to production. Since October 2005 the group has added to its operations the development of a series of iron ore deposits around Schefferville in the province of Newfoundland and Labrador in eastern Canada. The aim is to develop these properties using the group's own resources together with such external investment and finance as may be required.

Parys Mountain

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

During the year the group continued with its exploration programmes, drilling 2,165 metres in 14 diamond core holes. This work added significant shallow discoveries in the White Rock zone near the existing Morris shaft to the Engine zone discoveries in the Garth Daniel area made last year.

Based on these discoveries and the recent near-record metal price levels, a plan to develop the White Rock area first, and on a smaller scale than the 1991 feasibility study, has been formulated. Because of the work already carried out and the existing valid planning permissions the company believes that the project could be producing ore in less than one year from financing. The capital cost of the White Rock development is estimated to be of the order of £15 million up to the point at which the operation becomes cash flow positive.

Revenues from Parys would be derived chiefly from copper and zinc, each providing about 40% of the total, with lead, silver and gold making up the other 20%. Zinc will provide a larger proportion of production in the earlier years of mining. When in full production based on current estimates the mine is expected to produce about 20,000 tonnes of zinc metal, 8,000 tonnes of copper and 7,000 tonnes of lead in concentrates per year.

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

Capital funding at the level forecast for the Parys Mountain project is expected to come from equity, bank project finance and government grants.

Labrador Iron

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

In September 2006 an initial feasibility study confirmed that an economic operation is viable at the Labrador properties. Since the year end a positive technical report has been received from Canadian consultants SNC-Lavalin and work is now under way preparatory to a full bankable feasibility study.

Following a re-evaluation of potential routes for financing this project, Canaccord Capital Corporation was appointed as an agent to carry out an initial public offering in Canada in respect of the Schefferville project and a preliminary prospectus in respect of this offering was filed with the Ontario Securities Commission in Toronto on 12 September 2007.

Dolaucothi

In addition to these two major assets, the group has the small Dolaucothi property in South Wales. Given the major investments in management and finance required for Parys Mountain and Labrador Iron, it is not the company's intention to focus on this property at this time.

Other activities

The company will continue to investigate other opportunities around the world as they arise. In general terms the company will concentrate this activity on mineral properties that have the capability of being brought into production in a relatively short time frame and within the financing constraints available to the group. The company believes that it is important that it continues to investigate additional opportunities to those described above to provide a source of future projects to enable the group to continue to grow once the existing properties are brought into production.

Performance

So far as the directors are aware, there are no standardised indicators which can usefully be employed to gauge the performance of any group at this stage of its development other than the performance of the company's shares. The directors expect to be judged by their success in creating value for shareholders.

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

Dividend

The group has no revenues and the directors are unable to recommend a dividend *(2006 – nil)*. Since the date of the accounts the activities of the group have continued in accordance with the directors' expectations. The directors remain attentive for opportunities to be involved in appropriate new mineral ventures but note that in the current environment of high metal prices, finding suitable projects is difficult.

Financial Position

The group has no revenues from the operation of its properties. The profit for the year before taxation was £6,762,751 *(2006 – loss - £517,405)*. Of this profit, £7,200,000 comprises a reversal of all the impairment provisions made against the carrying value of the Parys Mountain development expenditure, an intangible asset. These impairment provisions were made over the period from 2000 to 2003 during which low metal prices reduced the estimated net present value of the Parys project.

The operating loss before impairment reversal of £388,894 *(2006 - £242,243)* comprises administrative expenses and interest all of which, in accordance with the group's accounting policy, are charged to the income statement. Included in the administration expenses were share-based payment charges of £68,840 *(2006 - £98,762)*.

During the year no fixed assets *(2006 - nil)* were acquired, £431,309 *(2006 - £400,098)* was capitalised in respect of the development of the Parys Mountain property and £453,357 *(2006 - £90,400)* was capitalised in respect of the Labrador Iron property. No impairment provisions were made *(2006 - £194,065)* and, as explained above, impairment provisions totalling £7,200,000 in respect of the Parys project were reversed.

The cash position at 31 March 2007 was £34,003 compared to £1,201,381 in 2006, this larger figure last year being due to a share placing shortly before the 2006 year end. For the same reason, there were net current liabilities of £530,178 at 31 March 2007 compared to net current assets of £584,236 at 31 March 2006. Following a placing for cash on 19 July 2007, £1,045,000 (net of expenses) was added to the group's cash resources.

At 31 March 2007 the company had 138,808,051 *(2006 - 137,508,051)* ordinary shares in issue and following the placing on 19 July 2007, 13,750,000 shares were issued at 8 pence each resulting in the number of ordinary shares in issue being increased to 152,558,051.

In order to fund the developments which the group wishes to undertake at its properties significant further finance will be required, however such expenditures are at the discretion of the directors and will not be incurred unless facilities are available.

Risks and uncertainties

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

General mining risks

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

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

Liquidity risk

In order to maintain liquidity and to ensure that sufficient funds are available for operations and developments the company relies upon share issues and loans from its major shareholder Juno Limited.

Exploration and development

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

Metal prices

The group is currently in a transition from an exploration to a development phase. Business conditions are expected to be positive as strong demands for primary metals, allied to a growing shortage in supply, should help to sustain metal prices which in turn should encourage investor interest in mining and exploration companies.

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

Anglesey Mining plc does not have sufficient funds to put either the Parys Mountain mine or the Labrador Iron project into production from its own financial resources. The group may rely on equity and debt financings for its working capital requirements and to fund its exploration and development activities. There is no assurance that such financing will be available to the group, or that it will be available on acceptable terms.

Permitting, environment and social

The group holds planning permissions for the development of the Parys Mountain property. The group will be required to obtain further permits to carry out its activities and may be subject to various reclamation and operational conditions on these permits. The local and regional authorities concerned with the Parys Mountain area are supportive of the development of the project.

The group currently does not have the benefit of any operating permits for the Labrador Iron project. The Schefferville area in particular has a long history of mining in a manner almost identical to that proposed by the group, however there is no assurance that the necessary permits will be granted promptly.

In addition to the normal operational and environmental permits required for Labrador Iron, the group will also need to reach agreements with the First Nations of the area with respect to the specific needs of these peoples to maintain traditional activities and to enable them to participate in the development and operation of the project.

Employees and personnel

The group is dependent on the services of a small number of key executives including the chairman, chief executive and finance director and a few other skilled and experienced personnel. Due to the relatively small size of the group, the loss of these persons or the group's inability to attract and retain additional highly skilled and experienced employees may adversely affect its business or future operations. However, in the case of Parys Mountain, the area is attractive compared to a number of other similar mining projects (often in developing countries) and this should mitigate these potential difficulties to a significant extent.

Directors

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

Directors' interests in material contracts

Juno Limited ("Juno"), which is registered in Bermuda, holds 38.0% of the company's ordinary share capital. The company has a controlling shareholder agreement and working capital agreement with Juno. Advances made under the working capital agreement are shown in note 17. Apart from interest charges there were no transactions between the group and Juno or its group during the year. An independent committee reviews and approves any transactions and potential transactions with Juno. Danesh Varma is a director and, through his family interests, a significant shareholder of Juno.

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

Directors' shareholdings

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

Director	At 1 October 2007 Number of options	At 1 October 2007 Number of ordinary shares	At 31 March 2007 Number of options	At 31 March 2007 Number of ordinary shares	*At 31 March 2006 Number of options*	*At 31 March 2006 Number of ordinary shares*
John Kearney	5,000,000	-	5,000,000	-	*5,000,000*	-
Ian Cuthbertson	1,500,000	727,300	1,500,000	727,300	*1,700,000*	*602,300*
Bill Hooley	1,000,000	100,000	1,000,000	100,000	*1,000,000*	*100,000*
David Lean	100,000	-	100,000	-	*600,000*	-
Howard Miller	600,000	-	600,000	-	*600,000*	-
Roger Turner	500,000	-	500,000	-	*500,000*	-
Danesh Varma	700,000	-	700,000	-	*700,000*	-

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

Substantial shareholders

At 1 October 2007 the following shareholders had advised the company of an interest in the issued ordinary share capital of the company:

Name	Number of shares	Percentage of share capital
Juno Limited	57,924,248	38.0
Ambrian Capital plc	16,950,000	11.1
Range Global Fund Limited	12,500,000	8.2

Authority to allot shares

The issue of shares in respect of placings in April 2005, April 2006 and July 2007 has depleted the company's authorised but unissued share capital. Accordingly a resolution will be placed before the AGM which will, if approved, create an additional £400,000 of share capital, an increase of 22% in the existing authorised ordinary share capital. A further resolution will grant authority under section 80 of the Companies Act 1985 over £700,000 of share capital (representing 46% of the company's issued ordinary share capital at 1 October 2007) enabling the directors to issue up to 70,000,000 ordinary shares within five years of the date of the AGM. The directors have no present intention of exercising this authority.

The directors would usually wish to allot any new share capital on a pre-emptive basis, however in the light of the group's requirement to raise further funds, they believe that it is appropriate to have a larger amount available for issue at their discretion without pre-emption than is normal for listed companies. Accordingly a resolution will be put to the AGM to renew the directors' authority to allot equity securities for cash without pre-emption. In the case of allotments other than for rights or other pre-emptive issues, it is proposed that such authority will be for up to £381,000 being 38,100,000 ordinary shares, which is equivalent to 25% of the issued ordinary share capital at 1 October 2007. Whilst such authority is significantly in excess of the 5% of existing issued ordinary share capital which is commonly accepted for listed companies, it will provide additional flexibility which the directors believe is in the best interests of the group in its present circumstances.

Amendment to Articles

Following the implementation of the Companies Act 2006, it is now permitted to call general meetings, other than annual general meetings, of the members of a public company with 14 clear days notice. The directors believe that this would be useful facility which should enable more rapid action and as such believe it should be implemented for the company. To do so requires an amendment to the Articles of Association and a resolution to reduce the notice period for general meetings, other than an annual general meeting, to 14 clear days will be proposed at the AGM.

Creditor payment policy

The group conducts its business on the normal trade credit terms of each of its suppliers and tries to ensure that suppliers are paid in accordance with those terms. The group's average creditor payment period at 31 March 2007 was 74 days *(2006 - 71 days).*

Going concern basis

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

Charitable and political contributions

The group made no contributions during the year *(2006 - nil).*

Employment

The group is an equal opportunity employer in all respects.

Directors' responsibilities for the financial statements

The directors are responsible for preparing the annual report and the financial statements. The directors are required to prepare the financial statements for the group in accordance with International Financial Reporting Standards (IFRS) and have also elected to prepare financial statements for the group in accordance with IFRS. Company law requires the directors to prepare such financial statements in accordance with IFRS, the Companies Act 1985 and Article 4 of the IAS Regulation.

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

Directors are also required to:

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

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

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

Auditors

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

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

By order of the board

Ian Cuthbertson

Company Secretary

18 October 2007

Unaudited information:

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

Remuneration Committee Policy and Share Options

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

The board's aim, implemented by the committee, with regard to executive and non-executive directors' remuneration, is to provide a package which will attract, retain and motivate directors of the calibre required and be consistent with the group's ability to pay. So far as is possible, it is the group's policy to keep contract durations, notice periods and termination payments to a minimum. A bonus for attainment of key corporate targets forms part of overall executive director remuneration. Share options continue to form a major part of the executive directors' remuneration and all of the non-executive directors' remuneration, however in the light of the recommendations of the Combined Code, the committee continues to review means by which non-executive directors may be remunerated, other than the use of share options.

The company has one share scheme, the 2004 Unapproved Share Option Scheme; no share options were issued during the year under the terms of that scheme. All directors and employees are eligible to receive options. In determining the amount of options to be granted to each individual, the directors take into account the need for and value of the services provided, the amount of time spent on the business of the group and any other remuneration receivable from the group.

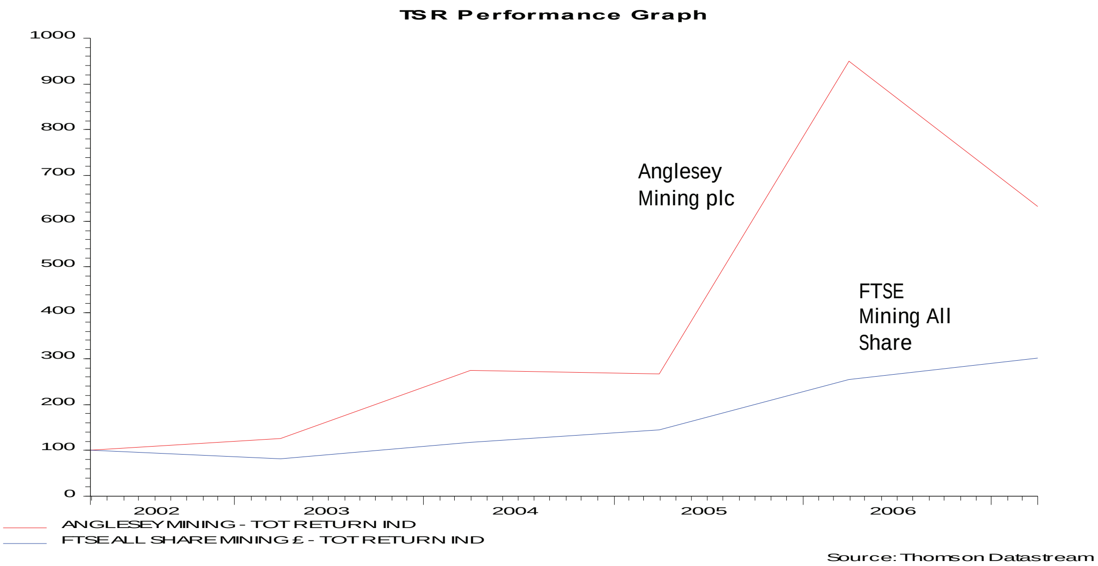
In respect of those share options marked with an asterisk in the table overleaf, there are performance criteria to be met, namely that the company's share price performance over the period from grant to exercise must exceed that of the companies in the top quartile of the FTSE 100 index. This index was selected as being an easily available benchmark of general corporate performance. There are no performance criteria to be met in respect of the other share options, which were exercised during the year.

Terms and conditions of service

Bill Hooley and Ian Cuthbertson receive fees and a salary respectively, have notice periods not exceeding 6 months and no other entitlement to termination payments. They are eligible to receive performance bonuses when key corporate targets are attained. Other than these, there are no directors' service contracts, nor any arrangements in force whereby the group is under an obligation to pay fees, salaries, bonuses, pensions or any remuneration to any of the directors.

Total shareholder return graph

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



Audited information:

Directors' emoluments

Name	2007 Salary and fees £	2007 Benefits in kind £	2007 Pension £	2007 Total £	*2006 Salary and fees £*	*2006 Benefits in kind £*	*2006 Pension £*	*2006 Total £*
Executive								
John Kearney	-	-	-	-	-	-	-	-
Ian Cuthbertson	31,000	125	930	32,055	*41,000*	*350*	*930*	*42,280*
Bill Hooley	60,000	-	-	60,000	*15,000*	-	-	*15,000*
Non-executive								
Howard Miller	-	-	-	-	-	-	-	-
David Lean	-	-	-	-	-	-	-	-
Roger Turner	-	-	-	-	-	-	-	-
Danesh Varma	-	-	-	-	-	-	-	-
Totals	91,000	125	930	92,055	*56,000*	*350*	*930*	*57,280*

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

Directors' share options

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

Name	Options at 1 April 2006	Granted in year	Exercised in year	Lapsed in year	Options at 31 March 2007	Exercise price	Date from which exercisable	Expiry date
John Kearney*	5,000,000	-	-	-	5,000,000	4.13p	22 Oct 05	22 Oct 14
Ian Cuthbertson	200,000	-	200,000	-	-	5p	23 Oct 96	22 Oct 06
Ian Cuthbertson*	300,000	-	-	-	300,000	2p	3 May 05	2 May 12
Ian Cuthbertson*	1,000,000	-	-	-	1,000,000	4.13p	22 Oct 05	22 Oct 14
Ian Cuthbertson*	200,000	-	-	-	200,000	10.625p	15 Jan 07	15 Jan 16
Bill Hooley*	1,000,000	-	-	-	1,000,000	10.625p	15 Jan 07	15 Jan 16
Howard Miller*	300,000	-	-	-	300,000	2p	3 May 02	2 May 09
Howard Miller*	200,000	-	-	-	200,000	4.13p	22 Oct 05	22 Oct 14
Howard Miller*	100,000	-	-	-	100,000	10.625p	15 Jan 07	15 Jan 16
David Lean*	300,000	-	300,000	-	-	2p	3 May 02	2 May 09
David Lean*	200,000	-	200,000	-	-	4.13p	22 Oct 05	22 Oct 14
David Lean*	100,000	-	-	-	100,000	10.625p	15 Jan 07	15 Jan 16
Roger Turner*	500,000	-	-	-	500,000	10.625p	15 Jan 07	15 Jan 16
Danesh Varma*	500,000	-	-	-	500,000	4.13p	22 Oct 05	22 Oct 14
Danesh Varma*	200,000	-	-	-	200,000	10.625p	15 Jan 07	15 Jan 16

*Performance condition applies.

The market price of the ordinary shares at 31 March 2007 was 9.50 pence, the high for the year to 31 March 2007 was 15.50 pence, the low for the year was 9.25 pence and the market price on 11 July 2006, the date on which the share options were exercised, was 13.5 pence. The mid-market price at 1 October 2007 was 11.75 pence.

By order of the board

Ian Cuthbertson

Company Secretary

18 October 2007

Principles

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

The board supports the highest standards in corporate governance and endeavours to implement the principles of the Combined Code constructively and in a sensible and pragmatic fashion with the objective of enhancing and protecting shareholder value. This is always harder in a small group than in the larger organisations with which the Combined Code is chiefly concerned. It is particularly problematic for a group such as Anglesey which is both small and engaged in mineral development rather than more routine trading operations. The group has made use of the Guidance for Smaller Quoted Companies published by the Quoted Companies Alliance in 2004 which relates to the implementation of the Combined Code for smaller quoted companies.

The Board

The board comprises three executive directors and four non-executive directors.

For the purposes of the Combined Code Howard Miller is the senior independent non-executive director and David Lean is an independent director. As described in note 26, Danesh Varma is a shareholder in and director of Juno Limited, which holds 38.0% of the company's ordinary shares. He has been a director for more than 9 years, and is therefore subject to annual re-election to the board: under the Code provisions he is not deemed to be independent.

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

The board meets when required and all board members are supplied with relevant and timely information. The group's strategy is always determined by the whole board and the schedule of matters reserved to it is therefore comprehensive. The board approves detailed budgets and activities and any material changes to budgets or planned activities are also approved by the whole board.

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

The board continues to consider the introduction of a system for monitoring its own performance, including that of the board committees, and a programme to develop directors' skills and expertise but has not implemented any measures as yet.

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

Remuneration committee

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

Audit committee

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

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

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

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

Nomination committee

A nomination committee has not yet been set up. All directors are subject to re-election at least every three years.

Assessment of directors' performance

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

Internal control

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

There are no significant issues disclosed in the report and financial statements for the year ended 31 March 2007 and up to the date of approval of the report and financial statements that have required the board to deal with any related material internal control issues. The directors confirm that the board has reviewed the effectiveness of the system of internal control as described during the period.

Risks and uncertainties

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

Communication with shareholders

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

The chairman holds meetings with substantial shareholders at least once per year, more often when appropriate, and other directors frequently join these and other meetings with smaller shareholders.

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

Attendance at board and committee meetings

During the year attendance at meetings was as follows:

Director	Board	Audit	Remuneration
No. of meetings	5	3	1
John Kearney	5	-	-
Ian Cuthbertson	5	-	-
Bill Hooley	5	-	-
Howard Miller	3	-	1
David Lean	5	3	-
Roger Turner	4	-	-
Danesh Varma	5	3	1

Compliance with the Combined Code

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

- A.4.1 There is no formal nominations committee.
- A.4.4 There are no written terms and conditions regarding the appointment of non-executive directors.
- A.6.1 There has been no formal and rigorous annual evaluation of the performance of the board, its committees and the individual directors; consideration is being given to the best method of implementing such an evaluation.
- B.2.1 and C.3.1 Danesh Varma is a member of the audit and remuneration committees: solely because he has been on the board for more than 9 years, under the Code provisions he is not defined as independent.

We have audited the group and parent company financial statements (the "financial statements") of Anglesey Mining Plc for the year ended 31 March 2007 which comprise the Consolidated Income Statement, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated and Parent Company Statement of Changes in Shareholders' Equity and the related notes 1 to 28. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the group financial statements, Article 4 of the IAS Regulation. We also report to you whether, in our opinion, the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report, the unaudited part of the Directors' Remuneration Report, the Chairman's Statement and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

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

Fundamental uncertainty

In forming our opinion we have considered the adequacy of the disclosures made in notes 10 and 13 to the financial statements concerning the valuation of intangible fixed assets. The realisation of the mineral property development costs of £13,655,700 *(2006 - £5,571,034)* included in the consolidated balance sheet and of the investments of £8,229,598 *(2006 - £5,202,079)* included in the company balance sheet is dependent on the successful development of economic reserves including the ability to raise sufficient finance to develop the projects. In view of the significance of these uncertainties we consider that they should be drawn to your attention. Our opinion is not qualified in this respect.

Opinion

In our opinion:

- the group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at 31 March 2007 and of its profit for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 31 March 2007;
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the group financial statements, Article 4 of the IAS Regulation and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche

Chartered Accountants and Registered Auditors

Earlsfort Terrace, Dublin 2

18 October 2007

Consolidated income statement

for the year ended 31 March 2007

All operations are continuing

	Notes	2007 £	*2006 £*
Revenue		-	-
Administration expenses		(388,894)	*(242,243)*
Impairment reversals/(provisions)	10	7,200,000	*(194,065)*
Operating profit/(loss)	4	6,811,106	(436,308)
Investment income	6	24,520	*22,545*
Finance costs	7	(72,875)	*(103,642)*
Profit/(loss) before tax		6,762,751	*(517,405)*
Tax	8	-	-
Profit/(loss) for the year		6,762,751	*(517,405)*
Profit/(loss) per share			
Basic profit/(loss) per share	9	4.9	*(0.4)p*
Diluted profit/(loss) per share	9	4.6	*(0.4)p*

Consolidated balance sheet

	Notes	31 March 2007 £	*31 March 2006 £*
Assets			
Non-current assets			
Mineral property development	10	13,655,700	*5,571,034*
Property, plant and equipment	11	185,102	*185,102*
Deposit	14	114,076	*111,679*
		13,954,878	*5,867,815*
Current assets			
Other receivables	15	19,103	*10,800*
Cash and cash equivalents		34,003	*1,201,381*
		53,106	*1,212,181*
Total assets		14,007,984	*7,079,996*
Liabilities			
Current liabilities			
Trade and other payables	16	(583,284)	*(627,945)*
		(583,284)	*(627,945)*
Net current (liabilities)/assets		(530,178)	*584,236*
Non-current liabilities			
Loan	17	(1,408,667)	*(1,336,392)*
Long term provision	18	(42,000)	*(42,000)*
		(1,450,667)	*(1,378,392)*
Total liabilities		(2,033,951)	*(2,006,337)*
Net assets		11,974,033	*5,073,659*
Equity			
Share capital	19	6,898,914	*6,885,914*
Share premium		7,189,359	*7,090,049*
Share-based payments reserve	20	229,549	*160,709*
Currency translation reserve		(48,179)	*(4,652)*
Retained losses		(2,295,610)	*(9,058,361)*
Total shareholders' equity		11,974,033	*5,073,659*

The financial statements were approved by the board of directors and authorised for issue on 18 October 2007 and were signed on its behalf by:

John F. Kearney, Chairman

Ian Cuthbertson, Finance Director

Company balance sheet

	Notes	31 March 2007 £	*31 March 2006 £*
Assets			
Non current assets			
Property, plant and equipment	11	65,102	*185,102*
Investments	13	8,229,598	*5,202,079*
Deposit	14	114,076	*111,679*
		8,408,776	*5,498,860*
Current assets			
Other receivables	15	13,521	*10,800*
Cash and cash equivalents		21,761	*1,201,381*
		35,282	*1,212,181*
Total Assets		8,444,058	*6,711,041*
Liabilities			
Current liabilities			
Trade and other payables	16	(184,139)	*(292,337)*
		(184,139)	*(292,337)*
Net current (liabilities)/assets		(148,857)	*919,844*
Non-current liabilities			
Loan	17	(1,408,667)	*(1,336,392)*
		(1,408,667)	*(1,336,392)*
Total liabilities		(1,592,806)	*(1,628,729)*
Net assets		6,851,252	*5,082,312*
Equity			
Share capital	19	6,898,914	*6,885,914*
Share premium		7,189,359	*7,090,049*
Share-based payments reserve	20	229,549	*160,709*
Retained losses		(7,466,570)	*(9,054,360)*
Shareholders' equity		6,851,252	*5,082,312*

The financial statements were approved by the board of directors and authorised for issue on 18 October 2007 and were signed on its behalf by:

John F. Kearney, Chairman

Ian Cuthbertson, Finance Director

Statements of changes in equity

for the year ended 31 March 2007

Group

	Share capital	Share premium	Share-based payments reserve	Currency translation reserve	Retained losses	Total
	£	£	£	£	£	£
At 1 April 2005	6,673,247	5,737,146	61,947	-	(8,540,958)	3,931,382
Share-based payments	-	-	98,762	-	-	98,762
Shares issued for cash	212,667	1,411,333	-	-	-	1,624,000
Share issue expenses	-	(58,430)	-	-	-	(58,430)
Exchange differences on translation of foreign operations	-	-	-	(4,652)	-	(4,652)
Loss for the year	-	-	-	-	(517,403)	(517,403)
At 31 March 2006	6,885,914	7,090,049	160,709	(4,652)	(9,058,361)	5,073,659
Share-based payments	-	-	68,840	-	-	68,840
Shares issued for cash	13,000	99,760	-	-	-	112,760
Share issue expenses	-	(450)	-	-	-	(450)
Exchange differences on translation of foreign operations	-	-	-	(43,527)	-	(43,527)
Profit for the year	-	-	-	-	6,762,751	6,762,751
At 31 March 2007	6,898,914	7,189,359	229,549	(48,179)	(2,295,610)	11,974,033

Company

	Share capital	Share premium	Share-based payments reserve	Currency translation reserve	Retained losses	Total
	£	£	£	£	£	£
At 1 April 2005	6,673,247	5,737,146	61,947	-	(8,540,882)	3,931,458
Share-based payments	-	-	98,762	-	-	98,762
Shares issued for cash	212,667	1,411,333	-	-	-	1,624,000
Share issue expenses	-	(58,430)	-	-	-	(58,430)
Loss for the year	-	-	-	-	(513,478)	(513,478)
At 31 March 2006	6,885,914	7,090,049	160,709	-	(9,054,360)	5,082,312
Share-based payments	-	-	68,840	-	-	68,840
Shares issued for cash	13,000	99,760	-	-	-	112,760
Share issue expenses	-	(450)	-	-	-	(450)
Profit for the year	-	-	-	-	1,587,790	1,587,790
At 31 March 2007	6,898,914	7,189,359	229,549	-	(7,466,570)	6,851,252

Consolidated cash flow statement

for the year ended 31 March 2007

	2007 £	*2006 £*
Operating activities		
Profit/(loss) from operations	6,811,106	*(436,308)*
Adjustments for:		
Depreciation of plant & equipment	-	*500*
Impairment (reversals)/provision	(7,200,000)	*194,065*
Share-based payments	68,840	*98,762*
Operating cashflow before movements in working capital	(320,054)	*(142,981)*
Decrease in payables	(31,099)	*(2,790)*
Increase in receivables	(2,397)	*(9,998)*
Cash utilised by operations	(353,550)	*(155,769)*
Interest paid	(600)	-
Net cash used in operating activities	(354,150)	*(155,769)*
Investing activities		
Interest received	22,123	*20,676*
Mineral property development	(947,661)	*(323,166)*
Net cash used in investing activities	(925,538)	*(302,490)*
Financing activities		
Proceeds from issue of shares	112,310	*1,615,570*
Net cash from financing activities	112,310	*1,615,570*
Net (decrease)/increase in cash	(1,167,378)	*1,157,311*
Cash and cash equivalents at beginning of year	1,201,381	*44,070*
Cash and cash equivalents at end of year	34,003	*1,201,381*

1 General information

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

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

2 Significant accounting policies

Basis of Accounting

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

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

Going concern

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

Basis of consolidation

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

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Revenue recognition

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

Foreign currencies

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

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

Retirement benefit costs

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

Taxation

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Property, plant and equipment

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

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

Intangible assets - mineral property development costs

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

Mineral property development costs are capitalised until the results of the projects, which are usually based on geographical areas, are known. Mineral property development costs include an allocation of administrative and management costs as determined appropriate to the project by management.

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

Impairment of tangible and intangible assets

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

Trade payables

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

Equity instruments

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

Share-based payments

The group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

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

Segmental analysis

The group's primary format for segmental reporting is geographical segments which also correspond with the nature of the different projects being undertaken. The group has two segments, (i) the United Kingdom, which comprises the Parys Mountain base metal project and the much smaller Dolaucothi gold project and (ii) the Labrador Iron project in Canada.

Investments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Provisions

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

3 Business and geographical segments

All activities relate to the group's principal activity which is the exploration and development of mining properties. The geographical segments in which these activities are carried out are shown below. The direct property expenses in the UK are in respect of the Parys Mountain project and in Canada they are in respect of the Labrador Iron project. A small proportion of the overhead expenses in the UK are in respect of investigating other mineral development opportunities.

	United Kingdom £	Canada £	Total £
Direct property expenses			
Site labour and support	53,350	-	53,350
Geology & drilling	254,447	298,923	553,370
Feasibility reports	63,340	161,180	224,520
Property rentals, fees and charges	60,172	-	60,172
	431,309	460,103	891,412
Overhead expenses			
Corporate salaries & related costs	122,276	-	122,276
Other corporate costs	172,655	25,123	197,778
Share-based payments	68,840	-	68,840
	363,771	25,123	388,894
Total expenses	795,080	485,226	1,280,306
Less			
Capitalised to mineral property development costs	(431,309)	(460,103)	(891,412)
Amount charged to income statement	363,771	25,123	388,894
Assets and liabilities			
Assets	13,464,227	543,757	14,007,984
Liabilities	(1,937,430)	(96,521)	(2,033,951)
Net assets	11,526,797	447,236	11,974,033

In accordance with the group's accounting policy, mineral property development expenses are capitalised and all other expenses are expensed in the income statement.

The charge for share-based remuneration arose on the grant of share options to directors.

4 Operating profit/(loss)

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

	2007	2006
	£	£
Auditor's remuneration - audit services	11,379	11,307
Auditor's remuneration - non-audit services	28,375	-
Directors' remuneration	92,180	57,280
Share-based payments	68,840	98,762
Impairment (reversals)/provision	(7,200,000)	194,065
Depreciation	-	500

See note 10 for a description of the reasons for the decrease in the intangible asset impairment provision.

5 Staff costs

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

	2007	2006
Technical	1	1
Administrative	2	1
	3	2

Their aggregate remuneration was:

	£	£
Wages and salaries	110,233	63,801
Social security costs	5,124	4,923
Other pension costs	930	930
	116,287	69,654

Details of directors' remuneration and share options are given in the directors' remuneration report. Options over 700,000 shares were exercised in the year.

6 Investment income

	2007	2006
	£	£
Interest on bank deposits	22,118	20,143
Interest on site re-instatement deposit	2,402	2,402
	24,520	22,545

7 Finance costs

	2007	2006
	£	£
Loan interest to Juno Limited	72,275	75,742
Other interest	600	27,900
	72,875	103,642

8 Taxation

Development of the Parys Mountain property during the year has generated trading losses for taxation purposes which may be offset against investment income and other revenues. Accordingly no provision has been made for Corporation Tax. There is an unrecognised deferred tax asset at 31 March 2007 of £1.2 million *(2006- £1.08 million)* which, in view of the group's trading results, is not considered by the directors to be recoverable in the short term. There are also capital allowances, including mineral extraction allowances, exceeding £9 million unclaimed and available at 31 March 2007.

	2007	*2006*
	£	*£*
Current tax	-	-

Domestic income tax is calculated at 30% *(2006 - 30%)* of the estimated assessed loss for the year. Taxation for other jurisdictions is calculated at the rates prevaling in the relevant jursidictions.

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

	2007	2006
Profit/(loss) before tax	6,762,751	*(517,405)*
Tax at the domestic income tax rate of 30% (2006: 30%)	2,028,825	*(155,222)*
Effect of different tax rates of subsidiary operations	(2,010)	*(2,548)*
Tax effect of expenses that are not deductible in determining taxable loss	20,652	*48,530*
Impairment reversal not subject to tax	(2,160,000)	-
Prior year current tax adjustment	-	*18,584*
Tax effect of tax losses carried forward	112,533	*90,656*
Tax expense for the year	-	-

9 Profit/(loss) per ordinary share

All operations are continuing

	2007	*2006*
	£	*£*
Profit/(loss) for the year	6,762,751	*(517,405)*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	138,563,941	*128,492,891*
Weighted average number of ordinary shares for the purposes of diluted earnings per share	147,963,941	*128,492,891*
Profit/(loss) per share – basic	4.9 pence	(0.4) pence
Profit/(loss) per share – diluted	4.6 pence	(0.4) pence
Adjusted (loss) per share – basic & diluted	(0.3) pence	(0.4) pence

The adjusted loss per share is based on the loss before impairment reversal of £436,975.
Where there is a loss for the year, basic and diluted figures are the same.

10 Intangible assets

Group - Mineral property development costs

	Parys Mountain	Labrador	Dolaucothi	Total
Cost	**£**	**£**	**£**	**£**
At 1 April 2005	12,280,536	-	194,065	12,474,601
Additions - own expenditure	400,098	90,400	-	490,498
At 1 April 2006	12,680,634	90,400	194,065	12,965,099
Additions - own expenditure	431,309	460,103	-	891,412
Currency translation difference	-	(6,746)	-	(6,746)
At 31 March 2007	13,111,943	543,757	194,065	13,849,765
Impairment provision				
At 1 April 2005	(7,200,000)	-	-	(7,200,000)
Provided in year	-	-	(194,065)	(194,065)
At 31 March 2006	(7,200,000)	-	(194,065)	(7,394,065)
Reversed in year	7,200,000	-	-	7,200,000
At 31 March 2007	-	-	(194,065)	(194,065)
Carrying amount				
Net book value 2007	13,111,943	543,757	-	13,655,700
Net book value 2006	*5,480,634*	*90,400*	-	5,571,034

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

At Parys Mountain, impairment provisions were made over the financial years 2001 to 2003 as the prices of the metals to be produced from the mine fell. This year the current and near-term foreseeable prices are significantly higher than they were when the impairment provisions were made. The result of re-estimating the cash flows of the Parys Mountain project at the director's estimates of future metal prices and capital and operating costs, and applying a discount rate of 10% (which has also been used in previous calculations) to the cashflow estimates, is a value significantly higher than the accumulated costs. Consequently the directors believe it is appropriate to reverse the impairment provisions made previously, which amount in total to £7,200,000.

The Labrador project is at an earlier stage than Parys Mountain but all present indications, including those resulting from the initial feasibility study produced in September 2006, are that it will have a value significantly in excess of the accumulated costs to date. No impairment provision has been made in respect of this property.

Development expenditures at Dolaucothi are shown at adjusted cost to the group on acquisition in 1997, plus expenditures since then at cost, less an impairment provision which reduces the carrying value of this property to nil. The group has no plans to develop the Dolaucothi project in the near future.

The realisation of these intangible fixed assets is subject to a number of significant potential risks, which are further set out in the risks section of the business review in the directors' report. Should a project prove unsuccessful, the value included in the balance sheet would be written down to its net realisable value. The directors are aware that by its nature there is inherent uncertainty in such development costs as to the value of the asset. However they have reviewed the mineral property development costs at 31 March 2007 and are satisfied that the fair value is not less than the net book value and that the projects have the potential to achieve mine production and positive cash flows.

11 Property, plant and equipment

Group

	Freehold land and property	Plant & equipment	Office equipment	Vehicles	Total
Cost	£	£	£	£	£
At 1 April 2005	185,102	17,434	5,487	3,200	211,223
At 1 April 2006	185,102	17,434	5,487	3,200	211,223
Disposals	-	-	-	(3,200)	(3,200)
At 31 March 2007	185,102	17,434	5,487	-	208,023
Depreciation					
At 1 April 2005	-	17,434	5,487	2,700	25,621
Charge for the year	-	-	-	500	500
At 1 April 2006	-	17,434	5,487	3,200	26,121
Disposals	-	-	-	(3,200)	(3,200)
At 31 March 2007	-	17,434	5,487	-	22,921
Carrying amount					
At 31 March 2007	185,102	-	-	-	185,102
At 31 March 2006	185,102	-	-	-	185,102

Company

	Freehold land and property	Plant & equipment	Office equipment	Vehicles	Total
Cost	£	£	£	£	£
At 1 April 2005	185,102	17,434	5,487	3,200	211,223
At 1 April 2006	185,102	17,434	5,487	3,200	211,223
Transfers and disposals	(120,000)	-	-	(3,200)	(123,200)
At 31 March 2007	65,102	17,434	5,487	-	88,023
Depreciation					
At 1 April 2005	-	17,434	5,487	2,700	25,621
Charge for the year	-	-	-	500	500
At 1 April 2006	-	17,434	5,487	3,200	26,121
Disposals	-	-	-	(3,200)	(3,200)
At 31 March 2007	-	17,434	5,487	-	22,921
Carrying amount					
At 31 March 2007	65,102	-	-	-	65,102
At 31 March 2006	185,102	-	-	-	185,102

12 Subsidiaries

The subsidiaries of the company at 31 March 2007 were as follows:

Name of company	Country of incorporation	Percentage owned	Principal activity
Anglo Canadian Exploration (Ace) Limited	England & Wales	100%	Holder of the Dolaucothi property
Labrador Iron Mines Limited	Ontario, Canada	100%	Development of Labrador Iron property
Parys Mountain Mines Limited (name changed from Parys Mountain Mines (U.K.) Limited on 27 March 2007)	England & Wales	100%	Development of the Parys Mountain mining property
Parys Mountain Land Limited	England & Wales	100%	Holder of part of the Parys Mountain property
Parys Mountain Heritage Limited	England & Wales	100%	Holder of part of the Parys Mountain property

13 Investments

Company	Shares at cost	Amounts due	Total
	£	£	£
At 1 April 2005	100,001	4,964,050	5,064,051
Added in year	-	328,167	328,167
Impairment provision	-	(190,139)	(190,139)
At 1 April 2006	100,001	5,102,078	5,202,079
Added in year	-	1,027,519	1,027,519
Reversal of impairment provision	-	2,000,000	2,000,000
At 31 March 2007	100,001	8,129,597	8,229,598

The realisation of investments is dependent on finance being available for development and other factors as set out in more detail in note 10.

14 Deposit

	Group		Company	
	2007	*2006*	**2007**	*2006*
	£	*£*	**£**	*£*
Due from Isle of Anglesey County Council	114,076	*111,679*	114,076	*111,679*

This deposit is required and was made under the terms of the group's Section 106 Agreement with the Isle of Anglesey County Council which has granted planning permissions for mining at Parys Mountain. It is repayable upon restoration of that part of the Parys Mountain site which has been used by the group. Interest is credited annually at current market rates.

15 Other receivables

	Group	*Group*	**Company**	*Company*
	2007	*2006*	**2007**	*2006*
	£	*£*	**£**	*£*
Other	19,103	*10,800*	13,521	*10,800*

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

16 Trade and other payables

	Group 2007 £	*Group 2006 £*	Company 2007 £	*Company 2006 £*
Trade creditors	(124,712)	*(59,216)*	(98,971)	*(59,216)*
Property royalties and rentals	(298,624)	*(272,624)*	-	*(20,000)*
Other accruals	(158,604)	*(220,668)*	(83,824)	*(137,684)*
Salaries, social security and other taxes	(1,344)	*(15,437)*	(1,344)	*(15,437)*
Deferred trade creditors	-	*(60,000)*	-	*(60,000)*
	(583,284)	*(627,945)*	(184,139)	*(292,337)*

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

17 Loan

	Group 2007 £	*Group 2006 £*	Company 2007 £	*Company 2006 £*
Juno Limited -				
Non-current liabilities	(1,408,667)	*(1,336,392)*	(1,408,667)	*(1,336,392)*

The loan from Juno Limited is denominated in sterling, unsecured, carries interest at 10% and is repayable from any future financing undertaken by the company. The terms of the facility were approved by an independent committee of the board. The carrying value of the loan approximates to its fair value.

18 Long term provision

	Group 2007 £	*Group 2006 £*	Company 2007 £	*Company 2006 £*
Provision for site reinstatement	(42,000)	*(42,000)*	-	-

The provision for site reinstatement covers the estimated costs of reinstatement at the Parys Mountain site of the work done and changes made by the group up to the date of the accounts. It is not intended to cover any reinstatement costs in respect of those areas of the site where the group has not carried out any activity or made any changes. In view of the historic nature of the area it is not anticipated that there will be any reinstatement of those areas of past mining activity; if there were to be any such work carried out, the directors believe that the group has no responsibility for funding it. The carrying value of the long term provision approximates to its fair value.

19 Share capital

	Ordinary shares of 1p		Deferred shares of 4p		Total
	Nominal value £	Number	Nominal value £	Number	Nominal value £
Authorised share capital					
At 1 April 2005	1,560,000	156,000,000	7,320,000	183,000,000	8,880,000
Created 27 September 2005	280,000	28,000,000	-	-	280,000
At 31 March 2006 and 2007	1,840,000	184,000,000	7,320,000	183,000,000	9,160,000
Issued and fully paid					
At 1 April 2005	1,162,414	116,241,384	5,510,833	137,770,835	6,673,247
Issued 22 April 2005	116,000	11,600,000	-	-	116,000
Issued 8 February 2006	96,667	9,666,667	-	-	96,667
At 31 March 2006	1,375,081	137,508,051	5,510,833	137,770,835	6,885,914
Issued 3 May 2006	6,000	600,000	-	-	6,000
Issued 8 July 2006	7,000	700,000	-	-	7,000
At 31 March 2007	1,388,081	138,808,051	5,510,833	137,770,835	6,898,914

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

On 3 May 2006, 600,000 ordinary shares were issued in respect of an amount payable of £88,500 at the current market price of 14.75 pence. On 8 July 2006, 700,000 ordinary shares were issued for a consideration of £24,260 in respect of the exercise of share options by directors.

After the year end, on 20 July 2007, 13,750,000 ordinary shares were issued in respect of a placing at 8 pence per share to 5 institutional investors.

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

Scheme	Number	Nominal Value £	Exercise price	Exercisable from	Exercisable until
Executive approved	300,000	3,000	2.00p	3 May 2005	2 May 2012
Unapproved	300,000	3,000	2.00p	3 May 2002	2 May 2009
2004 Unapproved	6,700,000	67,000	4.13p	22 October 2004	21 October 2014
2004 Unapproved	2,100,000	21,000	10.625p	15 January 2007	14 January 2016
Total	9,400,000	94,000			

20 Share-based payments

Equity-settled share option plan

The group plan provides for a grant price equal to the average quoted market price of the ordinary shares on the date of grant. The vesting period for options granted in the past two years has been one year. If the options remain unexercised after a period of 10 years from the date of grant, they expire. Options are forfeited if the employee leaves employment with the group before the options vest.

	2007		*2006*	
	Options	Weighted average exercise price in pence	*Options*	*Weighted average exercise price in pence*
Outstanding at beginning of period	10,100,000	5.31	*8,000,000*	*3.91*
Granted during the period	-	-	*2,100,000*	*10.63*
Forfeited during the period	-	-	-	-
Exercised during the period	700,000	3.47	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	9,400,000	5.45	*10,100,000*	*5.31*
Exercisable at the end of the period	9,400,000	5.45	*8,000,000*	*3.91*

The options outstanding at 31 March 2007 had a weighted average exercise price of 5.45 pence *(2006 –5.31 pence)*, and a weighted average remaining contractual life of 8.6 years *(2006 – 8.9 years)*.

The inputs into the Black-Scholes model are as follows:

	2007	*2006*
Weighted average share price in pence	5.65	*5.65*
Weighted average exercise price in pence	5.65	*5.65*
Expected volatility	66%	*66%*
Expected life	3 years	*3 years*
Risk free rate	5%	*5%*
Expected dividends	None	*None*

Expected volatility was determined by calculating the historical volatility of the share price over the previous 3 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.
The group recognised total expenses of £68,840 *(2006 - £98,762)* in respect of share based payments during the year.

21 Loss attributable to Anglesey Mining plc

The profit after taxation in the parent company amounted to £1,587,790 *(2006 –loss - £513,478)*.

22 Material non cash transactions

Other than the share transactions disclosed in note 19, there were no material non-cash transactions.

23 Commitments

Other than commitments under leases (note 27) there is no capital expenditure authorised or contracted which is not provided for in these accounts *(2006 - nil)*.

24 Contingent liabilities

There are no contingent liabilities *(2006 - nil)*.

25 Risk management

The group's financial instruments comprise cash balances, a loan from the parent company and various items such as trade creditors which arise directly from operations. The group does not enter into derivative transactions and it is the group's policy that no trading in financial instruments be undertaken.
The main risks arising from the group's financial instruments are currency risk and interest rate risk. The board reviews and agrees policies for managing each of these risks and these are summarised below.

Interest rate risk
The group finances its operations through a mixture of equity, and loans from its parent Juno Limited. The group borrows from the parent at a fixed rate of interest of 10% per annum and as a result is not exposed to interest rate fluctuations

Liquidity risk
As regards liquidity risk, the group's policy has been to ensure continuity of funding through a mixture of fresh issues of shares and the working capital agreement with Juno Limited.

Currency risk
The functional currency of the group is pounds sterling and the loan from its parent is denominated in pounds sterling. As a result, the group has no currency exposure in respect of this loan.
The group's assets and operations are in the UK and Canada and the split of net assets is as follows:

United Kingdom - sterling	£11,526,797
Canada – Canadian dollars	£447,236

26 Related party transactions

Juno Limited
Juno Limited ("Juno") which is registered in Bermuda holds 38.0% of the company's issued ordinary share capital. The group has the following agreements with Juno: (a) a controlling shareholder agreement dated September 1996 and (b) a consolidated working capital agreement of 12 June 2002. Interest payable to Juno is shown in note 7 and the balance due to Juno is shown in note 17. There were no transactions between the group and Juno or its group during the year other than the accrual of interest due to Juno. Danesh Varma is a director and, through his family interests, a significant shareholder of Juno.

Labrador Iron Properties
During the year John Kearney was interested in the Labrador option agreement by virtue of his control of Energold Minerals Inc. ("Energold"), a company which has registered a number of the mining claims included in the agreement. John Kearney was responsible for staking or acquiring these Energold Labrador properties. In addition Energold negotiated the agreements to the remaining claims from the underlying owner. On 1 October 2006 upon the exercise of the option to acquire the project all of Energold's interests were assigned to the group at no cost.

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

27 Mineral holdings

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

(b) Under a lease from Lord Anglesey dated 18 December 2006, the company's subsidiary Parys Mountain Land Limited holds the eastern part of Parys Mountain, formerly known as the Mona Mine. A annual certain rent of £5,229 is payable for the year beginning 23 March 2007; this rent increases to £10,000 in 2012 and to £20,000 when extraction of minerals at Parys Mountain commences; all of these rental figures are index-linked. A royalty of 1.8% of net smelter returns from mineral sales is also payable. The lease may be terminated at 12 months notice but not before 2012 and otherwise terminates in 2070.

(c) Under a mining lease from the Crown dated December 1991, the group makes an annual lease payment of £1,000. A royalty of 4% of gross sales of gold and silver from the lease area is also payable. The lease may be terminated at 12 months notice and otherwise terminates in 2020.

(d) Under a royalty agreement with Intermine Limited the group is obligated to make payments of Can$50,000 (c.£22,000) per annum until production commences at the Parys Mountain mine. A royalty of 4% of net profits (as defined after various deductions) generated from production at the mine is also payable. There is an option to buy out the royalty and advance payments. The agreement may be terminated at 12 months notice on abandonment of the property. The group has not paid all of the amounts due under this agreement and has made settlement proposals to Intermine Limited but no understanding has yet been reached. Intermine Limited holds a charge over the mining rights held by Parys Mountain Mines Limited to secure the payment of royalties in respect of minerals produced in the areas described in (a) and (b) above.

Labrador
The group holds its interest in the Schefferville iron ore project through a subsidiary, Labrador Iron Mines Limited. On acquisition the group's interest was 70%, held through a joint venture which had an option to develop the properties. This acquisition was obtained at no cost but carried obligations to make certain expenditures on the development of the properties.

Since the successful completion of an initial feasibility study in September 2006, the joint venture exercised its option and has secured its interest in the properties which is however subject to continuing obligations, principally to arrange production financing for the first 1 million tons of production from the properties not later than 30 September 2008. A royalty of 3% of the FOB selling price of iron ore produced is payable. From 1 October 2006 a new joint venture agreement was made under which the group's interest increased to 80%, however following a cash contribution by other members of the joint venture after the year end, this interest was adjusted to 77.5%.

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

28 Post balance sheet events

As referred to in note 19, a placing of £1,100,000 for cash took place on 20 July 2007.

On 12 September 2007 a prospectus proposing a restructuring and initial public offering in respect of the group's Labrador iron ore operations was filed with the Ontario Securities Commission in Toronto. Completion of these matters is subject to approval of the company's shareholders and a circular and EGM notice in this connection are expected to be posted contemporaneously with this annual report. Upon successful completion of the fund raising exercise in Canada, the group's interests in the Labrador properties will be diluted and held through a new Canadian company.

Directors

John F. Kearney Irish, aged 56, chairman, is a mining executive with over 30 years experience in the mining industry. He is a director of several public resource companies including Canadian Zinc Corporation, Scandinavian Minerals Limited, Minco plc and Conquest Resources Limited. He is resident in Canada.

Bill Hooley aged 60, 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 has been a director of a number of companies involved in the minerals industry. He is a Fellow of the Australasian Institute of Mining and Metallurgy.

Ian Cuthbertson aged 60, finance director and company secretary, is a chartered accountant. He has extensive previous experience in the international oilfield and construction industries and has been secretary of the company since 1988.

David Lean Australian, aged 60, 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 committee.

Howard Miller aged 63, non-executive director, a lawyer with over 35 years experience in the legal and financial sector in Africa, Canada and the UK. He has extensive experience in the financing of resource companies. He is chairman of Avnel Gold Mining Limited. He is a member of the remuneration committee and senior independent director.

Roger Turner aged 64, non-executive director, is a mining engineer with more than 30 years experience in engineering, management and project development. He is a Camborne graduate and has an MSc in geology. He was President of Nelson Gold Corporation and Oxus Gold plc and is currently chairman of Minco plc and Ovoca Gold plc.

Danesh Varma Canadian, aged 57, non-executive director, is a chartered accountant and a member of the Chartered Institute of Taxation. He is chief financial officer of Minco plc, Conquest Resources Limited and Canadian Zinc Corporation. He is a member of the audit and remuneration committees.

Solicitors
DLA Piper LLP
101 Barbirolli Square
Manchester
M2 3DL

Auditors
Deloitte & Touche
Earlsfort Terrace
Dublin 2
Ireland

Bankers
HSBC
Dinorben Square
Amlwch, Anglesey
LL68 9AH