



Interim Report 2007

Anglesey Mining plc

Chairman's statement - November 2007

In last year's interim report we described a period of major developments and significant progress for the company. I am pleased to be able to report this year that progress has accelerated and that we now intend to begin a series of further developments which will radically change the fortunes of the group.

Labrador

Most of these developments have been communicated to you in the recently published annual report. Since that report a circular describing in detail the proposed initial public offering (IPO) in Canada of our Labrador properties was sent to shareholders on 6 November 2007 and on 21 November a letter supplemental to that circular was posted to shareholders setting out the terms on which the IPO is proposed to be carried out. We are extremely pleased with the very positive reception which the IPO met with in both North America and in Europe, and with the terms on which it is now proposed, subject to shareholder approval, to carry out the IPO. These proposals will result in funding of up to approximately £26 million at the current rate of exchange, prior to expenses, being received by the newly floated company. The group will at that point hold over 50% of the new company, Labrador Iron Mines Holdings Limited.

This funding will enable the Schefferville project to move forward rapidly towards production of lump and sinter fines iron ore for direct sale into world markets. First production is currently expected to occur in 2009.

Parys Mountain

At Parys Mountain we have cleared and fenced the site of the planned new decline which will provide access between the proposed processing plant and the existing 300 metre deep production-sized shaft. From the shaft the decline will spiral down allowing access first to the newly discovered White Rock area and later to the deeper higher grade Engine Zone and other resource zones. Additional funding will be required to complete this decline and other work associated with the move to production, and we are in discussions with a number of potential sources of such finance. Contracts for the initial excavation of the box cut which leads to the decline portal have been let; a contract for the decline itself is in the course of preparation and it is our intention to commence underground excavation in January 2008.

Approval of the detailed plans for the decline box cut excavation and related works, as required by the conditions of the company's existing and valid planning permission granted in 1988, has been received from the Isle of Anglesey County Council, the relevant mineral planning authority.

A detailed proposal for a bankable feasibility study on the White Rock project has been received and it is anticipated that a contract will be awarded for this work following some ongoing discussions. We expect to commence bringing ore to surface during 2008 with first concentrate production during 2009.

Financial

The loss for the six month period was £184,982 (2006 - £230,918 including share based remuneration of £44,116). Development expenses capitalised amounted to £186,925 (2006 - £721,344) of which £102,096 (2006 - £450,964) was in respect of Labrador and £84,829 (2006 - £270,380) was in respect of Parys Mountain. The group has no revenues from the operation of its properties.

On 19 July 2007 a fund raising for £1,100,000 before expenses was effected by way of a private placing of 13,750,000 new ordinary shares at 8 pence per share to 5 institutional and/or sophisticated investors.

Outlook

We are moving into a completely new phase in the growth and development of the group. Our focus is now clearly on bringing our projects into production as rapidly as possible. The outlook for the iron ore, base and precious metals we intend to produce is generally favourable and we have a good spread of forecast revenue streams: iron ore, zinc, lead, copper, silver and gold, however we do always need to be cognisant of external pressures on financial and commodity markets that could affect progress. We will be expanding our management team to meet the challenges ahead and are confident that we can continue the transformation of Anglesey into a successful producing minerals company over the course of the next few years.

John F Kearney

Chairman

27 November 2007

Consolidated income statement - unaudited
for the six months ended 30 September 2007

All operations are continuing	Notes	Six months ended 30 September 2007 £	Six months ended 30 September 2006 £	Year ended 31 March 2007 £
Revenue		-	-	-
Administration expenses	5	(173,340)	(213,288)	(388,894)
Impairment reversal		-	-	7,200,000
Operating (loss)/profit		(173,340)	(213,288)	6,811,106
Investment income		8,572	19,496	24,520
Finance costs		(31,667)	(37,126)	(72,875)
(Loss)/profit before tax		(196,435)	(230,918)	6,762,751
Tax		-	-	-
(Loss)/profit for the year		(196,435)	(230,918)	6,762,751
(Loss)/profit per share				
Basic (loss)/profit per share	2	(0.1)p	(0.2)p	4.9p
Diluted (loss)/profit per share				4.6p

Consolidated balance sheets - unaudited

	Notes	30 September 2007 £	30 September 2006 £	31 March 2007 £
Assets				
Non-current assets				
Mineral property development	5, 7	13,908,536	6,292,378	13,655,700
Property, plant and equipment		185,102	186,522	185,102
Deposit		115,026	112,779	114,076
		<u>14,208,664</u>	<u>6,591,679</u>	<u>13,954,878</u>
Current assets				
Other receivables		39,740	8,012	19,103
Cash and cash equivalents		603,811	479,542	34,003
		<u>643,551</u>	<u>487,554</u>	<u>53,106</u>
Total assets		<u>14,852,215</u>	<u>7,079,233</u>	<u>14,007,984</u>
Liabilities				
Current liabilities				
Trade and other payables		(491,056)	(666,372)	(583,284)
		<u>(491,056)</u>	<u>(666,372)</u>	<u>(583,284)</u>
Net current assets/(liabilities)		<u>152,495</u>	<u>(178,818)</u>	<u>(530,178)</u>
Non-current liabilities				
Loan		(1,440,334)	(1,372,918)	(1,408,667)
Long term provision		(42,000)	(42,000)	(42,000)
		<u>(1,482,334)</u>	<u>(1,414,918)</u>	<u>(1,450,667)</u>
Total liabilities		<u>(1,973,390)</u>	<u>(2,081,290)</u>	<u>(2,033,951)</u>
Net assets		<u>12,878,825</u>	<u>4,997,943</u>	<u>11,974,033</u>
Equity				
Share capital	6	7,036,413	6,898,914	6,898,914
Share premium		8,092,423	7,189,359	7,189,359
Share-based payments reserve	3	229,549	204,825	229,549
Currency translation reserve		12,485	(5,876)	(48,179)
Retained losses		(2,492,045)	(9,289,279)	(2,295,610)
Total shareholders' equity		<u>12,878,825</u>	<u>4,997,943</u>	<u>11,974,033</u>

Consolidated cashflow statement - unaudited
for the six months ended 30 September 2007

	Notes	Six months ended 30 September 2007 £	Six months ended 30 September 2006 £	Year ended 31 March 2007 £
Operating activities				
(Loss)/profit from operations		(173,340)	(213,288)	6,811,106
Adjustments for:				
Impairment reversal		-	-	(7,200,000)
Share-based payments	3	-	44,116	68,840
Operating cashflow before movements in working capital		(173,340)	(169,172)	(320,054)
(Decrease) in payables		(64,805)	(10,306)	(31,099)
(Increase)/decrease in receivables		(950)	3,557	(2,397)
Cash utilised by operations		(239,095)	(175,921)	(353,550)
Interest paid		-	(600)	(600)
Net cash used in operating activities		(239,095)	(176,521)	(354,150)
Investing activities				
Interest received		7,622	17,627	22,123
Mineral property development		(239,282)	(675,255)	(947,661)
Net cash used in investing activities		(231,660)	(657,628)	(925,538)
Financing activities				
Proceeds from issue of shares	6	1,040,563	112,310	112,310
Net cash from financing activities		1,040,563	112,310	112,310
Net increase/(decrease) in cash		569,808	(721,839)	(1,167,378)
Cash and cash equivalents at start of year		34,003	1,201,381	1,201,381
Cash and cash equivalents at end of year		603,811	479,542	34,003

Capital and reserves reconciliation - unaudited

Unaudited capital and reserves reconciliation

	Six months ended 30 Sep 2007 £	Six months ended 30 Sep 2006 £	Year ended 31 March 2007 £
At beginning of period	11,974,033	5,073,659	5,073,659
Share based payments	-	44,116	68,840
Shares issued for cash	1,040,563	112,310	112,310
Currency translations	60,664	(1,224)	(43,527)
(Loss)/profit for the period	(196,435)	(230,918)	6,762,751
Total shareholders' equity	12,878,825	4,997,943	11,974,033

Significant accounting policies and notes to accounts

1. **BASIS OF ACCOUNTING:** The unaudited interim condensed financial statements have been prepared under the historical cost convention, on a going concern basis and in accordance with the accounting policies employed in the company's accounts at 31 March 2007. There are no minority interests or exceptional items.

2. **LOSS PER SHARE:** The calculation and reporting of basic and diluted loss per share (LPS) are in accordance with IAS 33. Basic loss per share is computed by dividing the loss of £184,982 (2006 - £230,918) attributable to ordinary shareholders by 144,217,887 (2006 - 137,915,722) - the weighted average number of ordinary shares in issue during the period. Since there is a loss for the period, basic and diluted LPS are the same.

3. **SHARE-BASED PAYMENTS:** IFRS 2 "Share-based Payment" requires the recognition of share-based payments (which in the case of the group during the period are for share options only) at fair value at the date of grant. The fair value of the options to be expensed is determined by a Black-Scholes option pricing model using a volatility factor of 70% and an option life of 3 years as the significant assumptions. However there is no charge for share based payments for the six months to 30 September 2007.

4. **DEFERRED TAX:** There is an unrecognised deferred tax asset of £1.25 million which in view of the group's trading results, is not considered to be recoverable in the short term. There are also capital allowances, including mineral extraction allowances, exceeding £9 million unclaimed and available. Because the recoverability of any taxation relative to these amounts from future operations is uncertain, no deferred tax asset is reflected in the condensed financial statements.

5. **BUSINESS AND GEOGRAPHICAL SEGMENTS:** All activities relate to the group's principal activity which is the exploration and development of mining properties: hence only the geographical segments have been disclosed below:

Unaudited	UK £	Canada £	Total £
Direct property expenses	84,829	168,007	252,836
Overhead expenses			
Corporate salaries & related costs	46,087	-	46,087
Other corporate costs	101,291	25,962	127,253
	147,378	25,962	173,340
	232,207	193,969	426,176
Less:			
Capitalised to mineral property development	(84,829)	(168,007)	(252,836)
Amount charged to income statement	147,378	25,962	173,340

6. **CHANGES IN SHARE CAPITAL:** On 20 July 2007, 13,750,000 shares were issued in respect of an institutional placing at 8 pence per share.

7. **DEVELOPMENT EXPENDITURE:** Mineral development expenditure incurred by the group is carried in the condensed financial statements at cost less an impairment provision. The recovery of this expenditure is dependent upon the successful development of the Parys Mountain and Labrador projects which is itself conditional on finance being available to fund those developments.

8. **FINANCIAL INFORMATION:** This financial information does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. Statutory accounts for the year ended 31 March 2007 which were prepared under International Financial Reporting Standards, have been delivered to the Registrar of Companies. The report of the auditors on those accounts did not contain a statement under Section 237 of the Companies Act 1985 and was not qualified, but did contain a reference to fundamental uncertainties.

9. **BOARD APPROVAL:** These interim results were approved by the board on 27 November 2007. The half-yearly results for the current and comparative period are neither audited nor reviewed by the company's auditors.

Statement of directors' responsibilities

The directors are responsible for preparing the half yearly financial report, in accordance with applicable laws and regulations.

The directors confirm that to the best of their knowledge, these condensed financial statements which should be read in conjunction with the annual financial statements for the year ended 31 March 2007:

- have been prepared in accordance with IAS 34 'Interim financial reporting' as adopted by the European Union; and
- include a fair review of the information required by the Financial Services Authority's Disclosure and Transparency Rules 4.2.7R and 4.2.8R.

The directors of the company are listed in the annual report and accounts 2007 and there have been no changes to the board since its publication. A list of current directors is also maintained on the company's website to be found at www.angleseymining.co.uk.

By order of the board

Bill Hooley Ian Cuthbertson

Chief Executive Finance Director



Above: Fencing around the site of the new decline at Parys Mountain in November 2007

Front cover: Satellite photograph of the James deposit in Labrador showing the ore body in green and its proximity to current infrastructure.



Anglesey Mining plc

Directors	John Kearney Bill Hooley Ian Cuthbertson David Lean Howard Miller Roger Turner Danesh Varma	Chairman Chief executive Finance director Non executive Non executive Non executive Non executive
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Shares listed	The London Stock Exchange - LSE:AYM	
Company registered number	1849957	