



Anglesey Mining plc

Trading Symbol
LSE: AYM

8 September 2021

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

Anglesey Mining Financial Results and way forward

Anglesey Mining plc (LSE:AYM), the global minerals exploration and development company, is pleased to announce the release of its full year financial result for 2021, for the year ending 31 March 2021, and provide an update for investors on the Company's plans for the coming year.

Highlights

- Comprehensive profit of £3.7m compared to the prior year comprehensive loss of £0.3m
- Successful fund raisings totalling £1.1m
- Completion of key operating milestones at Parys Mountain, including the release of an updated PEA
- During the current financial year, the Company will commence work on a Feasibility Study at the Parys Mountain Cu-Zn-Pb-Ag-Au project and update the Pre-Feasibility Study on the Grängesberg Iron Ore Project in Sweden

Jo Battershill, the recently appointed CEO & Managing Director of Anglesey Mining, commented: *"Both the Parys Mountain project and the Grängesberg project have all the hallmarks of long life, highly cash generative mine developments. At Parys Mountain, the natural sequence of events through to a decision to mine and financing will require a Feasibility Study, including the environmental baseline studies, which we aim to commence very shortly.*

The initial steps of the study will include infill drilling to convert inferred resources within the White Rock and Engine Zones into the higher confidence indicated category and geotechnical drilling to assist with mine optimisation planning together with the provision of bulk samples for confirmatory metallurgical testwork. The exploration upside at the project remains significant and we very much look forward to completing a review of the historical data over the next few months and pushing ahead with further exploratory programmes.

I am very excited about the development opportunity here at Parys Mountain with a project that will generate significant employment on Anglesey and the greater region for a generation. All of the commodities available for extraction at Parys Mountain are critical to the supply chain for the global push of decarbonisation and electrification of the economy and will remain in strong demand over the coming decades.

Given that the green economy cannot be advanced without the extractive industries, we will maintain a continued focus on the sustainable development of our resource projects with the use of appropriate environmentally friendly solutions where possible. We also believe the development of our projects will enable the shortening of global supply chains with the commensurate reductions in carbon emissions – particularly the high-grade iron ore concentrate that will be produced from the Grängesberg iron ore project in Sweden."

Anglesey Mining plc (“Anglesey”) announces the recent publication of its Annual Report and Accounts for the year ended 31 March 2021.

Anglesey is pleased to report comprehensive income for the year of £3.7 million and the achievement of several key operational milestones over the past year, including significant progress on the Parys Mountain copper-zinc-lead project on the island of Anglesey in North Wales, in our iron ore projects in Sweden and Canada, and in raising new financing of £1,068,200.

Financial results

There were no revenues from the operation of the properties. The Company recorded a gain of £4,053,506 in the value of the group’s holding in Labrador Iron Mines and this has been reported in other comprehensive income, resulting in total comprehensive profit for the year of £3,714,921, compared to a comprehensive loss for the prior year of £327,860.

The loss before other comprehensive income for the year ended 31 March 2021 after tax was £328,518 compared to a loss of £304,510 in the 2020 fiscal year. The administrative and other costs excluding investment income and finance charges were £162,824 compared to £134,796 in the previous year.

The successful placement of shares during the year resulted in a cash inflow of £1,068,200, after fees and expenses. The cash balance at 31 March 2021 was £891,767. These funds will be used for ongoing work on the Parys Mountain project, as well as for general corporate purposes.

Financial position

At 31 March 2021 the Group held mineral property exploration and evaluation assets with a carrying value of £15.3 million.

These carrying values are supported by the results of the 2021 Preliminary Economic Assessment of the Parys Mountain project which estimated a pre-tax net present value, discounted at 10%, of £96 million under Case C, which assumed very conservative commodity prices including US\$2.81/lb Cu, US\$1.20/lb Zn and US\$16.67/oz Ag compared to current prices of US\$4.28/lb, US\$1.36/lb and US\$24.68/oz respectively, but may not reflect the realizable value of the properties if they were offered for sale at this time.

At 31 March 2021 there were 225,475,732 ordinary shares in issue (2020 – 186,975,732), the increase being due to the financing events referred to above. At 2 September 2021 there were 225,475,732 ordinary shares in issue. We are pleased to provide the following review and update on the projects and prospects for the Group.

The Way Forward - Future Steps

The PEA demonstrates that a major copper-zinc-lead mine can be developed at Parys Mountain. The results show that once in production Parys Mountain should be able to make very positive financial returns. Nevertheless, as always in the mining industry, there are a number of sequential steps that need to be taken to move any project from the PEA to a full committed decision to proceed to production and these steps do take some time to reach fruition.

The key to this development is now securing the necessary finance to continue to move the project towards production. The PEA indicated a pre-production capital expenditure of \$99 million. This together with all other pre-decision project costs as well as ongoing corporate costs needs to be financed.

From the feedback received, it has become clear that financing opportunities would be enhanced with some additional work to further de-risk the project and it can be expected that a project financing route will require the delivery of a feasibility study. Micon made recommendations regarding further technical studies to better quantify some aspects of the mining and processing operations, and trade-off studies to determine the best overall mining schedules, metallurgical flowsheet and infrastructure design to further optimise the project, which should lead to improved economics to be included in a feasibility study and improve the overall financial capability of the project.

Following the Micon PEA recommendations, a step series of activities have been identified that will form the necessary preparatory work as a prelude to the commissioning of a feasibility report. These include a surface diamond drilling programme to increase the confidence in some parts of the White Rock zone ahead of first underground development in some of those areas of the resource that are currently classified as Inferred. Such increased data would be aimed at converting parts of the resource to the Indicated category and thereby increasing the bankability of those parts of the resources. Simultaneously drill core samples would be collected for metallurgical testing purposes and these samples would then be subject to process testing to improve the flow-sheet design that has currently been developed.

Whilst Anglesey holds the necessary planning permissions to build a mine at the site, these must be supported by the grant of various environmental operating licenses. This will require collection of further environmental base-line data and a programme of environmental base line data collection is planned, both for inclusion in a formal feasibility report and as a pre-requisite ahead of any formal decision to commence operations.

The Parys Mountain property has a high potential for the discovery of additional mineral resources. There are drill intercepts outside of the planned mining blocks indicating mineralisation may extend into other areas of sparse drilling immediately adjacent to the reported Mineral Resources. Micon included additional exploration costs of \$1.6 million for Cases A and B and \$7.5 million for Case C. However, much of this additional drilling recommended for Case C, to upgrade the category of the resource in the second half of the project mine life from Inferred to Indicated, should ideally be carried out from an underground drill drive from the area around the bottom of the shaft and would not necessarily be undertaken until some years into the project.

At the end of March 2021, the group had cash resources of £892,000. Following a careful review of the financial resources currently available and considering the normal on-going costs of corporate and site operations, it has been decided that these three activities will be commenced forthwith, and as additional funding become available this programme will be accelerated.

Performance

The Group holds interests in exploration and evaluation properties and, until a mine is placed into production, there are no standardised performance indicators which can usefully be employed to gauge performance. The publication of the independent Preliminary Economic Assessment on the Parys Mountain project in January 2021, which built upon the optimisation studies successfully completed over the previous two years, and included a new expanded mineral resource estimate, with a financial model for an expanded case at 3,000 tpd which indicated a pre-tax NPV10% of £96 million and a 26% IRR, demonstrated a significant improvement on previous studies and steady progress.

The chief external factors affecting the ability of the Company to move its projects forward are primarily the demand for metals and minerals, levels of metal prices and the market sentiment for investment in mining and mineral exploration companies.

A unique and timely opportunity

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

About Anglesey Mining plc

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

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

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

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