Anglesey Mining plc

Annual Report 2022

The AGM will be held at the offices of DLA Piper, 160 Aldersgate Street London EC1A 4HT on 27 October 2022 at 11.00 am

CEO Jo Battershill at Parys Mountain

Annual report contents

Glossary

$ - United States dollar unless otherwise stated
CAD - Canadian dollar
AGM - the annual general meeting to be held on 27 October 2022
AIM – the Alternative Investment Market of the London Stock Exchange
CFR - cost and freight, applied to iron ore prices, an Incoterm
DFS - Definitive Feasibility Study
DMS - dense media separation, a process for the elimination of low-density waste from crushed ore
dmt - dry metric tonne (used in iron ore measurement)
EIA - environmental impact assessment
GIAB - Grangesberg Iron AB, a privately owned Swedish company
JORC - Australasian Joint Ore Reserves Committee - a set of minimum standards for public reporting and displaying information related to mineral properties
IRR - internal rate of return
LIM - Labrador Iron Mines Holdings Limited and its group of companies
Mt - million tonnes
Mtpa - million tonnes per annum
NPV - net present value
NSR - net smelter return
OTC - The OTC Markets Group trading stocks in the US off the exchanges
PEA - Preliminary Economic Assessment
PFS - Preliminary Feasibility Study
tonne - metric tonne of 1,000 kilogrammes
SEK - Swedish Krona
t - metric tonne
tpd - tonnes per day

Annual Report 2022

A UK mining company

Projects:

100% ownership of the Parys Mountain underground zinc-copper-lead-silver-gold deposit in North Wales, UK where an independent Preliminary Economic Assessment announced in January 2021 showed -

- **an estimate of 5.2 million tonnes of Indicated resources together with 11.7 million tonnes of Inferred resources**
- **a financial model for an expanded case at 3,000 tpd with a pre-tax $NPV_{10\%}$ of US$120 million, (£96 million), 26% IRR and 12-year mine life**

A 12% shareholding in Labrador Iron Mines Holdings Limited which holds direct shipping iron ore deposits in Canada where an independent Preliminary Economic Assessment of its Houston project published in March 2021 showed -

- **$NPV_{8\%}$ CAD109 million at a conservative base case iron ore price with a 39% IRR and a12 year mine life**

A 19.9% interest in the Grangesberg Iron project in Sweden, together with management rights and a right of first refusal to increase the Group's interest to 70%, where an independent Pre-Feasibility Study announced on 19 July 2022 reported -

- **82.4 million tonnes of Probable Ore Reserves mined over a 16-year mine life with throughput of 5.3 million tonnes per annum**
- **Post-tax $NPV_{8\%}$ of US$688 million with an IRR of 25.9% after tax**

On 8 April 2022 the company's shares were admitted to trading on AIM having been listed for the previous 34 years on the Official List of the Financial Conduct Authority and admitted to trading on the main market of the London Stock Exchange

Front cover picture - foreground: Framework of the 1990 processing plant where over 2,000 tonnes of ore were treated before sale. Background: the Parys head frame and facilities, winder house and mine workshops. Amlwch town and port are off picture to the right.

To Anglesey Shareholders

The past year has been a period of global uncertainty, volatility and subsequent conflict. While the problems associated with the COVID-19 pandemic reduced significantly, they were replaced with new challenges created by the Ukraine conflict and the subsequent impacts on global security, rampant inflation from energy scarcity and fears of global food shortages.

Nevertheless, despite these conditions, we saw significant progress at both our Parys Mountain copper/zinc/lead project and our iron ore projects in Sweden and Canada, while on the corporate side a new Chief Executive, Jo Battershill, was appointed and the board of directors was strengthened. Additionally, during the past year over £1.5 million was successfully raised in new financings in October 2021 and May 2022 attracting new institutional investor support and shortly after the year end we moved our listing from the Main Market of the London Stock Exchange to AIM.

Review of activities

A very active year at Parys Mountain saw the first drilling programme since 2012, the commencement of environmental studies, the appointment of Knight Piésold to undertake both the design stage for the tailings management system together with the geotechnical assessment of the underground development, and engagement with local planning and regulatory authorities and local councils. Meanwhile in Sweden, a Pre-Feasibility Study Update for the Grängesberg Iron Ore Project was completed with very encouraging results, while in Canada Labrador Iron Mines continued to advance its Houston direct shipping iron ore project toward production. Further details on these activities may be found in the Strategic Report.

At Parys Mountain, the drilling programme had the aim of improving confidence in the White Rock and Engine Zone resources and providing samples for both confirmatory metallurgical test work and geotechnical domain modelling. The infill programme confirmed an extensive mineralised system in the near surface White Rock zone and provided very valuable information that will now feed into the next stages of our development studies. Our confidence in the White Rock and Engine Zones continues to increase.

Additionally at Parys Mountain, where Anglesey Mining holds planning permissions for the development of the mine, processing plant and tailings storage facility, first steps were taken to secure the required operating permits to commence mining and processing of ore. We are engaged in the review process including discussions with the North Wales Minerals and Waste Planning Service and local councils. Initial environmental monitoring and ecological surveys have also begun.

At Grängesberg, a very positive update of the PFS indicates production of 2.3 - 2.5Mtpa of iron ore concentrate grading 70% Fe that generates strong economic returns, including a $NPV_{8\%}$ of US$688 million post-tax, and confirming that the Grängesberg iron ore mine has the potential to be restarted as one of Europe's largest individual producers of high-grade iron ore concentrates.

The Ukraine conflict has highlighted the strategic positioning of Grängesberg. Prior to the conflict, Russia and Ukraine supplied over 20Mt of iron ore into the European steel market. With the future uncertainty around this supply, a long-term source of iron ore could be highly sought after by European and Middle Eastern steel producers. Grängesberg, with the high-grade nature of its concentrate, existing infrastructure and favourable location in southern Sweden in proximity to European steel mills, represents highly strategic positioning.

Board of directors strengthened

After an extensive search, two senior minerals industry executives, Andrew King and Namrata Verma, were appointed to the board as independent directors to help guide the management team in the development of the Parys Mountain and Grangesberg Iron projects. They both join Anglesey with the highest of reputations in their own particular sectors and their combined and extensive experience in the financing sector of the worldwide minerals industry will be critical in the successful funding of both projects. The company is already benefiting from their input and advice.

The enclosed headframe at Grangesberg

Sudden passing of Bill Hooley, Deputy Chairman

It was with deep sadness that we reported the sudden death of our esteemed colleague, Bill Hooley, in early June 2022. Bill had served as CEO of Anglesey Mining from 2006 to 2021 and directed the completion of various resource upgrades for Parys Mountain, the 2017 Scoping Study and the QME optimisation work, which lead to the successful production of the 2021 PEA. Bill was also a Director and Deputy Chairman of Anglesey's associate company, Labrador Iron Mines, serving as President and COO from 2007 to 2011, during which time he directed the initial development and successful construction, into commercial production, of LIM's James iron ore mine in Labrador, Canada. Bill was appointed non-executive Deputy Chairman of Anglesey Mining in August 2021 and was continuing to provide his advice and experience until his sudden death. We will miss Bill's wise counsel, humour and friendship.

Corporate activity

In October 2021, £768,230 was successfully raised via the issuance of 22,595,000 shares at a price of 3.4p per share. On 8 April 2022, following approval from shareholders at a General Meeting, Anglesey Mining moved from the Main Market of the LSE to the Alternative Investment Market (AIM). The AIM listing will offer greater flexibility regarding corporate transactions, enabling the more rapid and cost-effective agreement and execution of transactions and financings. It will also provide improved visibility for Anglesey and enhanced liquidity for investors.

In May 2022, following the appointment of WH Ireland Limited and Canaccord Genuity Limited as joint brokers, a Placing and Subscription was successfully completed, raising gross proceeds of £864,416, with certain institutional and other investors, including the Chairman and the Chief Executive, at a price of 3.4 pence per share.

As a further step to strengthen our financial position we entered into a new Investor Agreement with Juno Limited, the company's largest shareholder. In the new Investor Agreement, Juno agreed to participate in any future equity financing, with the subscription price to be satisfied by the conversion of debt, and the company agreed to pay Juno in cash ten percent of the net proceeds of the financing in further reduction of debt. The net effect of the new agreement with the May placing was that the debt due to Juno was reduced by £305,499.

Metal prices

Metals are critical for climate transition and the clean energy technologies needed to meet the world's climate action goals will require much more metal. As a board, we remain very confident that the outlook for minerals, particularly for the copper and zinc minerals at Parys Mountain, and for iron ore where we hold significant investments, is very encouraging.

Environmental and social focus

The purpose and objective of Anglesey Mining is to create value for shareholders in an environmentally, socially, and ethically responsible manner which is also to the benefit of all stakeholders. Our principal current activity is to achieve this by developing, building and operating a producing mine at Parys Mountain. We place a high priority on environmental, social and governance (ESG) matters, and we are committed to being a responsible mining company, which maintains mutually beneficial long-term relationships with key stakeholders and the local community. Readers are invited to refer to the report on Corporate Governance.

Outlook

The results from the 2021 PEA demonstrate that a significant copper-zinc-lead mine can be developed at Parys Mountain with very positive financial returns. The current year is seeing momentum increased with respect to the required elements of a project development. Permitting activities are ramping up, including environmental and ecological studies, tailings management design work is being undertaken, along with confirmatory metallurgical test work and underground geotechnical domain modelling. Further infill drilling – specifically within the Northern Copper Zone is planned.

These activities will enable us to move the project to a full committed decision to proceed to production. As has been said before, these steps do take some time to reach fruition and are key requirements to securing the necessary finance to move the project towards production.

At Grängesberg, the Pre-Feasibility Study has provided a series of recommendations to progress the project through to the commencement of a Feasibility Study and at a general corporate level we will continue to review other opportunities within the global metals and mining sector.

In closing I wish to recognise the dedication and enthusiasm of our small management team, led by Jo Battershill, for the significant progress made over the past year, and thank our expanded and reinvigorated board of directors for their leadership, as well as consultants and advisors, for their contribution, and, of course, our shareholders for their continued support.

John F. Kearney

Chairman of the Board

7 September 2022

Strategic report

Despite the global challenges highlighted in the Chairman's report, we are very pleased to report that significant progress was made at both our Parys Mountain project and our iron ore projects in Sweden and Canada during the reporting period.

Parys Mountain moving steadily forward

The Parys Mountain Cu-Zn-Pb-Ag-Au Project on the Isle of Anglesey hosts a significant polymetallic deposit with a resource estimate of 16.9Mt grading 1.7% Zn, 0.8% Pb, 1.0% Cu, 17g/t Ag and 0.2g/t Au. The site has a head frame, a 300m deep production shaft, is connected to grid power, located only 20 miles from the port of Holyhead and is well advanced towards permitting for an operation. We have freehold ownership of the minerals and much of the surface land on the western portion of the property where all the current resources are located. Access to infrastructure is good, political risk is low and the project enjoys the support of local people and government.

Parys Mountain shaft and office compound

An independent Preliminary Economic Assessment (PEA) was completed in January 2021, using the three-year trailing metal prices as of September 2020 – US$2.81/lb Cu, US$1.20/lb Zn, US$0.95/lb Pb, US$16.67/oz Ag and US$1459/oz Au. Three separate development cases or scenarios were evaluated as part of the PEA, utilising planned mine tonnages ranging from 5.5Mt at 1,500tpd, to 11.4Mt at 3,000tpd in an expanded case.

The expanded case produced the most attractive financial returns, indicating a total cash operating surplus of more than £408 million over a 12-year mine life, which translated to a pre-tax net present value discounted at 10% of over £96 million with an IRR of 26%.

However, with commodity prices having been consistently, and meaningfully, higher than the three-year trailing averages of September 2020, the economic results from the development scenarios assessed would now be substantially higher.

First drilling programme since 2012

After securing additional funding in October 2021, we are now moving forward with our plans to progress development. The first drilling programme since 2012 was commenced in late November 2021 and a site manager and geologist were recruited.

The original 9-hole programme comprising 2,750m was designed to target the areas of Inferred Resources, generally around the periphery of the mineralised zones, with the aim of improving the confidence in the White Rock and Engine Zone resources. Prior to the drilling programme, 78% of the White Rock and Engine Zones were in the indicated category and we expect to be able to lift this once all the assays have been returned.

Jake Symes – geologist
Don McCallum – site manager
Jo Battershill – CEO
Andris Silins – driller on site at Parys Mountain in November 2021 at the commencement of the drilling programme

Initial assay results have now been returned for eight of the ten drill holes completed with multiple high-grade sections identified within a broader overall mineralised zone, as reported subsequent to the end of the period. Best results received to date include:

- 3.7m at 8.5% Zn, 6.3% Pb, 1.0% Cu, 38g/t Ag & 0.3g/t Au (from 142m)
- 2.8m at 7.2% Zn, 4.2% Pb, 0.6% Cu, 23g/t Ag & 0.3g/t Au (from 150m)
- 6.0m at 7.1% Zn, 3.7% Pb, 0.4% Cu, 37g/t Ag & 2.0g/t Au (from 172m)
- 3.7m at 5.8% Zn, 4.6% Pb, 0.6% Cu, 46g/t Ag & 0.2g/t Au (from 149m), and
- 6.0m at 6.3% Zn, 4.0% Pb, 0.2% Cu, 25g/t Ag & 0.3g/t Au (from 133.5m)

Importantly, the high-grade intersections reported above were generally contained within much broader zones of lower grade mineralisation that could potentially be mined and processed through a pre-concentration technique to upgrade the metal content while rejecting the unmineralized material. Selected lower grade zones include:

- 12.4m at 4.8% Zn, 3.3% Pb, 0.5% Cu, 20g/t Ag & 0.3g/t Au (from 140m)
- 21.5m at 4.0% Zn, 2.0% Pb, 0.3% Cu, 26g/t Ag & 1.0g/t Au (from 170.5m)
- 12.7m at 3.7% Zn, 1.9% Pb, 0.2% Cu, 22g/t Ag & 0.6g/t Au (from 204.5m), and
- 12.8m at 3.0% Zn, 1.3% Pb, 0.2% Cu, 51g/t Ag & 0.5g/t Au (from 167.9m)

Geotechnical modelling and new metallurgical testing

The drill holes were also designed to provide samples for both geotechnical domain modelling within the White Rock and Engine zones and confirmatory metallurgical test work.

Subsequent to the end of the reporting period, Knight Piésold, one of the world's leading geotechnical consultants, commenced the geotechnical modelling that will feed into the underground design and optimisation process.

The next round of metallurgical testwork will begin once the final assay results have been returned. Testwork from 2007 had already demonstrated that Dense Media Separation (DMS) would upgrade the feed into the comminution circuit with a mass rejection of around 40% and 3-5% associated metal losses. We also plan to complete a trade-off study between DMS and X-Ray based ore-sorting technology which is now utilised across many mines around the globe.

Environmental assessment and permitting

Additionally at Parys Mountain, first steps were taken to secure the required operating permits for mining and processing of ore. Environmental consultants were engaged in late 2021 to evaluate historical baseline studies that then fed into a subsequent gap analysis to determine future permitting requirements.

The permitting process has changed significantly since the commencement of mining activities in 1988. While we have a number of planning permissions that relate to the proposed development of the mine, processing plant and tailings storage facility, these need to be reviewed and updated to make sure they are fit for purpose to meet today's more stringent requirements.

The review process with the North Wales Minerals and Waste Planning Service and local Councils is now under way and demonstrating encouraging progress. Knowing that the Environmental Impact Assessment (EIA) is likely to be the longest lead item in this process, initial environmental monitoring and ecological surveys were initiated during the period and will feed directly into the EIA.

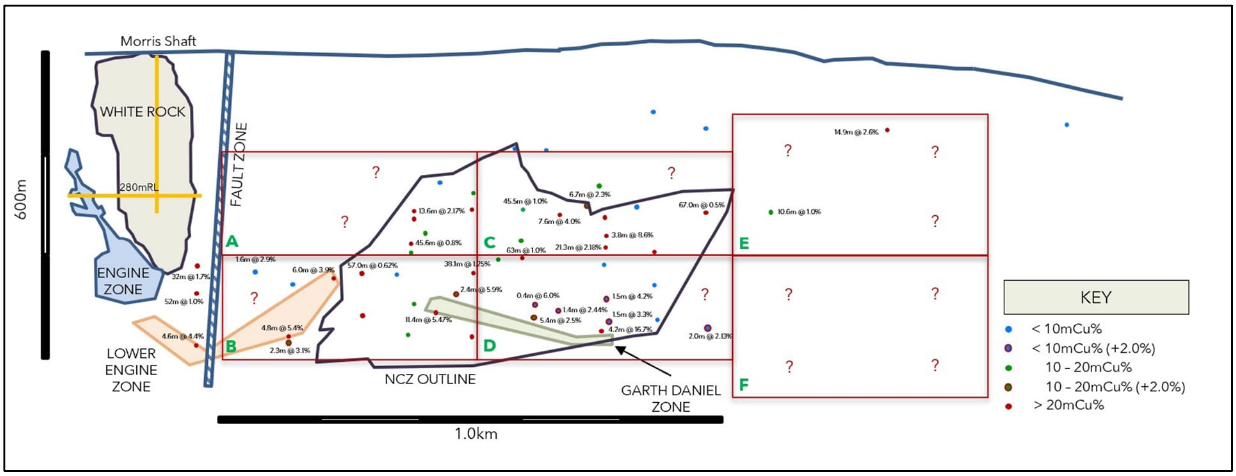
Baseline studies for reptiles, insects and birds are being carried out along with testing of water bodies around the site. Given the natural run-off from the outcropping sulphides that make up the historically mined Parys Mountain deposits, almost all the surface water is acidic and carries very little, if any, natural wildlife. Ongoing studies will be continued over the course of the next 12-months and expanded to include soil geochemistry, ground water and air quality monitoring, noise vibration studies, traffic modelling and initial design work for the tailings management facility.

Exploring Northern Copper Zone

We also plan to commence work on the large Northern Copper Zone, which currently hosts a resource estimate of 9.4Mt at 1.7% CuEq - all in the Inferred Resource category. Initial work on the Northern Copper Zone will include reviewing the historical resource model and identifying areas that could be brought into the mine plan earlier than currently envisaged, with a view to infill drilling and potentially converting to the Indicated category.

The long section of the Northern Copper Zone in Figure 3 demonstrates the potential scale of the opportunity and also highlights the limited amount of historical drilling along strike to the east. A selection of the historical assays include:

- **4.2m at 16.7% CuEq** (3.97% Cu, 7.53% Pb, 14.1% Zn, 532g/t Ag and 0.3g/t Au) from a depth of 563m
- **1.4m at 13.5% CuEq** (13.26% Cu, Pb and Zn not assayed, 18g/t Ag and 0.1g/t Au) from a depth of 432m
- **0.9m at 12.1% CuEq** (11.7% Cu, 0.19% Pb, 1.00% Zn, 6/t Ag, gold not assayed) from a depth of 497m
- **3.8m at 8.6% CuEq** (8.29% Cu, 0.02% Pb, 0.06% Zn, 32g/t Ag, gold not assayed) from a depth of 352m
- **11.4m at 5.5% CuEq** (2.04% Cu, 3.03% Pb, 6.38% Zn, 50g/t Ag and 0.4g/t Au) from a depth of 495m
- **4.8m at 5.4% CuEq** (3.68% Cu, 0.95% Pb, 3.00% Zn, 28g/t Ag and 0.2g/t Au) from a depth of 562m
- **7.6m at 4.0% CuEq** (2.84% Cu, 0.19% Pb, 0.50% Zn, 7g/t Ag and 1.4g/t Au) from a depth of 298m
- **6.0m at 3.8% CuEq** (2.22% Cu, 0.08% Pb, 4.19% Zn, 15g/t Ag and 0.2g/t Au) from a depth of 466m
- **50.9m at 1.2% CuEq** (1.12% Cu, 0.02% Pb, 0.06% Zn, 2g/t Ag, gold not assayed) from a depth of 399m
- **146.3m at 1.2% CuEq** (0.98% Cu, 0.20% Pb, 0.30% Zn, 7g/t Ag, gold not assayed) from a depth of 350m
- **25.9m at 1.14% Cu** (no other elements assayed) from a depth of 557m
- **46.0m at 0.80% Cu** (no other elements assayed) from a depth of 366m



Northern Copper Zone outline with intersection points and potential exploration blocks

The Northern Copper Zone covers an extensive area with the resource estimate extending over 800m in length and 400m in depth. Subsequently, the review of the potential will be divided into blocks, as shown in the figure above. Both blocks B and D have potential to host high-grade extensions to the Garth Daniel resource between depths of 400 – 600m. Blocks A and C have potential to host thick lower grade intersections amenable to bulk mining methods between 200 – 400m depth, and blocks E and F are both essentially extensional targets.

Metal price environment remains supportive

Metals are critical for the climate transition and the clean energy technologies needed to meet the world's climate action goals will require much more metal. For example, every electric car requires up to four times more copper than an ICE car and every megawatt of solar power generation capacity requires 5 tonnes of copper. According to the International Energy Agency, achieving the Paris Agreement targets will require almost twice the volume of metals by 2050. As a Board, we remain very confident that the outlook for most minerals, particularly for the copper and zinc minerals at Parys Mountain, is very encouraging. Base metal prices generally held onto the impressive gains from the previous year, or in the case of zinc, rallied strongly. During the year, we saw a strong demand for metals with the prices for zinc, copper, and lead rising in 2021 by 28.1%, 26.8%, and 14.8%, respectively. Copper reached a decade long high in May 2021 of over $4.80/lb while the zinc price was the highest since 2007. Copper prices on the London Metal Exchange (LME) averaged US$4.23 per pound in 2021, up from an average of US$2.80 per pound in 2020.

Global demand for zinc grew strongly during the year. Zinc prices increased significantly and especially in the fourth quarter, Zinc prices on the London Metal Exchange (LME) averaged US$1.36 per pound during 2021, higher than US$1.03 per pound in 2020, and the highest annual average since 2007.

First quarter 2022 LME copper prices reached record levels and averaged US$4.53 per pound, 17% higher than the first quarter 2021 average of US$3.86 per pound. Zinc prices rose to US$1.70 per pound during the first quarter of 2022 compared with US$1.25 per pound in the same period in 2021.

In the second quarter of 2022 LME copper averaged US$4.31/lb (vs. US$4.53/lb in Q1) and zinc prices rose to a high of $1.95/lb in April and averaged US$1.77/lb (vs. US$1.70/lb in Q1), although subsequently metal prices have since retreated due to uncertainties about the war in Europe, higher oil prices, gas shortages, and inflation.

The base case economic model in the PEA utilized three-year trailing metal prices of $2.81/lb copper, $1.20/lb zinc, $0.95/lb lead, $16.67/oz silver, and $1,459/oz gold, with an exchange rate of £1.00/$1.25. We continue to believe that the base case three-year trailing metal prices used in the PEA are a very conservative starting point. Prices at 23 August 2022, the last practicable date before the publication of this report, were $3.70/lb copper, $1.58/lb zinc, $0.89/lb lead, $18.99/oz silver and $1739/oz gold, with the exchange rate at £1.00/$1.18. Using these commodity prices the expanded case pre-tax $NPV_{10\%}$ increases from US$120 million to US$221 million, with pre-tax IRR of 42%, which clearly demonstrate the sensitivity and leverage of a mine at Parys Mountain to higher metal prices.

At these August 2022 metal prices, copper production from a Parys Mountain mine would represent 50% of the net smelter revenue under the expanded case while zinc and lead would represent 28% and 12% respectively. The PEA indicates production of 75,000 tonnes of copper, 166,000 tonnes of zinc, 80,000 tonnes of lead, over 5 million ounces of silver and 30,000 ounces of gold over the project’s 12-year mine life, this equates to an average copper equivalent production rate of 14,000 tonnes per year over the proposed life of the operation.

Grängesberg iron ore - a unique strategic opportunity

Anglesey holds a 19.9% interest in the Grängesberg project, together with management rights and a right of first refusal to increase its interest to 70.2%. The Grängesberg project, located about 200 kilometres north-west of Stockholm, is a substantial iron ore asset located in a very favourable jurisdiction. Prior to its closure in 1989, due to then prevailing market conditions, the mine had produced around 180Mt of iron ore.

Anglesey, in conjunction with its Swedish partners in Grängesberg, commissioned an updated PFS on the development of the Grängesberg project, based on updated forecasts for long term iron prices and on a modified development programme to take advantage of optimisations expected since the previous 2012 Pre-Feasibility Study. The update by leading mining consultant Micon International Limited commenced in late 2021 and was finalised in July 2022.

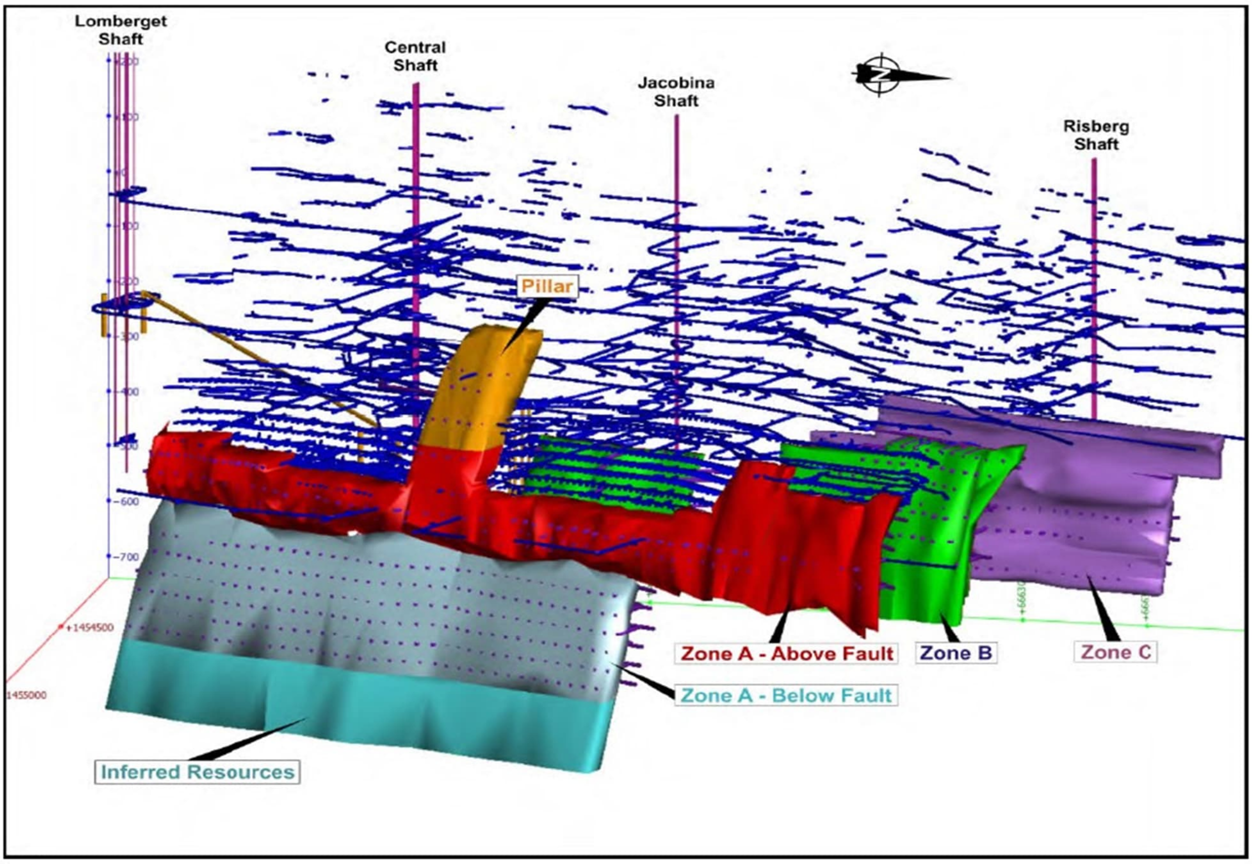
We are very pleased to report that the updated PFS demonstrates a very robust project with production of 2.3 - 2.5Mtpa of iron ore concentrate grading 70% Fe over an initial 16-year life, generating strong economic returns, including a $NPV_{8\%}$ of US$688 million post-tax. The study assumed an iron ore price of US$120/t (62% Fe benchmark, CFR China) with sensitivities indicating a long-term price of US$80/t required to achieve a positive return at a discount rate of 8%.

Grängesberg PFS Study Highlights

The study confirmed the previous estimate of 82.4Mtpa of Probable Ore Reserves which would support a 16-year mine life at a throughput of 5.3Mtpa. Production of between 2.3 and 2.5Mtpa of iron ore was envisaged with concentrate grading 70% Fe that generates strong economic returns including:

- Post-tax NPV of US$688 million at an 8% discount rate
- IRR of 25.9% post-tax
- Operating costs of US$53.60/t FOB to the port of Oxelösund
- Net cashflow post-tax of US$2.08bn, for an average annual net cashflow of US$130 million
- Pre-production capital of US$399 million
- 3.6 years payback

Micon concluded that the Grängesberg Project demonstrates an economically viable project using the stated price assumptions, cost estimates and technical parameters generated by the PFS, with the sensitivity analysis indicating positive returns can be achieved even with using a 30% lower underlying iron ore price.



Grängesberg deposit relative to existing development

Key financial metrics from the updated PFS

Key Metric	Unit	2022 updated PFS
Ore to Mill	Mt	82.3
Life of Mine	Years	16.0
Contained Fe	Mt	30.6
Recovery	%	85
Recovered Fe	Mt	26.0
Outgoing Concentrate	Mt	37.2
Concentrate Grade	% Fe	70
Average annual Concentrate Output	Mt	2.3
Cash cost*	US$/t Conc	53.60
All-in Sustaining Cost**	US$/t Conc	57.80
Pre-production capital	US$m	399
Post-tax $NPV_{8\%}$	**US$m**	**688**
Post-tax Internal Rate of Return	**%**	**26**
Project payback	Years	3.6
Average annual Post-tax Operating Cashflow ***	US$m	130

** Cash costs are inclusive of mining costs, processing costs, site G&A, transportation charges to port and royalties*

*** All-in Sustaining Cost includes cash costs plus sustaining capital and closure cost*

**** Post-tax Operating Cashflow based on iron ore price forecast of US$120/t China CFR 62% Fe benchmark*

The results from the PFS study represent another promising stage in development of the project and provide a very solid foundation. Grängesberg has the potential to be restarted as one of Europe's largest individual producers of iron ore concentrates. When combined with the high-grade nature of the concentrate and proximity to European steel mills, the asset clearly demonstrates highly strategic positioning.

Strategic positioning in iron ore

The iron ore price demonstrated significant volatility over the course of the calendar year 2021. In the first third of the year, the price rallied from US$170/t (62% CFR China) to US$235/t. The second third of the year saw the price collapse to US$87/t, mainly due to lower imports by China following its move to control steel production to meet carbon emission norms and Covid-19 related shutdowns. The final third of the year saw the price regain value as it closed the period at US$155/t.

The iron ore market experienced another period of extreme volatility in the first half of 2022. While averaging US$140 per tonne for the full six months, the price fluctuated between a high of US$159 in March to a low of US$112 in June. Subsequently, the price declined to US$100 in July before recovering to US$115 in early August.

Iron ore is a non-fungible commodity with many variables that determine quality. There are number of key price-affecting chemical components of iron ore including iron, silica, alumina and phosphorus. Iron ore also differs in its physical form. Fines require sintering (agglomeration into crude pellets) prior to use in the blast furnace, lump ore and pellets can bypass this process and be charged directly into the furnace – with both commanding an associated price premium. Most steel mills use a blend of different grades of ore, and a mix of sinter, lumps and fines but the quality requirements depend on the circumstances and availability.

A more recent element of the iron ore price formation process is the ‘green’ aspect. China’s 2016 update to its Environmental Protection law enforced stricter caps on industrial pollution, and consequently increased the appetite for higher purity ores, which has not diminished significantly although the law’s deadline has been postponed by five years.

As a relatively simple ‘rule-of-thumb’, lower-grade ores with higher fractions of impurities such as silica and alumina require increased consumption of coke, which can raise emissions of controlled gases and particulates. We are now very much in an environment where ‘grade-is-king’. The 70% Fe high-quality product expected to be produced at Grängesberg would command premium prices and makes Grängesberg more attractive than many of the undeveloped iron ore projects in Europe.

The Ukraine conflict has demonstrated the strategic positioning of the Grängesberg Iron Ore Project. Prior to the Ukrainian conflict, Russia and Ukraine supplied over 20Mt of iron ore into the European steel market. With the future uncertainty around this supply, a long-term supply of high-grade iron ore concentrate is anticipated to see strong demand from both European and Middle Eastern steel producers. Historical production from Grängesberg demonstrated the ability to produce a 70% Fe concentrate, which would generate strong premiums in the current, and forecast, steel industry dynamics. With steel producers and their downstream customers looking to reduce the overall carbon footprint of manufactured products, supplies of high-grade concentrate feed to produce direct reduced iron (DRI) are becoming highly sought after. Importantly, the production of steel from DRI in an electric arc furnace has a significantly lower CO2 footprint than the traditional blast furnace route.

Inspecting a tailings facility at Grangesberg

The opportunity for Anglesey Mining is now to advance the Grängesberg project through to a Financial Investment Decision. This could be completed along with securing a strategic investor, offtake partner, separate listing, or a combination of these options. However, we recognise that there is still a lot of work to do at Grängesberg, including consolidation of the asset, as well as updating both the resource and reserve models and undertaking environmental assessment studies as preliminary steps to preparing a Feasibility Study.

Labrador Iron Mines

Meanwhile, on the other side of the Atlantic, Labrador Iron Mines (LIM), in which we hold a 12% interest, continues to progress plans to develop its Houston Project in the Labrador trough. LIM published a PEA on its Houston Project in February 2021 which supports its plan to resume iron ore production and demonstrated an initial 12-year mine life with production of 2 million dmt of per year, for total production of 23.4 million dmt of product at 62.2% Fe over the life of the Houston mine.

The PEA estimates the Houston Project will generate an undiscounted net cash flow of CAD$234 million and an after-tax net present value at an 8% discount rate of CAD$109 million, and an after-tax internal rate of return of 39%, under the base case $90/dmt benchmark pricing model. The PEA notes that using a spot price of $160/dmt would increase the after-tax $NPV_{8\%}$ to CAD$459 million and the after-tax IRR to 209%.

Anglesey holds 19.29 million LIM shares which on 31 March 2022 were valued in total at $2.5 million, or approximately £2 million, on the OTC Market in the United States.

Financial results and position

There are no revenues from the operation of the properties.

The loss before other comprehensive income for the year ended 31 March 2022 after tax was £693,242 compared to a loss of £328,518 in the 2021 fiscal year. The administrative and other costs excluding investment income and finance charges were £528,045 compared to £162,824 in the previous year. This increase is due to the recommencement of the payment of executive director salaries, the engagement of our new CEO, higher public relations and related costs, London office rentals and generally higher levels of staffing and activity.

The value of the group’s holding in LIM is reported in other comprehensive income and effectively is based on its share price. Last year there was an unusual gain of £4 million in this value, as it was held at a nominal value of £1 in the previous year. This year there is a loss of £2 million as the shares retreated. The outcome is a total comprehensive loss for the year of £2,826,957, compared to a comprehensive gain for the prior year of £3,714,921.

During the year there were no additions to fixed assets (2021 - nil) and £394,410 (2021 - £101,570) was capitalised in respect of the Parys Mountain property as mineral property exploration and evaluation, significantly up as a result of a far more extensive programme of geological and environmental work as well the drilling programme described in the Strategic report.

At 31 March 2022 there were mineral property exploration and evaluation assets with a carrying value of £15.7 million. These carrying values are supported by the results of the 2021 Preliminary Economic Assessment of the Parys Mountain project.

At the reporting date, as detailed in Note 10, the directors considered the carrying value of the Parys Mountain exploration and evaluation assets to determine whether specific facts and circumstances suggest there is any indication of impairment. They carefully considered the positive results of the recent independent PEA and the plans for moving the project forward. Consequently, the directors concluded that there were no facts and circumstances which materially changed during the year which might trigger an impairment review and that there are no indicators of impairment.

The effect of Covid-19 on the group’s activities has been minimal and is expected to remain so.

Corporately, we raised £768,230 via the issuance of 22,595,000 shares at a price of 3.4p in October 2021. The successful placement resulted in a cash inflow of £725,105 after fees and expenses. The cash balance at 31 March 2022 was £922,177 , compared to £891,767 at 31 March 2021. In May 2022 a further placement raised £865,000 at a price of 3.4 pence per share. These funds will be used for ongoing work on the Parys Mountain project, as well as for general corporate purposes.

In May 2022 a new Investor Agreement was concluded with Juno Limited to replace the controlling shareholder and consolidated working capital agreements. In the new Investor Agreement Juno agreed to participate in any future equity financing, at the same price per share and on the same terms as other arms-length participants, to maintain its percentage, with the subscription price to be satisfied by the conversion and consequent reduction of debt, and the company agreed to pay Juno in cash ten percent of the net proceeds of such equity financing in further reduction of the debt. The interest rate on the outstanding debt will be reduced from 10% to 5% p.a. from 1 April 2022. In addition, Juno was granted certain nomination and reporting rights, including the right to nominate two directors to the board, so long as Juno holds at least 20% of the company’s outstanding shares and one director so long as Juno holds at least 10% of the company’s outstanding shares. This renegotiation was approved by an independent board committee responsible for reviewing and approving any transactions and potential transactions with Juno. The family interests of Danesh Varma have a significant shareholding in Juno.

The net effect of the new agreement with the May 2022 financing was that the debt due to Juno was reduced by £305,499, of which £78,345 was paid in cash and the balance by conversion of debt.

At 31 March 2022 there were 248,070,732 ordinary shares in issue (2021 – 225,475,732), the increase being due to the financing events referred to above. At 7 September 2022 there were 280,675,732 ordinary shares in issue.

The use of financial instruments is described in note 23.

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 PEA 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 $NPV_{10\%}$ of US$120 million and a 26% IRR, demonstrated a significant improvement on previous studies and steady progress.

Initial assay results for eight of the ten drill holes at Parys Mountain in the first drilling programme since 2012 which was completed in April 2022, returned multiple high-grade sections within a broader overall mineralised zone of lower grade mineralisation that could potentially be mined and processed through a pre-concentration technique to upgrade the metal content. This improved the confidence in the White Rock and Engine Zone resources.

The completion of the independent updated PFS on the Grängesberg project subsequent to the year-end demonstrates a very robust project with production of 2.3 - 2.5Mtpa of iron ore concentrate grading 70% Fe over an initial 16-year life, generating strong economic returns, including a $NPV_{8\%}$ of US$688 million post-tax using the stated price assumptions, cost estimates and technical parameters.

The chief external factors affecting the ability of the Group 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. These are discussed above, and risks and uncertainties are dealt with below.

Other activities

The Directors continue to review new properties suitable for advanced exploration or development that would be complementary to or provide synergies with the existing projects and would be within the financing capability likely to be available. A number of base metals projects have been identified as potentially attractive and further early-stage opportunities continue to be evaluated.

Environmental and Social Focus

The purpose and objective of Anglesey Mining is to create value for shareholders in an environmentally, socially, and ethically responsible manner which is also to the benefit of all stakeholders. Our principal current activity is to achieve this by developing, building and operating a producing mine at Parys Mountain and to progress the Grangesberg Iron Ore project in Sweden through to a decision to mine. We place a high priority on environmental, social and governance (ESG) matters, and we are committed to being a responsible mining company, maintaining mutually beneficial long-term relationships with key stakeholders and the local community. Readers are invited to refer to the report on Corporate Governance.

There has been an increasing investor focus on ESG matters. These are areas on which we have always placed high importance, although we have not attempted quantitative measurements, particularly as having the social licence to operate, and operating in an environmentally responsible manner, are critical for the successful operation of any mining project. In Anglesey Mining we place a high priority on sustainability, and we are committed to being a responsible mining company, maintaining mutually beneficial long-term relationships with key stakeholders and the local community.

Section 172 Statement

The Directors, both individually and collectively, believe, in good faith, that throughout the year and at every meeting of the Board and management when making every key decision, they have acted to promote the success of the Group for the benefit of its members as a whole, as required by Section 172 of the Companies Act 2006, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006. The Directors Section 172 Statement follows.

Section 172 of the Companies Act is contained in the part of the Act which defines the duties of a director and concerns the "duty to promote the success of the Company". Section 172 adopts an 'enlightened shareholder value' approach to the statutory duties of a company director, so that a director, in fulfilling his duty to promote the success of the company must act in the way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to other specified factors insofar as they promote the Company's interests.

The Board of Anglesey Mining recognises its legal duty to act in good faith and to promote the success of the Company for the benefit of its shareholders and with regard to the interests of stakeholders as a whole and having regard to other matters set out in Section 172. These include the likely consequences in the long term of any decisions made; the interest of any employees; the need to foster relationships with all stakeholders; the impact future operations may have on the environment and local communities; the desire to maintain a reputation for high standards of business conduct and the need to act fairly between members of the Company.

The Board recognises the importance of open and transparent communication with shareholders and with all stakeholders, including landowners, communities, and regional and national authorities. We seek to maximise the operation's benefits to local communities, while minimising negative impacts to effectively manage issues of concern to society.

Shareholders have the opportunity to discuss issues and provide feedback at any time.

The application of the Section 172 requirements can be demonstrated in relation to the Group's operations and activities during the past year as follows.

Having regard to the likely consequences of any decision in the long term

The Company's purpose and vision are set out in the Chairman's Letter and in this Strategic Report. The Board oversees the Company's strategy and is committed to the long-term goal of the development of the Parys Mountain Project. The activities towards that goal are described and discussed in the Strategic Report. The Board remains mindful that its strategic decisions have long-term implications for the Parys Mountain project, and these implications are carefully assessed. During the year the Board recruited and appointed a new Chief Executive, Jo Battershill, a mining geology graduate from Camborne School of Mines with extensive experience both in operations and in finance in Australia and in the UK. In connection with the move to AIM and the delisting from trading on the Main Board, a general meeting of shareholders was called to approve the proposal.

In evaluating alternatives or opportunities the Directors always consider the likely consequences of any decision in the long-term that may affect the Group, and the potential impact on long-term shareholder value, including key competitive trends, supply and demand of metals, potential impact on the environment and climate change considerations, all of which were considered in the preparation of the PEA.

Having regard to the need to foster business relationships with others

The Company operates as a mineral exploration and development business, without any regular income and is entirely dependent upon new investment from the financial markets for its continued operation. The Board values the benefits of maintaining strong relationships with key partners, contractors and consultants. This is discussed in more detail elsewhere in the annual report. As a mine development company, the Board understands that a range of third parties- regulators, contractors, suppliers, and potential customers for the concentrates that would be produced from a mine at Parys Mountain, are relevant to the sustainability of the business.

Having regard to the interests of the employees

The Group currently has three full-time and one part-time employee and is managed by its directors and a small number of associates and sub-contract staff. The Board takes steps to ensure that the suggestions, views and interests of employees are considered in decision-making.

Having regard to the desirability of maintaining a reputation for high standards of business conduct

The Board is committed to high standards of corporate governance, integrity, and social responsibility and to managing the Company in an honest and ethical manner, as further discussed in the Corporate Governance Report. The Directors strive to apply ethical business practices and conduct themselves in a responsible and transparent manner with the goal of ensuring that Anglesey Mining plc maintains a reputation for high standards of business conduct and good governance.

Having regard to the impact of operations on the community and the environment

The Board takes a broad range of stakeholder considerations into account when making decisions and gives careful consideration to any potential impacts on the local community and the environment. The Board strives to maintain good relations with the local community, especially with local businesses in North Wales. For example, in connection with its plans for the advancement of Parys Mountain, discussions and consultations have been held with the North Wales Minerals and Waste Planning Service and with local Councils.

The Corporate Governance Report discusses how the Directors engage with and have regard to the community in which the Group operates. Further discussion of these activities can be found in this Strategic Report.

As a mine development company, the Board understands that recognising and having regard to the potential impact the Company's operations may have on the community and the environment is essential to underpinning the social licence necessary to operate. In making decisions about the development of a mine at Parys Mountain, the Board would seek to maximise the benefits to the local community, while minimising negative impacts, and to effectively manage issues of concern to society. By aligning future operations to environmental, social and governance performance the Company will seek to deliver on its purpose to create value through responsible and sustainable mining.

Having regard to the need to act fairly as between members of the Company

The Company has only one class of share in issue and all shareholders benefit from the same rights, as set out in the Articles of Association and as required by the Companies Act 2006. Since 1996 agreements have been in place with Juno Limited, the largest shareholder, which provide that Anglesey will maintain an independent board and that any transactions between Juno and Anglesey will be at an arm's length basis. Effective 31 March 2022, as a further step to strengthen its financial position, Anglesey entered into a new Investor Agreement with Juno Limited, to amend and replace the Controlling Shareholder Agreement and the Consolidated Working Capital Agreement. This renegotiation was approved by an independent board committee responsible for reviewing and approving any transactions and potential transactions with Juno.

The Board recognises its legal and regulatory duties and does not take any decisions or actions, such as selectively disclosing confidential or inside information, that would provide any shareholder with any unfair advantage or position compared to the shareholders as a whole.

Risks and uncertainties

The Directors have carried out an assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. In conducting its business, the Group faces a number of risks and uncertainties, the more significant of which are described below. The board believes the principal risks are adequately disclosed in this annual report and that there are no other risks of comparable magnitude which need to be disclosed.

Mineral exploration and mine development is a high-risk speculative business and the ultimate success of Anglesey Mining will be dependent on the successful development of a mine at Parys Mountain, which is subject to numerous significant risks most of which are outside the control of the Board.

In reviewing the risks facing the Group, the members of the Board consider they are sufficiently close to operations and aware of activities to be able to adequately monitor risk without the establishment of any formal process. There may be risks against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons. However, there are also risks and uncertainties of a nature common to all mineral projects and these are summarised below.

General mining risks

Actual results relating to, amongst other things, results of exploration, mineral reserves, mineral resources, 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 expected geological or geotechnical structures, general economic conditions and conditions in the financial markets, changes in demand and prices for minerals that the Group expects to produce, legislative, environmental and other judicial, regulatory, political and competitive developments in areas in which the Group operates, technological and operational difficulties encountered in connection with the Group's activities, labour relations, costs and changing foreign exchange rates and other matters.

The mining industry is competitive in all of its phases. There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Group faces competition from other mining companies in connection with the acquisition of properties, mineral claims, leases and other mineral interests, should it seek to pursue such opportunities, as well as for the recruitment and retention of qualified employees and other personnel and in attracting investment and or potential joint venture partners to its properties.

Exploration and development

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

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

Financing and liquidity risk

The Group has relied on equity financing to fund its working capital requirements and will need to generate additional financial resources to fund all future planned exploration and development programmes. Developing the Parys project will be dependent on raising further funds from various sources. There is no assurance that the Group will continue to obtain additional financial resources and/or achieve positive cash flows or profitability.

There can be no assurance that the Group will be successful in obtaining any additional required funding necessary to conduct operations on its properties. Failure to obtain additional financing on a timely basis could cause planned activities and programs to be delayed.

If additional financing is raised through the issuance of equity or convertible debt securities, the interests of shareholders in the net assets of the Group may be diluted.

Metal prices

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

Foreign exchange

LIM is a Canadian company; Angmag AB and GIAB are Swedish companies. Accordingly, the value of the Group’s holdings in these companies is affected by exchange rate risks. Operations at Parys Mountain are in the UK and exchange rate risks are minor. Most of the cash balance at the year-end was held in sterling – see notes 16 and 23.

Permitting, environment, climate change and social

The Group's operations are subject to environmental legislation and regulations which are evolving in pursuit of national climate change objectives and in a manner where standards are becoming more stringent. Mineral extraction and processing can have significant environmental impacts. Mining operations require approval of environmental impact assessments and obtaining planning permissions. The Group holds planning permissions for the development of the Parys Mountain property, but further environmental studies and assessments and various approvals and consents will be required to carry out proposed activities and these may be subject to various operational conditions and reclamation requirements.

There can be no assurance that all permits, licences, permissions and approvals that the Group may require for its activities will be obtainable on reasonable terms or on a timely basis.

Employees and personnel

The Group is dependent on the services of a small number of key executives, specifically the chairman, chief executive and finance director. The loss of these persons or the Group’s inability to attract and retain additional highly skilled and experienced employees for any areas in which the Group might engage may adversely affect its business or future operations. A discussion on the composition and assessment of the Board of Directors is included in the Report on Corporate Governance.

Covid-19

The Directors have carefully considered the impact of the Covid-19 pandemic on the Parys Mountain property and have concluded that to date it has had no impact on the project and further it is unlikely to have, assuming that the pandemic does not escalate. The project is not currently in production, so Covid-19 does not impact current operations.

Group Prospects

Recognition of potential opportunities

The recommencement of activities at Parys Mountain is the first stage of bringing the asset back into the focus of mainstream investors, both retail and institutional. The economics of the project under the current commodity pricing environment make the progression of Parys Mountain through to a financial investment decision an obvious milestone.

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. Importantly, these critical and strategic metals, essential for the decarbonisation of the economy, are primarily imported into the UK currently. 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.

A similar view can be held for the Grängesberg Iron Ore Project, where with the Pre-Feasibility Study update now complete, we have a clear view on the requirements to enable us to advance through to the Feasibility stage. When combined with the Labrador Mines assets, Anglesey Mining has a very valuable and strategic set of iron ore assets that should be progressed with the greatest speed possible, but within the constraints of the resources available.

Outlook

As previously discussed, the results from the 2021 PEA demonstrate that a significant copper-zinc-lead mine can be developed at Parys Mountain with very positive financial returns. We expect to increase the level of activity at Parys Mountain over the next twelve months with respect to a number of the elements required for a project development. We plan to ramp up permitting activities, including the completion of environmental and ecological studies around site, initial design work of the tailings management facility, which has already commenced, along with underground geotechnical domain modelling on the White Rock and Engine Zones. Once the final assay results from the completed drill programme are received, we will conduct additional metallurgical testwork to identify the most optimal pre-concentration method.

We also plan to commence work on the large Northern Copper Zone, which currently hosts a resource estimate of 9.4Mt at 1.7% copper equivalent - all in the Inferred resource category. Initial work on the Northern Copper Zone will include reviewing the historical resource model and identifying areas that could be brought into the mine plan earlier than currently envisaged with a view to infill drilling and potentially converting to the Indicated category.

All of these activities are required to enable the Parys Mountain copper/zinc/lead project to move from the PEA to a full committed decision to proceed to production. As has been said before, these steps do take some time to reach fruition and are key requirements to securing the necessary finance to move the project towards production.

At Grängesberg, the Pre-feasibility Study Update has provided a series of recommendations to progress the project through to the commencement of a Feasibility Study. The initial work programmes include updating the resource to include domaining of the apatite zones that could produce a valuable by-product stream and updating the reserve estimate to incorporate the proposed alternative mining method (sub-level open stoping with back fill instead of sublevel caving), which would reduce the risk of any potential movement on the Export Fault zone.

At a general corporate level, the company will continue to review other opportunities within the global metals and mining sector. At the end of March 2022, the group had cash resources of £922,177.

This report was approved by the board of Directors on 7 September 2022 and signed on its behalf by:

Jo Battershill
Chief Executive

The Directors are pleased to submit their report and the audited accounts for the year ended 31 March 2022.

The principal activities of the Group are set out in the Strategic Report which also includes certain matters relating to financial performance, risk exposure and management and future developments. The Corporate Governance statement which follows forms part of this Directors' report.

Directors

- John F. Kearney - Chairman
- Jo Battershill - CEO from 1 August 2021
- Bill Hooley - CEO until 31 July 2021 then Deputy Chairman until 7 June 2022
- Danesh Varma - Finance director
- Howard Miller - Senior non-executive director
- Andrew King - appointed non-executive director from 20 December 2021
- Namrata Verma - appointed non-executive director from 20 December 2021

Biographical details of the directors are shown at the end of this annual report. It is with great regret that the Directors note the death of Bill Hooley on 7 June 2022 after 16 years of service as a director. All other directors remain in office. The responsibilities of the directors are discussed in the Corporate Governance Report.

The appointment and replacement of directors, is governed by the Articles, the Companies Act and related legislation. The Articles themselves may be amended by special resolution of the shareholders. Under the Articles, any director appointed by the board during the year must retire at the AGM following his or her appointment and therefore Andrew King and Namrata Verma who were appointed as directors on 20 December 2021 will offer themselves for election at the AGM. In addition, the Articles require that one-third of the remaining directors retire by rotation at each general meeting and seek re-appointment. However, it has been the practice for some years to submit re-election resolutions for all directors at each AGM.

Directors' interests in shares

	23 August 2022		31 March 2022			31 March 2021		
Director	Number of options	Number of ordinary shares	Number of options	Number of ordinary shares	Total	Number of options	Number of ordinary shares	Total
John Kearney	2,000,000	1,297,142	-	-	-	-	500,000	500,000
Bill Hooley	n/a	n/a	-	200,000	200,000	-	1,200,000	1,200,000
Jo Battershill	2,800,000	3,584,830	-	1,787,688	1,787,688	-	-	-
Danesh Varma	1,500,000	-	-	-	-	-	1,000,000	1,000,000
Howard Miller	1,000,000	-	-	-	-	-	500,000	500,000
Namrata Verma	1,000,000	-	-	-	-			
Andrew King	1,000,000	-	-	-	-			
	9,300,000	4,881,972	-	1,987,688	1,987,688	-	3,200,000	3,200,000

(1) All of these interests are beneficial.

(2) The family interests of Danesh Varma have a significant shareholding of Juno Limited, a connected person, which has notified an interest in 64,605,248 ordinary shares.

(3) Bill Hooley died on 7 June 2022.

Directors' share options

There were no outstanding share options during the year and at 31 March 2022 however options were granted on 4 August 2022 as set out in the Remuneration section of this report.

Directors' interests in material contracts

Juno Limited

Juno Limited (Juno), which is registered in Bermuda, holds 21% of the ordinary share capital. Until May 2022 there was a controlling shareholder agreement and working capital agreement with Juno and note 18 sets out movements under this working capital agreement. Apart from interest charges there were no transactions between the Group and Juno or its group during the year.

In May 2022, a new Investor Agreement was concluded with Juno Limited to replace the controlling shareholder and consolidated working capital agreements. In the new Investor Agreement Juno agreed to participate in any future equity financing, at the same price per share and on the same terms as other arms-length participants, to maintain its percentage, with the subscription price to be satisfied by the conversion and consequent reduction of debt, and the company agreed to pay Juno in cash ten percent of the net proceeds of such equity financing in further reduction of the debt. The interest rate on the outstanding debt will be reduced from 10% to 5% p.a. from 1 April 2022. In addition, Juno was granted certain nomination and reporting rights, including the right to nominate two directors to the board, so long as Juno holds at least 20% of the company's outstanding shares and one director so long as Juno holds at least 10% of the company's outstanding shares. This renegotiation was approved by an independent board committee responsible for reviewing and approving any transactions and potential transactions with Juno. The family interests of Danesh Varma have a significant shareholding in Juno.

Grangesberg Iron

John Kearney and Danesh Varma, as nominees of the company, are directors of Grangesberg Iron AB. Danesh Varma has been associated with the Grangesberg project since 2007 when he became a director of Mikula Mining Limited, a company subsequently renamed Eurang Limited, previously involved in the Grangesberg project. He did not take part in the decision to enter into the Grangesberg project when this was approved by the board in 2014. The Group has a liability to Eurang Limited, amounting to £337,839 at the year-end (2021 – £343,613). See also notes 18 and 24.

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

There is a directors' and officers' liability insurance policy in force on normal commercial terms which includes third party indemnity provisions.

Substantial shareholders

At 23 August 2022 Juno Limited had notified an interest in 64,605,248 shares representing 23.0% of the issued ordinary shares.

Shares

Allotment authorities and disapplication of pre-emption rights

The Directors would ideally wish to allot any new share capital on a pre-emptive basis, however in the light of the Group's potential requirement to raise further funds for its ongoing exploration and development programs and working capital, or the acquisition of new mineral ventures or other activities, they believe that now the Group is on AIM it is appropriate to take advantage of the associated freedoms and to have a larger amount available for issue at their discretion without pre-emption than had been the case when the group had a main board listing. At the annual general meeting the Directors will therefore seek a renewal and enlargement of the share allotment authorities.

The authority sought in resolution 12 of the meeting is to enable the Directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares up to a nominal value of £2,800,000 (280,000,000 ordinary shares) which is approximately 100% of the total issued ordinary share capital at 23 August 2022. The Directors will consider issuing shares if they believe it would be appropriate to do so in respect of potential financings or business opportunities that may arise consistent with the Group's strategic objectives. The Directors have no immediate intention of exercising this general authority, other than in connection with the potential issue of shares for interim financings to fund working capital or pursuant to the employee share and incentive plans.

The purpose of resolution 13 is to authorise the Directors to allot new shares pursuant to the general authority given by resolution 12 in connection with a pre-emptive offer or offers to holders of other equity securities if required by the rights of those securities or as the board otherwise considers necessary, or otherwise up to an aggregate nominal amount of £2,800,000 (280,000,000 ordinary shares). This aggregate nominal amount represents approximately 100% of the issued ordinary share capital at 23 August 2022. This will provide additional flexibility which the Directors believe is in the best interests of the Group in its present circumstances. This authority will expire on 31 December 2023. The Directors intend to seek renewal of this authority at future annual general meetings.

Rights and obligations attached to shares

The rights and obligations attached to the ordinary and deferred shares are set out in the Articles of Association. The deferred shares are non-voting, have no entitlement to dividends and have negligible rights to return of capital on a winding up. Details of the issued share capital are shown in note 20. Details of employee share schemes are set out in the directors' remuneration report and in note 21.

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

Voting rights

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

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

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

Significant agreements and change of control

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

Employment, community and donations

The Group is an equal opportunity employer in all respects and aims for high standards from and for its employees. The group aims to be a valued and responsible member of the communities that it operates in or affects. The policies on these matters are further discussed in the Report on Corporate Governance. There are no social, community or human rights issues which require the provision of further information in this report.

Environment and greenhouse gas emissions

There are established policies and procedures to ensure that future operations will be conducted in compliance with all relevant laws and regulations and that will enable the group to meet its high standards for corporate sustainability and environmental stewardship. Currently the projects are not in operation and consequently any effect on the environment is slight, being limited to the periodic operation of an exploratory drilling rig at Parys Mountain together with its support operation as well as usage of two small offices, where recycling and energy usage minimisation are encouraged. Activities or processes which may lead to the production of greenhouse gases are minimal. The extent to which these activities together with the Group's administrative and management functions result in greenhouse gas emissions is impracticable to estimate and, in any event, less than the amount reportable under the Energy and Carbon Regulations 2018.

Report on payments to governments

The group is required to disclose payments made to governments in countries where exploration or extraction activities are undertaken and hereby reports that no such payments made in the year.

Dividend

The group has no revenues and the directors do not recommend a dividend (2021 – nil).

Going concern and viability

The Directors have considered the business activities of the Group as well as its principal risks and uncertainties as set out in this report. When doing so they have carefully applied the guidance given in the 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' issued in September 2014.

The financial statements are prepared on a going concern basis. The validity of the going concern basis is dependent on finance being available for the continuing working capital requirements for the foreseeable future, being a period of at least twelve months from the date of approval of the accounts. Based on the current cash reserves, there is sufficient finance available for the continuing working capital requirements on a status quo basis for at least twelve months from the date of the financial statements.

Looking to the period beyond the twelve months covered by current cash resources the Group will need to generate additional financial resources to progress the ongoing development of the Parys Mountain project and will require interim funding to finance the further studies, optimisation and feasibility programmes and, in the longer term, senior financing to fund the capital and development costs to put the Parys Mountain Mine into production. The Group has relied primarily on equity financings to fund its working capital requirements and will be required to do so in the future to ensure there will be adequate funds for planned activities and to continue as a going concern. Anglesey Mining plc has operated for more than 30 years, in what at times have been challenging economic and investment climates and has continued to attract the necessary investment to continue as a going concern.

The Directors rely upon this long experience and particularly upon the potential of the mineral assets at Parys Mountain on which Anglesey was founded. These mineral resources are held largely as freehold and cannot be diminished by any act of nature. Given this permanency, both legally and geologically, the Directors believe that future funding will be found at least for the medium term of two years from the balance sheet date to support the ongoing maintenance and operation of the Parys Mountain property. In making this assessment the directors have substantially relied on the key assumption that the underlying costs of maintenance and operation will not change, that there are no unrecognised liabilities that will become due and on their experience of being able to raise additional investment as and when required over the last 30 years. During the past year in October 2021 and May 2022 over £1.5 million was successfully raised in new financings.

The Directors are actively pursuing various options regarding proposals for financing and are in discussions with a range of investors. Whilst these discussions continue there are reasonable expectations that these will be successful and therefore the financial statements have been prepared on the going concern basis. Nevertheless, there is a risk that adequate additional funding may not be available on a timely basis or on acceptable terms to move the Parys Mountain project through to its full potential and there is no guarantee that such funding will be available, or that the Group will be successful in raising the necessary investment to advance the development of the project and put a mine at the Parys Mountain property into production. Given the resources currently available, there is a risk that there will not be sufficient financial resources to fund all the planned programme requirements.

Post balance sheet events

On 17 May 2022 a placing to institutional investors for cash of 22,829,705 shares raising £864,416 gross was completed. At the same time the terms of the Juno loan were amended and the debt due to Juno was reduced by £305,499, of which £78,345 was paid in cash and the balance by conversion of debt.

Statement of directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and international accounting standards in conformity with the Companies Act 2006. The group financial statements are also prepared in accordance with international financial reporting standards (IFRSs) as applied in the European Union.

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

In preparing the financial statements the Directors are required to:

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

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

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

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Section 172 Statement, Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the Group website.

Auditor

Each of the Directors in office at the date of approval of the annual report confirms that so far as they are aware there is no relevant audit information of which the auditor is unaware. Each Director has taken all of the steps which they ought to have taken as a director in order to make themselves aware of that information and to establish that the auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Further information on the change of auditor is contained in the Audit Committee report.

This report was approved by the board of directors on 7 September 2022 and signed on its behalf by:

Danesh Varma
Company Secretary

Following the move on 8 April 2022 from the main board to AIM the format and content of remuneration reporting has changed from that in use last year.

The remuneration committee comprised Howard Miller until 18 January 2022 when John Kearney and Namrata Verma were appointed, making three members from that point forwards. No remuneration consultants have been engaged or are considered appropriate at this stage of the group's development.

Directors' remuneration policy

The policy of the Remuneration Committee with regard to executive and non-executive directors' remuneration, is to provide a compensation package which will attract, retain and motivate directors of the calibre and with the experience required, and be consistent with the company's ability to pay.

We aim to provide a competitive salary and benefits package to employees and executive directors with an appropriate balance between fixed and performance-related elements. The committee is implementing an annual review of remuneration arrangements however this was not carried out in the during the period under review.

Although the board intended the grant of share options to form part of overall director remuneration, the implementation of this policy and grant of share options was delayed and did not occur until 4 August 2022 when the options shown in the table below were granted.

The committee recognises that under the Code share options should not be granted to non-executive directors, however no revenue or income is generated at present so the use of equity incentives in the form of share option grants is one of the few economically effective ways available to provide remuneration to the directors; further it is aligned to the long-term interests of shareholders. The remuneration committee takes into account any views expressed by shareholders when considering remuneration policy and practices.

Performance incentives

It is the Remuneration Committee's expectation that further share options will be issued in the current year at the Board's discretion to the Chief Executive under the terms of his employment and subject to achieving defined goals.

The use of traditional performance standards in other industries, such as profitability, is not considered to be appropriate in the evaluation of executive performance in a mineral exploration and development company with no sales or revenue on which to generate income. When approving executive compensation levels, the Committee and the Board consider the financial situation of the Group in a wider context regarding the outlook for the industry and the ongoing development of the Parys Mountain project. It is expected that in future years that the use of equity grants, stock appreciation rights, and or the deferred equity schemes may also form part of the incentive portion of the remuneration of executive directors.

There is currently no formal incentive bonus plan in place other than under the contract of employment with the CEO which provides that he will be eligible to be awarded options and performance shares upon the attainment of various defined targets. Any award of a bonus to executive directors is at the discretion of the board based upon recommendation by the Remuneration Committee. In considering the payment of a bonus to any executive directors, the Committee would take into account the individual performance and efforts of the executive, the progress made by the Group in furthering its business plans and the overall financial position.

Board changes in year

Our Chief Executive Jo Battershill was appointed on 1 August 2021 and two new non-executive directors: Namrata Verma and Andrew King were appointed on 20 December 2021.

Terms and conditions of service

For executive directors it is our policy to keep contract durations, notice periods and termination payments to a minimum consistent with industry norms.

All non-executive directors have letters of appointment with a written contract for service and are subject to annual reappointment at the AGM.

Annual report on remuneration

John Kearney, the Chairman, does not currently receive fees from the Company; he is employed and remunerated by Labrador Iron Mines and has previously been granted options over shares under the 2014 Unapproved Share Option Scheme. New options granted since the year end are shown below.

Bill Hooley, the Chief Executive during the year until 31 July 2021, and subsequently Deputy Chairman until his untimely death in June 2022, had written terms of employment specifying a salary of £24,000 per annum together with two bonus payments, firstly £60,000 paid in August 2021 and secondly £30,000 payable in April 2022, with no other entitlement to notice, termination or bonuses.

Jo Battershill, who was appointed as Chief Executive and a director on 1 August 2021, has a written contract of employment which provides for a minimum notice period of six months and under which he is eligible to be awarded options and performance shares and an increased salary upon the attainment of various defined targets. The contract provides for a base salary of £120,000 per annum, together with a contribution of 10% of that figure into a pension scheme.

Danesh Varma, the Finance Director and Company Secretary, has written terms of employment specifying a salary of £12,000 per annum together with two bonus payments, firstly £24,000 paid in August 2021 and secondly £12,000 payable in April 2022, with no other entitlement to notice, termination or bonuses.

During the year the group began making pension contributions in respect of the chief executive at 10% of his salary and 7% in respect of other employee salaries.

Directors' remuneration summary - fiscal years ended March 31:

	2022				2021			
Name	**Salary and fees**	**Additional fees and bonuses**	**Pensions**	**Total**	**Salary and fees**	**Additional fees and bonuses**	**Pensions**	**Total**
	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Executive								
John Kearney	-	-	-	-	-	-	-	-
Bill Hooley	84,000	-	-	84,000	-	-	-	-
Jo Battershill	40,000	-	1,867	41,867				
Danesh Varma	36,000	-	-	36,000	-	-	-	-
Non-executive	-	-	-		-	-	-	-
Howard Miller	-	-	-	-	-	-	-	-
Andrew King	-	-	-	-				
Namrata Verma	-	-	-	-				
Totals	160,000	-	1,867	161,867	-	-	-	-

Between 1 July 2014 and 31 March 2021 all the directors waived their entitlement to remuneration. Following a Board review of non-executive remuneration, it was decided to begin payments of fees to each non-executive director at the rate of £1,000 per quarter from 1 July 2022.

Share schemes

There is currently one active share scheme: the 2014 Unapproved Share Option Scheme. The committee has begun the establishment of an Enterprise Management Incentive Scheme for employees and executive directors and this is expected to be operational by the date of the AGM.

In respect of the Unapproved Share Option Scheme established in 2014 all directors and employees are eligible to receive options. All share options are subject to a performance criterion, namely that the company's share price performance over the period from grant to exercise must exceed that of the companies in the FTSE 100 index. This index was selected as being an easily available benchmark of general corporate performance. As described above, there were no options outstanding at the beginning of the financial year and no option grants were made during the year.

However, a total of 10,900,000 options were granted under the Unapproved Share Option Scheme on 4 August 2022 as follows: the options have an exercise price of £0.04, representing a premium of 38% to the closing share price of £0.029 on 3 August 2022. The options are subject to time-based vesting conditions with 25% of options vesting on 31 March 2023, 25% on 30 September 2023, 25% on 31 March 2024 and 25% on 30 September 2024. The options will lapse on 31 March 2030.

Director	**Number of options granted**	**Exercise Price per share option**
John F Kearney	2,000,000	£0.04
Jo Battershill	2,800,000	£0.04
Danesh Varma	1,500,000	£0.04
Howard Miller	1,000,000	£0.04
Namrata Verma	1,000,000	£0.04
Andrew J King	1,000,000	£0.04

The award of the Options represents the first issuance of share options to directors and employees since September 2016. The non-executive directors of the Company had also previously waived the payment of cash fees since July 2014.

Other components of remuneration

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

There is a table of directors' interests in shares and options in the directors' report.

This report was approved by the board of directors on 7 September 2022 and signed on its behalf by:

Danesh Varma
Company Secretary

Statement of Corporate Governance

Anglesey Mining believes that good corporate governance provides the framework whereby the Board ensures that the Company's strategy is aligned to the interest of its shareholders and takes into account the interest of all stakeholders.

The Board of Anglesey Mining is committed to high standards of corporate governance, integrity and social responsibility and to managing the Company in an honest and ethical manner. The Chairman is responsible for the leadership of the Board and for ensuring that the Company has appropriate governance standards in place and that these requirements are communicated and applied.

The Group seeks to conduct its operations with honesty and fairness and expects its contractors and suppliers to meet similar ethical standards. The Board recognizes the importance of communicating with shareholders and all stakeholders in an open and transparent fashion.

Board of Directors

The Board of Anglesey Mining was small at the beginning of the year with just four members, subsequently increased to seven in December 2021. The Board currently consists of six directors, three of whom are considered independent. Profiles of the directors, summarizing their experience and backgrounds can be found at the end of this Annual Report. Each director is subject to annual re-election at every AGM,

The Board has overall responsibility for all aspects of the business and affairs of the Company and has an active engaged role in all decision making. The Board approves the Group's strategy and expenditure plans and regularly reviews operational and financial performance, risk management, and health, safety, environmental and community matters.

Members of the Board are directly involved in decisions and an extensive committee or reporting structure is not particularly useful. Nevertheless, a system of checks and balances is in place and all material decisions must be approved by the Board. The definition of 'materiality' is low, almost all decisions are material and require the approval of the Board.

The Board is assisted by an Audit Committee and has also established Remuneration and Nomination committees. All Directors may attend meetings of a committee at the committee's invitation. There are written terms of reference for the Audit, Remuneration and Nomination committees, each of which deals with specific aspects of the Group's affairs. These are made available to shareholders at each general meeting and are available on the website. The Board receives periodic reports from all committees where appropriate. All committees have an independent non-executive director within their composition. As well as chairing Board meetings, John Kearney chairs the Nomination committee. Howard Miller is the lead independent director and chairs the Audit and Remuneration Committees.

The number of meetings of the Board and of each committee held over the past year is at the end of this report.

The Chairman

The Chairman, John Kearney, is responsible for the leadership of the Board and for ensuring that appropriate governance standards are in place and that these requirements are communicated and applied. The Chairman's primary role is to create the cultural environment to enable each director and the Board as whole to perform effectively for the benefit of the Group, its shareholders and its wider stakeholders.

He has many years of experience as chairman or director of numerous public mining or exploration companies. He is not a full-time executive of Anglesey Mining and does not receive compensation (other than an entitlement to share options). He is employed and remunerated by Labrador Iron Mines and divides his time between several mineral companies and other activities. The Chairman's primary functions include providing leadership and direction to the Board and ensuring its effectiveness. The Chairman has overall responsibility for corporate governance matters.

The Board has appointed Howard Miller as the lead independent non-executive director to assist the Chairman and perform such other duties and responsibilities as the Board may determine from time to time. Howard Miller has served for more than twenty years as a non-executive director.

The roles of Chairman and Chief Executive are separate. Jonathan (Jo) Battershill was appointed Chief Executive on 1 August 2021.

Audit committee

The Board has established an Audit Committee with formally delegated duties and responsibilities. Until January 2022 the Audit Committee's sole member was Howard Miller, who is considered an independent non-executive director, but is not independent as defined by the Corporate Governance Code. From that date Namrata Verma and Andrew King both of whom are independent non-executive directors were appointed to the audit committee.

The Audit Committee assists the Board in meeting its responsibilities for internal control and external financial reporting. The audit committee meets at least twice a year and is responsible for ensuring that the financial information of the Group is properly reported on and monitored, including by conducting reviews of the annual and interim accounts, the internal control systems and procedures and accounting policies. More information on the work of the Audit Committee is provided in the Report of the Audit Committee below.

Remuneration committee

From January 2022 the Remuneration Committee comprised Howard Miller (Chairman) and John Kearney and Namrata Verma. The committee is responsible for making recommendations on remuneration policy. It determines any contract terms, remuneration and other benefits, including share options, for each of the executive directors. The remuneration of non-executive directors is a matter for the Board. No director may be involved in any decisions as to their own remuneration. The Remuneration Committee has responsibility for determining, within agreed terms of reference, the policy on remuneration, including incentive awards.

The Remuneration Committee is also responsible for recommending grants of options under the Share Option Scheme. The use of equity incentives aligned to the long-term interests of shareholders is an effective and efficient way to compensate directors and accordingly option grants under the Unapproved share option scheme are made to all directors.

The Directors' Report on Remuneration and the Report of the Remuneration Committee is set out in other parts of the Annual Report.

Nomination committee

The Nomination Committee is comprised of John Kearney, Howard Miller and Andrew King and assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any committees of the Board. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as directors.

The Nomination Committee is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board and committees of the Board, retirements and appointments of additional and replacement directors and committee members and will make appropriate recommendations on such matters.

Internal control

The Board is responsible for the Group's systems of internal control, financial and otherwise. The key feature of the financial control system is that the Directors directly monitor all payments and transactions, as well as budgets and annual accounts. Such system provides reasonable but not absolute assurance of the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information. The Board, advised by the audit committee, has not considered it appropriate to establish an internal audit function at present because of the Group's limited operations. The Board has reviewed the effectiveness of the system of internal control as described during the period.

There are no significant issues disclosed in the Strategic Report and Financial Statements for the year to 31 March 2022 and up to the date of approval of the Annual Report that have required the Board to deal with any related material internal control issues.

Remuneration – non-executive directors

The non-executive directors did not receive cash compensation during the year ended 31 March 2022 however following a Board review of non-executive remuneration it was decided to (a) grant options over shares to non-executive directors as incentives and partial compensation for their services on 4 August 2022 and (b) to begin payments of fees to each non-executive director at the rate of £1,000 per quarter from 1 July 2022.

The Board is satisfied that the grant of incentive options to Directors in lieu of cash compensation is appropriate given the Company's stage of development and is aligned with shareholders' interests and expectations that a high proportion of available funds are allocated to exploration.

Risks and uncertainties

Mineral exploration and mine development are a high-risk speculative business, and the ultimate success of Anglesey Mining will be dependent on the successful development of a mine at Parys Mountain, which is itself subject to numerous significant risks.

The significant risks facing the Group are summarised and discussed in the Strategic Report and the "Going-concern" risk is discussed in detail in the Directors Report. Management of those risks is the responsibility of the Board of Directors which considers it is sufficiently close to the Group's operations and aware of its activities to be able to adequately monitor risks within its control without the establishment of any further formal processes.

There is no assurance the Company can maintain the services of its directors or recruit other qualified personnel to serve as directors. The loss of the services of any of the current directors could have a material adverse effect on the Group and its prospects.

Directors' appointment and attendance at Board and committee meetings

During the year ended 31 March 2022 a majority of Board and committee meetings were held by telephone or video conference due to Covid restrictions and attendance at meetings was as follows:

				Meetings	
Director	**Date appointed**	**Board**	**Audit**	**Remuneration**	**Nomination**
Total number of meetings:		9	4	2	2
John Kearney	10 November 1994	8		2	2
Bill Hooley	10 January 2006	9			
Jo Battershill	1 August 2021	8 of 8			
Danesh Varma	15 November 1994	9			
Howard Miller	20 September 2001	9	4	2	2
Andrew King	20 December 2021	2 of 3			
Namrata Verma	20 December 2021	3 of 3			

All directors are invited to attend the meetings of the Audit Committee and meet with the auditors

Bill Hooley was the Chief Executive until 31 July 2021. He was subsequently appointed as Deputy Chairman and remained so until his death in June 2022.

Jonathan (Jo) Battershill was appointed as the Chief Executive and as a director on 1 August 2021.

Danesh Varma is Finance Director and the Company Secretary.

Corporate Governance Compliance Review

Anglesey has been listed on the London Stock Exchange since 1988 and throughout that time has been in compliance with all the listing rules and policies of the LSE. As the company had a premium listing, for the past two years it applied and reported on the 2018 UK Corporate Governance Code.

Anglesey believes that throughout the year, it generally complied with the spirit of the principles of the 2018 UK Corporate Governance Code, to the extent such principles are applicable in Anglesey's particular situation and having regard to the size and resources of the Group. However, some of the principles and many of the provisions are not applicable to the individual circumstance of Anglesey Mining.

Specifically, for example, the company is not in compliance with the provisions of the Code that require "at least half" of the Board to be independent non-executive directors, as until December 2021 when two new independent non-executive directors were appointed, the directors in office year had served for more than nine years and the Chairman has held that role for 27 years. In addition, the company has awarded share options to non-executive directors, which again is not in compliance with the provisions of the Code, as one of the few effective and economical ways available to the Company to provide some compensation to the Directors

The Directors recognise the importance of sound corporate governance and, upon the move to AIM adopted the QCA Corporate Governance Code published by the Quoted Companies Alliance (the "**QCA Code**"), to the extent applicable, as they consider it more appropriate than the 2018 UK Corporate Governance Code, having regard to the company's size, resources and stage of development

The QCA Code sets out 10 principles listed below, and the following compliance report explains broadly how Anglesey seeks to apply these principles:

Establish a strategy and business model which promote long-term value for shareholders

Anglesey's purpose is the development of a modern mine at Parys Mountain, in an environmentally, socially, and ethically responsible manner, producing copper, zinc, lead, gold and silver to create value for shareholders and for the benefit of all stakeholders. Parys Mountain was the largest copper mine in the UK, and one of the largest copper mines in the world in the 18th century.

Today, amidst the growing recognition that metals and minerals are essential for addressing climate change and adapting to a green economy, the Parys Mountain property hosts the largest known deposits of copper, zinc and lead in the UK. The Board believes that the Parys Mountain property provides an opportunity to develop a sustainable long-term modern mining operation and business, producing the very minerals that are essential for electrification, energy storage and extending product lifespan, copper, lead and zinc.

In 2021 a new independent Preliminary Economic Assessment of the Parys Mountain project was prepared by Micon International Limited which demonstrates the potential for a viable mine development and a healthy financial rate of return. Further details on the progress in the development of the Parys Mountain Project during the year are provided in the Chairman's Statement and in the Strategic Report.

The Group also has two other smaller investments, in Canada and in Sweden, both in iron ore, and interestingly both seeking to breathe renewed life into former world class projects. Iron ore produced from the Schefferville mines in Labrador fuelled the US steel industry for 30 years after World War Two and Grangesberg was once the largest iron mine in Sweden. As discussed in the Strategic Report, notable progress was reported on these investments during the past year.

Seek to understand and meet shareholder needs and expectations

The Board of Directors is committed to maintaining good communications and having constructive dialogue with its shareholders. Shareholders have the opportunity to discuss issues and provide feedback at any time. Shareholders have access to current information on the Company through its website and through direct contact with the directors by telephone or email. All shareholders will be encouraged to attend the Annual General Meeting (subject to COVID guidelines and/or restrictions).

Take into account wider stakeholder and social responsibilities and their implications for long-term success

Anglesey Mining is committed to high standards of corporate social responsibility. Health, safety, and environmental protection are core values. Anglesey seeks to ensure open and transparent communication with all stakeholders including landowners, neighbours, communities, and regional and national authorities.

In considering strategy and in making decisions, the Board takes into account its wider stakeholder and social responsibilities and the implications for the long term and seeks to proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Further details of the actions of the Directors to promote the success of the Group are included in the Directors Section 172 Statement which is included as part of the Strategic Report.

Development of a new mine at Parys Mountain can deliver economic growth in the UK, regional jobs and business opportunities for local service providers. The spin-off effects of mine development would be significant. The minerals that would be mined at Parys Mountain are those that are necessary for the modern world, copper in electronics, zinc in construction and medicine, and lead is required for large electric battery storage. None of these important and essential metals are currently produced in the UK.

Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board is responsible for the ongoing review and management of risks that could affect the enterprise. Mineral exploration and mine development are a high-risk speculative business, and the ultimate success of Anglesey Mining will be dependent on the successful development of a mine at Parys Mountain, which is itself subject to numerous significant risks. Management of those risks is the responsibility of the Board and often requires the application of judgement based on experience.

The significant risks facing the Company are summarised and discussed in the Strategic Report and the "Going-concern" risk is discussed in detail in the Directors Report. Management of those risks is the responsibility of the Board. A system of checks and balances is in place and all material decisions must be approved by the Board which considers it is sufficiently close to the Group's operations and aware of its activities to be able to adequately monitor risks within the Company's control without the establishment of any further formal processes.

The major risks are outside the control of the Board. They include risks of nature (the minerals, the orebody, the geological strata and operating conditions), risks of the market (world-wide demand and supply of metals) and risk of investor interest.

Maintain the board as a well-functioning, balanced team led by the chair

The Board believes that its current members reflect, among other attributes, experience, knowledge, expertise, judgement, character diversity and integrity. The directors have a broad diversity, including nationality, ethnicity, race, national origin, gender and other elements of identity. One of the current directors is a woman. The Board believes that having directors with diverse backgrounds and experiences enable the Board to consider issues from different perspectives and enhances effective strategic planning and decision making.

The Directors believe that there are appropriate divisions of responsibilities within the Board and its committees and between the Board and the executive directors. There is no mandatory retirement age for directors as the Directors believe their extensive experience outweighs their long service and other issues.

The Board supports a corporate culture focused on inclusion and gender diversity, and this is an important consideration is recruitment of new directors, but there are no formal policies in effect regarding these provisions. The Board has not adopted a specific target for women on the Board as it does not believe that any director should be chosen largely or solely because of gender, rather it believes that the interests of shareholders are best served by ensuring that directors are identified from the widest possible group of potentially interested candidates.

John Kearney is the Chairman, a role he has held since 1994. He was formerly also Chief Executive, a role he relinquished in 2006. The Board has determined that by continuing as Chairman, John Kearney has provided clear and consistent leadership on critical strategic objectives and has provided consistent oversight and direction. Mr Kearney's track record over 40 years in the minerals industry in a variety of leadership positions, strongly supports the Board's conclusion that the shareholders are well served with him leading Anglesey Mining as its Chairman.

Howard Miller is the lead director and provides a sounding board to the Chairman.

Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Board currently consists of six directors, three of whom are considered independent. The members come from a variety of professional backgrounds, and collectively have a wide range of managerial, technical, financial, and legal skills, based on both qualifications and experience, including mineral process engineering, accounting, legal, financial and of capital markets. Collectively they possess significant relevant management skills, as well as long experience of having served as directors of numerous other public companies, in several international jurisdictions.

The Board is responsible for establishing qualifications and skills necessary for effective management, including factors such as professional experience, particular areas of expertise, personal character, potential conflicts of interest, diversity and other commitments.

The Chairman has many years of experience as chairman or director of numerous public mining or exploration companies. The Directors are satisfied that there is an appropriate balance of experience and qualifications to carry out the Board's responsibilities effectively, given the current status and stage of development.

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

There are no formal policies in effect in respect of measurable objectives of performance and there has been no formal annual evaluation of the performance of the Board, its committees or the individual directors. The Board of Directors reviews on an ongoing informal basis the effectiveness and performance of the Board as a whole and the effectiveness and contribution of individual directors. Each year when providing notice of the Annual Meeting, the Board considers its appropriate size and composition to properly administer the affairs of the Group. The Directors have not to date taken outside advice in reviewing performance.

The Board is satisfied that each of the Directors commits sufficient time to the business of the Group and contributes materially to the governance and operations of the Group. The Board is satisfied that it is highly effective and is comprised of a small but strong team with a breadth of skills, experiences and perspectives.

Promote a corporate culture that is based on ethical values and behaviour

The Board is committed to high standards of corporate governance, integrity, and social responsibility and to managing operations in an honest and ethical manner.

Certain of the Directors do serve as directors and/or officers of, or have significant shareholdings in, other companies involved in natural resource exploration and development and consequently there exists the possibility for such Directors to be in a position of conflict. Directors are expected to adhere to all legal requirements in respect of any transaction or agreement in which they may have a material interest. Directors who have an interest in a transaction or agreement with the Company must promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting so that the remaining directors may properly exercise independent judgment. The Board values the participation of directors on the boards of other companies in the mineral industry as this provides exposure to developments and other opportunities which are useful to enhance the experience of the Directors and are potentially beneficial to the Group.

Maintain governance structures and processes that are fit for purpose and support good decision-making

The Board has overall responsibility for all aspects of the business and affairs of the enterprise and has an active engaged role in all decision making. The Board approves strategy and expenditure plans and regularly reviews operational and financial performance, risk management, and health, safety, environmental and community matters. The Chairman has overall responsibility for corporate governance matters.

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board recognises the importance of open and transparent communication with the shareholders and with all stakeholders, including landowners, communities, and regional and national authorities.

Shareholders have access to current information on our activities primarily though the annual and half year Reports which are sent to shareholders. Further information is available on the website, www.angleseymining.co.uk, which is updated whenever announcements or press releases are made.

In addition, all shareholders are encouraged to attend the Annual General Meeting where this is permitted. Presentations on our activities are made at the AGM and at various industry and investor events and discussions are held with shareholders at or after each of these occasions.

The Chairman, Chief Executive and Finance Director make themselves available to substantial shareholders regularly to understand their views on important topics. Shareholders have the opportunity to discuss issues and provide feedback at any time through direct contact with the Directors by telephone or email. Every effort is made to reply promptly and effectively to appropriate questions and concerns from shareholders on matters relating to business operations or their shareholdings.

All significant concerns and complaints regarding business performance or governance matters are evaluated and reported to the Board of Directors, as appropriate. Communications considered to be advertisements or sales material, or other types of 'junk' messages, unrelated to the responsibilities of the Board, are discarded without further action. As a matter of policy, the Directors do not participate in internet or on-line chat rooms.

Howard Miller was the only member of the audit committee until 18 January 2022 when Namrata Verma and Andrew King who had recently joined the board as non-executive directors were appointed. All of the committee members have extensive mineral industry experience and the necessary recent and relevant experience required by the Code. The committee's terms of reference have been approved by the Board and follow published guidelines. The audit committee's primary responsibilities are to establish and monitor the Group's financial risk management systems with particular reference to internal control systems and to ensure that financial statements and other financial communications are properly prepared.

Financial statements and internal control

The Audit Committee reviews the half-yearly and annual accounts before they are presented to the board, focusing in particular on accounting policies and areas of management judgement and estimation. The committee ensures that the judgements made in applying accounting policies and key sources of estimation uncertainty are properly disclosed and discussed at the end of note 2 to the accounts and has nothing further to report in respect of them.

The Audit Committee is responsible for monitoring the controls which are in place to ensure the information reported to the shareholders, taken as a whole, is fair, balanced and understandable and provides the information necessary to give a true and fair view of the assets, liabilities and financial position of the Group.

The Audit Committee also considers internal control and risk management issues and contributes to the Board's review of the effectiveness of the systems and procedures for financial reporting, internal control and risk management and to the disclosure and explanation of the risks faced by the Group. These are set out in the Strategic Report.

The Committee notes that the consolidation schedules have been prepared under the direction of the Finance Director and is satisfied that, given the stage of development of the business, and the involvement of the Board in all material decisions, no further internal controls over this process are required.

Internal and external audits

The Audit Committee considered the need for an internal audit function, which it believes is not required at present due to the limited operations being undertaken. The Committee is available should any personnel wish to make representations to the committee about the conduct of the affairs of the Group.

The Audit Committee oversees the relationship with the external auditor and meets with the external auditors to review the planning and scope of the audit and identify key audit matters, and again before approving the financial statements, to review the nature, scope and effectiveness of the audit, and the results of the audit and discuss any issues which may arise from the audit.

The Committee monitors the performance of the external auditor and advises the Board on the appointment of external auditors and on their remuneration for both audit and non-audit work. The Committee also reviews the effectiveness of the external auditor by enquiries and discussions with the staff involved in the audit and with the finance director.

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

In the early part of 2022 as the planned move to AIM was being finalised the audit committee agreed with Mazars, auditors between 2008 and 2021, that it would be appropriate to undertake a formal auditor review and engagement process. Four firms, including Mazars, were invited to submit proposals and from these UHY Farrelly Dawe White in Dublin, Ireland were selected and formally appointed on 13 May 2022.

Signed by Andrew King and Namrata Verma on behalf of Howard Miller who is indisposed

Audit committee members
7 September 2022

Independent auditor’s report to the members of Anglesey Mining plc

Opinion

We have audited the financial statements of Anglesey Mining plc (the ‘parent company’) and its subsidiaries (the ‘group’) for the year ended 31 March 2022 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statements of Changes in Equity, the Group and Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Financial Reporting Standards in conformity with the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006 and, as regards the group financial statements, UK adopted International Financial Reporting Standards.

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and:

- give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 March 2022 and of the group’s loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006; and
- the parent company financial statements have been properly prepared in accordance with UK adopted International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

At 31 March 2022 the group and parent company had net current assets of £613k and £699k respectively and cash and cash equivalents of £922k and £921k respectively. During the year, the parent company issued shares with net proceeds of £738,230 and a further £864,416 gross cash was raised in May 2022 through a share placement. The directors consider that these cash reserves are sufficient to support the group’s and the parent company’s on-going non-project related expenditure on a status quo basis for the next 12 months.

In Note 2, the directors explain that:

- to date, the group and parent company have relied primarily on equity financings to fund its working capital requirements and may be required to do so in the future to ensure the group will have adequate funds for its current activities and to continue as a going concern;
- the group will need to generate additional financial resources to progress the ongoing development of the Parys Mountain project and will require interim funding to finance the further studies, optimisation and feasibility programmes and, in the longer term, senior financing to fund the capital and development costs to put the Parys Mountain Mine into production.
- the directors are actively pursuing various financing options and are in discussions with a range of investors regarding proposals for financing. Whilst these discussions continue, the directors have reasonable expectations that these financing discussions will be successful and therefore the financial statements have been prepared on the going concern basis. Nevertheless, there is a risk that adequate additional funding may not be available on a timely basis or on acceptable terms to move the Parys Mountain project through to its full potential and there is no guarantee that such funding will be available, or that the Group will be successful in raising the necessary investment to advance the development of the project and put a mine at the Parys Mountain property into production.

As stated in Note 2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit procedures to evaluate the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern;
- Making enquiries of the directors to understand the period of assessment considered by them, their plans for group and company going forward and ensuring that these have been incorporated into their financial projections, the assumptions they considered and the implication of those assumptions when assessing the group's and the parent company's future financial performance;
- Assessing the likelihood of management's ability to raise additional finance by obtaining a letter of support from Juno Limited and by considering the funding raised historically;
- Assessing the transparency, completeness, and accuracy of the matters covered in the going concern disclosure by evaluation of management's cash flow projections for the forecast period and the underlying assumptions;
- Considering the results of our audit of the valuation of the intangible asset to determine whether limited headroom or impairment would have the potential to deter future investment; and
- Evaluating the appropriateness of the directors' disclosures in the financial statements relating to going concern.

In relation to the group's and the parent company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors':

- statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting; and
- identification in the financial statements of any material uncertainties related to the group's and the parent company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

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

We summarise below the key audit matters in forming our audit opinion above, together with an overview of the principal audit procedures performed to address each matter and key observations arising from those procedures. The matters set out below are in addition to the "Material uncertainty related to going concern" above which, by its nature, is also a key audit matter.

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

Key audit matter	**How our audit addressed key audit matters**
Carrying value of Parys Mountain exploration and evaluation asset (E&E) - (group) The group's accounting policy in respect of its exploration and evaluation asset is set out under "mineral property exploration and evaluation costs" and its accounting policy in respect of impairment is set out under "impairment of tangible and intangible assets" in Note 2 to the financial statements. The Group holds rights to explore and mine the Parys Mountain site. At 31 March 2022 the balance sheet includes an E&E asset of £15.7m. In January 2021, the group received a Preliminary Economic Assessment report (PEA) prepared by Micon International Limited that built on earlier	Our audit procedures included, but were not limited to: • Evaluating whether, under IFRS 6 *Exploration for and Evaluation of Mineral Assets*, the asset is appropriately determined as an E&E asset; • Reviewing and challenging management's assessment with respect to indicators of impairment under IFRS 6; • Reviewing the PEA report prepared by Micon International Limited to assess whether it supports management's assertions in their analysis; • Assessing Micon International Limited's independence, objectivity and competency to act as management's expert; and

scoping and optimisation studies. The Group has yet to move to the development stage of the Parys Mountain project and will need to raise additional funding to move towards production. Management have assessed the E&E asset for impairment indicators under IFRS6 and concluded that no triggers existed at the year-end. Determining whether impairment indicators exist involves significant judgement by management, including considering specific impairment indicators prescribed in IFRS 6. There is a risk that if unidentified impairment indicators exist, the carrying value of the E&E asset may not be fully recoverable.	• Evaluating whether the relevant disclosures in the financial statements are reasonable. **Key observations** Based on the work performed, nothing has come to our attention which suggests that there were unidentified indicators for impairment not considered by the management.
<u>Valuation of investment in the subsidiary Parys Mountain Mines Limited (PMM) - (parent company only)</u> The group's accounting policies in respect of investments and impairment of investments are set out under "investments" and "impairment of investments" in Note 2 to the financial statements. The primary asset within PMM is the E&E asset discussed above. There is a risk that if there are any unidentified impairment indicators that would impact the carrying value of the E&E asset these may also impact the carrying value in the parent company of its investment in PMM.—	Our audit procedures included, but were not limited to: • Considering the results of the assessment for impairment indicators on the E&E asset detailed above; and • Evaluating whether the relevant disclosures in the financial statements are reasonable. **Key observations** Based on the work performed, nothing has come to our attention which suggests that there were unidentified indicators for impairment not considered by the management-

<u>Valuation of investment in Labrador Iron Mines Holdings Limited (LIM) - (group)</u>
The group's accounting policies in respect of investments and impairment of investments are set out under "investments" and "impairment of investments" in Note 2 to the financial statements.
Under the accounting policy, financial assets classified and measured at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading and which the group has irrevocably elected at initial recognition to recognise in this category.
The group has a 12% investment in LIM, a Canadian company with shares traded on the OTC market in the United States, which holds the Labrador iron ore properties.
The group's investment in LIM is carried FVOCI. In recent years, based on the director's assessment, the investment in LIM had been carried at a value of £1, reflecting the directors' view that the value of LIM was uncertain.
At 31 March 2021 the directors assessed the fair value of the investment in LIM at £4m (being measured by the closing share price on 31 March 2021) resulting in a gain reported through other comprehensive income, which had been based on improved iron ore prices and an optimistic PEA report which had resulted in stronger market interest in LIM with a significant increase in its share price at that time. The directors have assessed the fair value of LIM as being measured by the closing share price at 31 March 2022, which has resulted in a loss in value through other comprehensive income of £2.1m.
There is a risk that the fair value of investment in LIM is not stated in line with IFRS 9 requirements.
	Our audit procedures included, but were not limited to:
	• Reviewing and challenging management's assessment of fair value, including:
	  o Independent check of LIM's share price at 31 March 2022;
	  o Review of the latest financial statements of LIM; and
	  o Check for any other internal or external indicators of impairment to the investment that contradicts the fair value at year-end.
	• Evaluation of the trading of LIM's shares on the OTC market to assess whether it constitutes an active market sufficient to determine fair value under IFRS 9.
	
	Key observations
	Based on the work performed, nothing has come to our attention that suggests that the fair value of LIM is not appropriately stated.

Our application of materiality and an overview of the scope of our audit

The scope and focus of our audit was influenced by our application of materiality. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements. We define financial statement materiality to be the magnitude by which misstatements, including omissions, could reasonably be expected to influence the economic decisions taken on the basis of the financial statements by reasonable users.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group

Overall materiality	£286,407
How we determined it	2% of group's net assets
Rationale for benchmark applied	The group's net assets represent shareholders' funds and we have determined this measure to be the principal benchmark within the financial statements relevant to shareholders, as the group does not generate revenue and is in pre-production phase.
Performance materiality & specific materiality	Performance materiality is set as 60% of overall materiality, being £171,844. Specific materiality of £57,281 is used for the audit of the Group Income Statement.
Reporting threshold	5% of financial statement materiality, being £14,320.

Parent company

Overall materiality	£232,826
How we determined it	2% of the parent company's net assets
Rationale for benchmark applied	We considered net assets to be the most appropriate benchmark, as the parent company is non-trading and holds mainly subsidiary investments.
Performance materiality	Performance materiality is set at 60% of overall materiality, being £139,695.
Reporting threshold	5% of financial statement materiality, being £11,641.

We agreed with the Audit Committee that we would report to them all individual misstatements in excess of £14,000 identified during the audit, as well as differences below that threshold that in our view, warrant reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures in response to those risks. In particular, we looked at where the directors made subjective judgements such as making assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the group and the parent company, their environment, controls and critical business processes, to consider qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

Our group audit scope included an audit of the group and parent company financial statements of Anglesey Mining plc. Based on our risk assessment, all entities within the group were subject to full scope audit and was performed by the group audit team.

At the parent level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

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

Corporate governance statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to Anglesey Mining plc's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 21;

- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why the period is appropriate set out on page 16;
- Directors' statement on fair, balanced and understandable set out on page 22;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 15 and 16;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 27 and 29 to 31 and;
- The section describing the work of the audit committee set out on pages 26 and 32.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 19, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the group and the parent company and their industry, we identified that the principal risks of non-compliance with laws and regulations related to employment law, general data protection regulation, health and safety regulation, local legislation in places of operations, extractive industries transparency initiative and anti-bribery, and we considered the extent to which non-compliance might have a material effect on the financial statements.

In identifying and assessing risks of material misstatement in respect to irregularities including non-compliance with laws and regulations, our procedures included but were not limited to:

- At the planning stage of our audit, gaining an understanding of the legal and regulatory framework applicable to the group and parent company, the structure of the group, the industry in which they operate and considered the risk of acts by the group and the parent company which were contrary to the applicable laws and regulations;
- Discussing with the directors and management the policies and procedures in place regarding compliance with laws and regulations;
- Discussing amongst the engagement team the identified laws and regulations, and remaining alert to any indications of non-compliance; and
- During the audit, focusing on areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussions with the directors (as required by auditing standards), from inspection of the parent company's and group's regulatory and legal correspondence and review of minutes of directors' meetings in the year. We also considered those other laws and regulations that have a direct impact on the preparation of financial statements, such as the Companies Act 2006 and FCA rules.

Our procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud such as opportunities for fraudulent manipulation of financial statements, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the identification of indicators of impairment to the exploration and evaluation asset, assessment of the fair value of investment in the subsidiary Parys Mountain Mines Limited and assessment of the fair value of investment in entities that are not subsidiaries; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

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

The risks of material misstatement that had the greatest effect on our audit, whether due to fraud or error, are discussed under "Key audit matters" within this report.

A further description of our responsibilities is available on the Financial Reporting Council's website at
www.frc.org.uk/auditorsresponsibilities.

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 13 May 2022 to audit the financial statements for the year ended 31 March 2022.

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

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

Use of the audit report

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

Signed by

Michael Bellew (Senior Statutory Auditor)

for and on behalf of UHY Farrelly Dawe White Limited
Registered Auditors & Accountants

FDW House, Blackthorn Business Park,
Coe's Road, Dundalk,
Co. Louth,
Ireland.

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7 September 2022

Group income statement

All attributable to equity holders of the company

.	Notes	Year ended 31 March 2022	Year ended 31 March 2021
All operations are continuing		**£**	**£**
Revenue		-	-
Expenses		(528,045)	(162,824)
Investment income	6	24	39
Finance costs	7	(165,248)	(165,702)
Foreign exchange movement		27	(31)
Loss before tax	4	(693,242)	(328,518)
Taxation	8	-	-
Loss for the period		(693,242)	(328,518)
Loss per share			
Basic - pence per share	9	(0.3)p	(0.2)p
Diluted - pence per share	9	(0.3)p	(0.2)p

Group statement of comprehensive income

Loss for the period		(693,242)	(328,518)
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss:			
Change in fair value of investment	14	(2,139,322)	4,053,506
Foreign currency translation reserve		5,607	(10,067)
Total comprehensive (loss)/profit for the period		(2,826,957)	3,714,921

Group statement of financial position

	Notes	31 March 2022 £	31 March 2021 £
Assets			
Non-current assets			
Mineral property exploration and evaluation	10	15,711,703	15,317,293
Property, plant and equipment	11	204,687	204,687
Investments	14	2,024,342	4,163,664
Deposit	15	123,811	123,787
		18,064,543	19,809,431
Current assets			
Other receivables		57,123	31,381
Cash and cash equivalents	16	922,177	891,767
		979,300	923,148
Total assets		19,043,843	20,732,579
Liabilities			
Current liabilities			
Trade and other payables	17	(366,418)	(126,228)
		(366,418)	(126,228)
Net current assets		612,882	796,920
Non-current liabilities			
Loans	18	(4,307,095)	(4,147,294)
Long term provision	19	(50,000)	(50,000)
		(4,357,095)	(4,197,294)
Total liabilities		(4,723,513)	(4,323,522)
Net assets		14,320,330	16,409,057
Equity			
Share capital	20	7,991,541	7,765,591
Share premium		11,453,789	10,941,509
Currency translation reserve		(84,926)	(90,533)
Retained losses		(5,040,074)	(2,207,510)
Total shareholders' funds		14,320,330	16,409,057

The financial statements of Anglesey Mining plc which include the notes to the accounts were approved by the board of directors, authorised for issue on 7 September 2022 and signed on its behalf by:

John F. Kearney, Chairman

Danesh Varma, Finance Director

Company statement of financial position

	Notes	31 March 2022 £	31 March 2021 £
Assets			
Non-current assets			
Investments	13	14,911,173	14,576,869
		14,911,173	14,576,869
Current assets			
Other receivables		10,920	7,448
Cash and cash equivalents	16	921,043	883,463
		931,963	890,911
Total assets		15,843,136	15,467,780
Liabilities			
Current liabilities			
Trade and other payables	17	(232,596)	(66,767)
		(232,596)	(66,767)
Net current assets		699,367	824,144
Non-current liabilities			
Loan	18	(3,969,256)	(3,815,022)
		(3,969,256)	(3,815,022)
Total liabilities		(4,201,852)	(3,881,789)
Net assets		11,641,284	11,585,991
Equity			
Share capital	20	7,991,541	7,765,591
Share premium		11,453,789	10,941,509
Retained losses		(7,804,046)	(7,121,109)
Shareholders' equity		11,641,284	11,585,991

The company reported a loss for the year ended 31 March 2022 of £682,937 (2021 - £313,717). The financial statements of Anglesey Mining plc registered number 1849957 which include the notes to the accounts were approved by the board of directors, authorised for issue on 7 September 2022 and signed on its behalf by:

John F. Kearney, Chairman

Danesh Varma, Finance Director

Statements of changes in equity

All attributable to equity holders of the company.

Group	Share capital	Share premium	Currency translation reserve	Retained losses	Total
	£	£	£	£	£
Equity at 1 April 2020	7,380,591	10,258,309	(80,466)	(5,932,498)	11,625,936
Total comprehensive loss for the year:					
Loss for the year	-	-	-	(328,518)	(328,518)
			-	4,053,506	4,053,506
Exchange difference on translation of foreign holding	-	-	(10,067)	-	(10,067)
Total comprehensive loss for the year	-	-	(10,067)	3,724,988	3,714,921
Transactions with owners:					
Shares issued	385,000	770,000	-	-	1,155,000
Share isssue expenses	-	(86,800)	-	-	(86,800)
Equity at 31 March 2021	7,765,591	10,941,509	(90,533)	(2,207,510)	16,409,057
Total comprehensive loss for the year:					
Loss for the year	-	-	-	(693,242)	(693,242)
Change in fair value of investment	-	-	-	(2,139,322)	(2,139,322)
Exchange difference on translation of foreign holding	-	-	5,607	-	5,607
Total comprehensive loss for the year	-	-	5,607	(2,832,564)	(2,826,957)
Transactions with owners:					
Shares issued	225,950	542,280	-	-	768,230
Share issue expenses	-	(30,000)	-	-	(30,000)
Equity at 31 March 2022	7,991,541	11,453,789	(84,926)	(5,040,074)	14,320,330

Company	Share capital	Share premium	Retained losses	Total
	£	£	£	£
Equity at 1 April 2020	7,380,591	10,258,309	(6,807,392)	10,831,508
Total comprehensive loss for the year:				
Loss for the year	-	-	(313,717)	(313,717)
Total comprehensive loss for the year	-	-	(313,717)	(313,717)
Transactions with owners:				
Shares issued	385,000	770,000	-	1,155,000
Share isssue expenses	-	(86,800)	-	(86,800)
Equity at 31 March 2021	7,765,591	10,941,509	(7,121,109)	11,585,991
Total comprehensive loss for the year:				
Loss for the year	-	-	(682,937)	(682,937)
Total comprehensive loss for the year	-	-	(682,937)	(682,937)
Transactions with owners:				
Shares issued	225,950	542,280	-	768,230
Share issue expenses	-	(30,000)	-	(30,000)
Equity at 31 March 2022	7,991,541	11,453,789	(7,804,046)	11,641,284

Group statement of cash flows

	Notes	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Operating activities			
Loss for the period		(693,242)	(328,518)
Adjustments for:			
Investment income	6	(24)	(39)
Finance costs	7	165,248	165,702
Foreign exchange movement		(27)	31
		(528,045)	(162,824)
Movements in working capital			
(Increase) in receivables		(25,742)	(14,758)
Increase in payables		165,620	3,539
Net cash used in operating activities		(388,167)	(174,043)
Investing activities			
Mineral property exploration and evaluation		(319,680)	(77,618)
Investment		-	(20,052)
Net cash used in investing activities		(319,680)	(97,670)
Financing activities			
Issue of share capital		738,230	1,068,200
Net cash generated from financing activities		738,230	1,068,200
Net increase in cash and cash equivalents		30,383	796,487
Cash and cash equivalents at start of period		891,767	95,311
Foreign exchange movement		27	(31)
Cash and cash equivalents at end of period	16	922,177	891,767

Company statement of cash flows

	Notes	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Operating activities			
Loss for the period	22	(682,937)	(313,717)
Adjustments for:			
Finance costs		154,234	154,234
		(528,703)	(159,483)
Movements in working capital			
(Increase) in receivables		(3,472)	(1,488)
Increase/(decrease) in payables		165,829	(424)
Net cash used in operating activities		(366,346)	(161,395)
Investing activities			
Investments and long term loans		(334,304)	(116,227)
Net cash used in investing activities		(334,304)	(116,227)
Financing activities			
Share issues net of expenses		738,230	1,068,200
Net cash generated from financing activities		738,230	1,068,200
Net increase in cash and cash equivalents		37,580	790,578
Cash and cash equivalents at start of period		883,463	92,885
Cash and cash equivalents at end of period	16	921,043	883,463

1 General information

Anglesey Mining plc is domiciled and incorporated in England and Wales under the Companies Act with registration number 1849957. The nature of the group's operations and its principal activities are set out in note 3 and in the strategic report. The registered office address is shown at the end of this report.

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

2 Significant accounting policies

Basis of Accounting

The group and company financial statements have been prepared in accordance with applicable law and international accounting standards in conformity with the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006, and as regards the group financial statements, international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

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

Going concern

The Directors have considered the business activities of the Group as well as its principal risks and uncertainties as set out in this report. When doing so they have carefully applied the guidance given in the 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' issued in September 2014.

The financial statements are prepared on a going concern basis. The validity of the going concern basis is dependent on finance being available for the continuing working capital requirements for the foreseeable future, being a period of at least twelve months from the date of approval of the accounts. Based on the current cash reserves, there is sufficient finance available for the continuing working capital requirements on a status quo basis for at least twelve months from the date of the financial statements.

Looking to the period beyond the twelve months covered by current cash resources the Group will need to generate additional financial resources to progress the ongoing development of the Parys Mountain project and will require interim funding to finance the further studies, optimisation and feasibility programmes and, in the longer term, senior financing to fund the capital and development costs to put the Parys Mountain Mine into production. The Group has relied primarily on equity financings to fund its working capital requirements and will be required to do so in the future to ensure there will be adequate funds for planned activities and to continue as a going concern. Anglesey Mining plc has operated for more than 30 years, in what at times have been challenging economic and investment climates and has continued to attract the necessary investment to continue as a going concern.

The Directors are actively pursuing various options regarding proposals for financing and are in discussions with a range of investors. Whilst these discussions continue there are reasonable expectations that these will be successful and therefore the financial statements have been prepared on the going concern basis. Nevertheless, there is a risk that adequate additional funding may not be available on a timely basis or on acceptable terms to move the Parys Mountain project through to its full potential and there is no guarantee that such funding will be available, or that the Group will be successful in raising the necessary investment to advance the development of the project and put a mine at the Parys Mountain property into production. Given the resources currently available, there is a risk that there will not be sufficient financial resources to fund all the planned programme requirements.

Basis of consolidation

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

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

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

Note 2 - Significant accounting policies – continued

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

On consolidation, the assets and liabilities of the group's overseas operations are translated at exchange rates prevailing on the period end date. Exchange differences arising, if any, are classified as items of other comprehensive income and transferred to the group's translation reserve within equity. Such translation differences are reclassified to profit or loss, and recognised as income or as expense, in the period in which there is a disposal of the operation.

Segmental analysis

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

Retirement benefit costs

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

Equity-settled employee benefits

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

Taxation

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

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

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

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

Property, plant and equipment

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

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

Note 2 - Significant accounting policies – continued

Mineral property exploration and evaluation

Exploration and evaluation assets under IFRS 6 include acquired mineral use rights for mineral properties held by the company. The amount of consideration paid (in cash or share value) for mineral use rights is capitalised. Mineral exploration and evaluation expenditures are capitalised on a project-by-project basis pending determination of the technical feasibility and the commercial viability of the project. Capitalised costs include costs directly related to exploration and evaluation activities in the area of interest. General and administrative costs are only allocated to the asset to the extent that those costs can be directly related to operational activities.

Exploration and evaluation assets will be amortised to profit or loss once commercial production has been achieved or written off if the exploration and evaluation assets are abandoned or sold. Depletion of costs capitalised on projects when put into commercial production will be recorded using the unit-of-production method based upon estimated proven and probable reserves. The ultimate recoverability of the amounts capitalised for the exploration and evaluation assets and expenditures is dependent upon the delineation of economically recoverable ore reserves, obtaining the necessary financing to complete their development, obtaining and retaining the necessary permits to operate a mine, and realising profitable production or proceeds from the disposition thereof.

The commercial viability of extracting a mineral resource is considered to be determinable when resources are determined to exist, the property rights are current and it is considered probable that the costs will be recouped through successful development and exploitation of the project, or alternatively by sale of the property. Upon determination of resources, exploration and evaluation assets attributable to those resources are first tested for impairment and then reclassified from exploration and evaluation assets to mineral property interests. Expenditures deemed unsuccessful are recognised in operations in the Income Statement.

Expenditures incurred in connection with the development of mineral resources after such time as mineral reserves are proven or probable; permits to operate the mineral resource property are received; financing to complete development has been obtained; and approval of the board of directors to commence mining development and operations, are capitalized as deferred development expenditures.

Impairment of tangible and intangible assets

The carrying values of capitalised exploration and evaluation assets are assessed for impairment if fact and circumstances indicate that the carrying amount exceeds the recoverable amount and sufficient data exists to evaluate technical feasibility and commercial viability. If any indication of impairment exists, an estimate of the asset's recoverable amount is estimated. The recoverable amount is determined as the higher of the fair value less costs of disposition and the asset's value in use. If the carrying amount of the asset exceeds its estimated recoverable amount, the asset is impaired, and an impairment loss is charged to the Income Statement so as to reduce the carrying amount to its estimated recoverable amount.

Investments

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

Investments which are not subsidiaries are shown at fair value.

Associates are accounted for using the equity method.

Impairment of financial assets measured at amortised cost

At each reporting date the group recognises a loss allowance for expected credit losses on financial assets measured at amortised cost. In establishing the appropriate amount of loss allowance to be recognised, the group applies either the general approach or the simplified approach, depending on the nature of the underlying group of financial assets.

The general approach is applied to the impairment assessment of refundable deposits, restricted cash and cash and cash equivalents. Under the general approach a loss allowance for a financial asset is recognised at an amount equal to the 12-month expected credit losses, unless the credit risk on the financial asset has increased significantly since initial recognition, in which case a loss allowance is recognised at an amount equal to the lifetime expected credit losses. Under the simplified approach a loss allowance for a financial asset is always recognised at an amount equal to the lifetime expected credit losses.

Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Non-financial assets are impaired when their carrying amount of the asset exceeds its recoverable amount. The recoverable amount is measured as the higher of fair value less cost of disposal and value in use.

Provisions

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

Note 2 - Significant accounting policies – continued

Financial instruments

Initial recognition

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

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

Classification and measurement

Financial assets

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

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

Financial assets classified and measured at amortised cost

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

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

Financial assets classified at amortised cost are other receivables, deposits and cash and cash equivalents.

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

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

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

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

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

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading and which the group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the group considers this classification to be more relevant.

Financial liabilities

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

Equity instruments

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

Leases

Mining lease payments relating to mineral property exploration and evaluation are capitalised; there are no other leases, see note 25 for details. There are no IFRS 16 disclosures required in respect of the mining leases.

New standards and interpretations not yet adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after 1 January 2021. Many are not applicable or do not have a significant impact to the Group and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Group.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a group's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a group's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on 1 January 2023. The adoption of the above standard and interpretations is not expected to lead to any changes to the accounting policies or have any other material impact on the financial position or performance of the group.

Note 2 - Significant accounting policies – continued

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a group would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfil the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on 1 January 2022.

IFRS 3 – Business Combinations ("IFRS 3") was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on 1 January 2022.

IAS 16 – Property, Plant and Equipment ("IAS 16") was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on 1 January 2022.

IAS 8 – Accounting Estimates ("IAS 8") was amended. In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It also explains how organizations use measurement methods and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Early application is permitted and must be disclosed. The adoption of the above standard and interpretations is not expected to lead to any changes to the accounting policies or have any other material impact on the financial position or performance of the group.

The adoption of the above standards and interpretations is not expected to lead to any changes to the accounting policies or have any other material impact on the financial position or performance of the group.

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

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

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

(a) In determining the treatment of exploration and evaluation expenditures the directors are required to make estimates and assumptions as to future events and circumstances. Significant judgment must be exercised in determining when a project moves from the exploration and evaluation category phase and into the development category of mineral property interests. The existence and extent of economic mineral resources, proven or probable mineral reserves; regulatory permits and licences; the availability of development financing; current and future metal prices; and market sentiment are all factors to be considered.

(b) In connection with possible impairment of exploration and evaluation assets and the investment of the company in Parys Mountain Mines Limited the directors assess each potentially cash generating unit annually to determine whether any indication of impairment exists. The judgements made when making these assessments are similar to those set out above and are subject to the same uncertainties.

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

Nature and purpose of equity reserves

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

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

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

3 Segmental information

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

Income statement analysis

	2022				2021			
	UK	**Sweden**	**Canada**	**Total**	**UK**	**Sweden**	**Canada**	**Total**
	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Expenses	(528,045)	-	-	(528,045)	(162,824)	-	-	(162,824)
Investment income	24	-	-	24	39	-	-	39
Finance costs	(154,234)	(11,014)	-	(165,248)	(154,234)	(11,468)	-	(165,702)
Exchange rate loss	-	27	-	27	-	(31)	-	(31)
Loss for the year	(682,255)	(10,987)	-	(693,242)	(317,019)	(11,499)	-	(328,518)

Assets and liabilities

	31 March 2022				31 March 2021			
	UK	**Sweden**	**Canada**	**Total**	**UK**	**Sweden**	**Canada**	**Total**
	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Non-current assets	16,040,201	110,157	1,914,185	18,064,543	15,645,767	110,157	4,053,507	19,809,431
Current assets	978,199	1,101	-	979,300	922,056	1,092	-	923,148
Liabilities	(4,385,674)	(337,839)	-	(4,723,513)	(3,991,250)	(332,272)	-	(4,323,522)
Net assets/liabilities	12,632,726	(226,581)	1,914,185	14,320,330	12,576,573	(221,023)	4,053,507	16,409,057

4 Loss before taxation

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

	2022	2021
	£	£
Fees payable to the group's auditor:		
for the audit of the annual accounts	30,000	37,000
for the audit of subsidiaries' accounts	5,000	5,000
for other services	-	-
Directors' remuneration	160,000	-
Foreign exchange movement	(27)	31

5 Staff costs

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

	2022	2021
Administrative	4	3
Other	1	-
	5	3
Their aggregate remuneration was:	**£**	**£**
Wages and salaries	216,351	23,660
Social security costs	24,264	6,803
	240,615	30,463

The directors did not receive any remuneration during the year ended 31 March 2021. Further details are provided in the directors' remuneration report together with information on share options.

6 Investment income

Loans and receivables	2022 £	2021 £
Interest on site re-instatement deposit	24	39
	24	39

7 Finance costs

Loans and payables	2022 £	2021 £
Loan interest to Juno Limited	154,234	154,234
Loan interest to Eurmag AB	11,014	11,468
	165,248	165,702

For both loans the interest shown is accrued and it is intended that it will be repaid together with the loan principal. The loans are repayable from any future financings undertaken by the group.

8 Taxation

Activity during the year has generated trading losses for taxation purposes which may be offset against investment income and other revenues. Accordingly, no provision has been made for Corporation Tax. There is an unrecognised deferred tax asset at 31 March 2022 of £1.4 million (2021 - £1.3 million) which, in view of the trading results, is not considered by the directors to be recoverable in the short term. There are also capital allowances, including mineral extraction allowances, of £13.2 million unclaimed and available at 31 March 2022 (2021 - £12.8 million). No deferred tax asset is recognised in respect of these allowances.

	2022 £	2021 £
Current tax	-	-
Deferred tax	-	-
Total tax	-	-

Domestic income tax is calculated at 19% (2021 - 19%) of the estimated assessed profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

	2022	2021
Loss for the year	(693,242)	(328,518)
Tax at the domestic income tax rate of 19%	(131,716)	(62,418)
Tax effect of:		
Unrecognised deferred tax on losses	131,716	62,418
Total tax	-	-

9 Earnings per ordinary share

	2022 £	2021 £
Earnings		
Loss for the year	(693,242)	(328,518)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	236,185,143	201,073,814
Weighted average number of ordinary shares for the purposes of diluted earnings per share	236,185,143	201,073,814
Basic earnings per share	(0.3)p	(0.2)p
Diluted earnings per share	(0.3)p	(0.2)p

As there is a loss for the year ended 31 March 2022 the effect of the outstanding share options is anti-dilutive and diluted earnings are reported to be the same as basic earnings.

10 Mineral property exploration and evaluation costs - group

Cost	**Parys Mountain £**
At 31 March 2020	15,215,723
Additions - site	73,983
Additions - rentals & charges	27,587
At 31 March 2021	15,317,293
Additions - site	367,474
Additions - rentals & charges	26,936
At 31 March 2022	15,711,703
Carrying amount	
Net book value 2022	15,711,703
Net book value 2021	15,317,293

Included in the additions are mining lease expenses of £18,727 (2021 - £19,170).

Potential impairment of mineral property

Accumulated exploration and evaluation expenditure in respect of the Parys Mountain property is carried in the financial statements at cost less any impairment provision.

At each reporting date an assessment of exploration and evaluation assets is made to determine whether specific facts and circumstances indicate there is an indication of impairment and whether an impairment test is required. If such an indication exists, the recoverable amount of the asset is estimated and if the carrying amount of the asset exceeds its estimated recoverable amount, the asset is impaired, and the impairment loss is measured. If impairment testing is required, the impairment testing of exploration and evaluation assets is carried out in accordance with IAS 36 Impairment of Assets as modified by IFRS 6. Any impairment loss is charged to the Income Statement to reduce the carrying amount to its estimated recoverable amount.

In determining whether there is an impairment indicator, both internal factors (e.g. adverse changes in performance) and external factors (e.g., adverse changes in the business or regulatory environment) are considered. Significant judgment is required when determining whether facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. The existence and extent of proven or probable mineral reserves; retention of regulatory permits and licences; the availability of development financing; current and future metal prices; and market sentiment are all factors to be considered. There are several external factors that can have a significant impact on the recoverable amount of a mineral property, including the uncertainty of market conditions, the volatility of commodity prices and foreign exchange rates.

Following review, the directors concluded that there are no material adverse changes in facts and circumstances, or in market conditions or regulations affecting, the Parys Mountain property during the year ended 31 March 2022. The directors continued to rely on the publication in January 2021 of the independent PEA, with an expanded resource base, which demonstrated that a major mining operation can be established at Parys Mountain, with robust economics at reasonable capital and operating costs.

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

The property has the potential for the discovery of new or additional resources and has ongoing exploration potential and further work is recommended and planned. Metal prices have improved and the outlook for most minerals, and particularly for the copper, zinc and lead minerals at Parys Mountain, is very encouraging. Accordingly, the directors concluded, as described in the Strategic Report, that any specific facts and circumstances which might suggest there is an indication of impairment have not materially changed during the year and there are no facts or circumstances that suggest there is an indication of impairment and therefore no impairment test was required or completed.

11 Property, plant and equipment

Group	Freehold land & property	Plant & equipment	Office equipment	Total
Cost	**£**	**£**	**£**	**£**
At 31 March 2020, 2021 and 2022	204,687	17,434	5,487	227,608
Depreciation				
At 31 March 2020, 2021 and 2022	-	17,434	5,487	22,921
Carrying amount				
At 31 March 2020, 2021 and 2022	204,687	-	-	204,687

Company	Freehold land & property	Plant & equipment	Office equipment	Total
Cost	**£**	**£**	**£**	**£**
At 31 March 2020, 2021 and 2022	-	17,434	5,487	22,921
Depreciation				
At 31 March 2020, 2021 and 2022	-	17,434	5,487	22,921
Carrying amount				
At 31 March 2020, 2021 and 2022	-	-	-	-

12 Subsidiaries - company

The subsidiaries of the company at 31 March 2022 and 2021 were as follows:

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

Registered office addresses:

1. - Parys Mountain, Amlwch, Anglesey, LL68 9RE

2. - Fort Anne, Douglas, Isle of Man, IM1 5PD

3. - Box 1703, 111 87 Stockholm, Sweden

13 Investments - company

	Shares at cost	Capital contributions	Total
	£	£	£
At 1 April 2020	104,025	14,356,617	14,460,642
Advanced	-	116,227	116,227
At 31 March 2021	104,025	14,472,844	14,576,869
Advanced	-	334,304	334,304
At 31 March 2022	104,025	14,807,148	14,911,173

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

14 Investments - group

	Labrador	Grangesberg	Total
	£	£	£
At 1 April 2020	1	100,098	100,099
Net change during the period	4,053,506	10,059	4,063,565
At 31 March 2021	4,053,507	110,157	4,163,664
Net change during the period	(2,139,322)	-	(2,139,322)
At 31 March 2022	1,914,185	110,157	2,024,342

LIM – Labrador, Canada

The group has an investment in Labrador Iron Mines Holdings Limited, a Canadian company which holds the Labrador iron ore properties described in the Strategic Report.

The investment in LIM is carried at fair value through other comprehensive income. The group's holding of 19,289,100 shares in LIM (12% of LIM's total issued shares) is valued at the closing price traded on the OTC Markets in the United States and in the directors' assessment this market is sufficiently active to give the best measure of fair value, which on 31 March 2022 was 13 US cents per share (2021 - 29 US cents). At 23 August 2022 the shares traded at 11 US cents per share.

Grangesberg - Sweden

The group has, through its Swedish subsidiary Angmag AB, a 19.9% ownership interest in GIAB (unchanged from 2021), a Swedish company which holds rights over the Grangesberg iron ore deposits.

The directors assessed the fair value of the investment in Grangesberg under IFRS 9 and consider the cost at the date of transition and the investment's value at the year-end to approximate the fair value at these dates. Following negotiation the group has, until June 2023, a right of first refusal over a further 50.1% of the equity of GIAB together with management direction of the activities of GIAB, subject to certain restrictions. Although the group has significant influence over certain relevant activities of GIAB, equity accounting has not been applied in respect of this influence as the directors consider this would not have any material affect. The value of the group's share in the net assets of GIAB at 31 March 2022 was approximately £216,000 (2021 - £316,000).

15 Deposit

	Group	
	2022	2021
	£	£
Site re-instatement deposit	123,811	123,787

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

16 Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Held in sterling	921,075	890,674	921,043	883,463
Held in Canadian dollars	1	1	-	-
Held in US dollars	444	424	-	-
Held in Swedish krona	657	668	-	-
	922,177	891,767	921,043	883,463

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

17 Trade and other payables

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade payables	(106,236)	(4,366)	(74,619)	(2,887)
Other accruals	(260,182)	(121,862)	(157,977)	(63,880)
	(366,418)	(126,228)	(232,596)	(66,767)

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

18 Loans

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Loan from Juno Limited	(3,969,256)	(3,815,022)	(3,969,256)	(3,815,022)
Loan from Eurang Limited	(337,839)	(332,272)	-	-
	(4,307,095)	(4,147,294)	(3,969,256)	(3,815,022)

Juno: The loan is provided under a working capital agreement, denominated in sterling, unsecured and carried interest during the year at 10% per annum on the principal only. It is repayable from any future financing undertaken by the company, or on demand following a notice period of 367 days.

In May 2022 a new Investor Agreement was concluded with Juno Limited to replace the controlling shareholder and consolidated working capital agreements. In the new Investor Agreement Juno agreed to participate in any future equity financing, at the same price per share and on the same terms as other arms-length participants, to maintain its percentage, with the subscription price to be satisfied by the conversion and consequent reduction of debt, and the company agreed to pay Juno in cash ten percent of the net proceeds of such equity financing in further reduction of the debt. The interest rate on the outstanding debt will be reduced from 10% to 5% p.a. from 1 April 2022. In addition, Juno was granted certain nomination and reporting rights, including the right to nominate two directors to the board, so long as Juno holds at least 20% of the company's outstanding shares and one director so long as Juno holds at least 10% of the company's outstanding shares. This renegotiation was approved by an independent board committee responsible for reviewing and approving any transactions and potential transactions with Juno. The family interests of Danesh Varma have a significant shareholding in Juno. The net effect of the new agreement with the May 2022 financing was that the debt due to Juno was reduced by £305,499, of which £78,345 was paid in cash and the balance by conversion of debt.

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

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

Note 18 Mineral property exploration and evaluation costs – group – continued

Changes in liabilities arising from financing activities

	Due to Juno	Due to Eurang	Totals
	£	£	£
1 April 2020	(3,660,788)	(321,105)	(3,981,893)
Cash flows	-	-	-
Non cash movements	(154,234)	(11,167)	(165,401)
1 April 2021	(3,815,022)	(332,272)	(4,147,294)
Cash flows	-	-	-
Non cash movements	(154,234)	(5,567)	(159,801)
At 31 March 2022	(3,969,256)	(337,839)	(4,307,095)

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

The Eurang loan relates to the group only and its non-cash movement comprises accrued interest and foreign exchange changes. In 2021 there was also the value of GIAB shares transferred to Eurang which reduced the loan amount.

19 Long term provision - group

	2022	2021
	£	£
Provision for site reinstatement	(50,000)	(50,000)

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

20 Share capital

	Ordinary shares of 1p		Deferred shares of 4p		Total
Issued and fully paid	**Nominal value £**	**Number**	**Nominal value £**	**Number**	**Nominal value £**
At 1 April 2020	1,869,758	186,975,732	5,510,833	137,770,835	7,380,591
Issued in the period	385,000	38,500,000	-	-	-
At 1 April 2021	2,254,758	225,475,732	5,510,833	137,770,835	7,765,591
Issued in the period	225,950	22,595,000	-	-	225,950
At 31 March 2022	2,480,708	248,070,732	5,510,833	137,770,835	7,991,541

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

On 9 October 2021 a placing for cash was made of 22.595 million ordinary shares at 3.4 pence per share, raising £768,230 gross. Further share issues were made on 20 May 2022 and 4 August 2022 – see note 29.

21 Equity-settled employee benefits

The 2014 Unapproved share option plan provides for a grant price equal to or above the average quoted market price of the ordinary shares for the three trading days prior to the date of grant. All options granted carried a performance criterion, namely that the company's share price performance from the date of grant must exceed that of the companies in the FTSE 100 index. The vesting period is one year. Options are forfeited if the employee leaves employment with the group before the options vest. All options outstanding were exercised in full last year. No options were granted, lapsed or forfeited during the year. No options were outstanding at 31 March 2022.

	2022			2021		
	Options	Weighted average exercise price in pence	Remaining contractual life in years	Options	Weighted average exercise price in pence	Remaining contractual life in years
Outstanding at beginning of period	-	-	-	3,500,000	2.00	1.5
Granted during the period	-	-	-	-	-	
Forfeited during the period	-	-	-	-	-	
Exercised during the period	-	-	-	3,500,000	2.00	
Expired during the period	-	-	-	-	-	
Outstanding at the end of the period	-	-	-	-	-	-
Exercisable at the end of the period	-	-	-	-	-	-

There were no expenses in respect of equity-settled employee remuneration for the year ended 31 March 2022 (2021 – nil). Grants of options were made following the year end on 4 August 2022.

22 Results attributable to Anglesey Mining plc

The loss after taxation in the parent company amounted to £682,937 (2021 loss £313,717). The directors have taken advantage of the exemptions available under section 408 of the Companies Act 2006 and not presented an income statement for the company alone.

23 Financial instruments

The main risks arising from the group's financial instruments are currency risk and share price risk. The board reviews and agrees policies for managing each of these risks and these are summarised below.

Capital risk management

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

The group manages its capital to ensure that entities in the group will be able to continue as going concerns while optimising the debt and equity balance. The capital structure consists of debt, which includes the borrowings disclosed in note 18, the cash and cash equivalents and equity comprising issued capital, reserves and retained earnings.

The group does not enter into derivative or hedging transactions and it is the policy that no trading in financial instruments be undertaken.

Share price risk

The shares of Labrador Iron Mines Holdings Limited in Canada are traded on the OTC Market in the United States and the value of the group’s investment in LIM is subject to the market variations applicable to any publicly traded investment. In respect of the value of this investment, if the LIM share price were to fall by 10% there would be a loss to the group of £191,419 and if it were to rise by a similar percentage there would be a gain of £191,419

Interest rate risk

The amounts advanced under the Juno loans are at a fixed rate of interest of 10% per annum (until 31 March 2022 after which the rate changed to 5%) and those from Eurang Limited are at a fixed rate of 6.5% per annum. As a result, the group is not exposed to interest rate fluctuations. Interest received on cash balances is not material to the group’s operations or results.

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

Liquidity risk

The group has ensured continuity of funding through a mixture of issues of shares and the working capital agreement with Juno Limited. During the year the group raised new financing of over £750,000 through the placement of shares and since the year end has raised further funds.

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

Trade creditors are payable on normal credit terms which are usually 30 days. The loans due to Juno and Eurang carry a notice period of 367 days. Juno, in keeping with its long-established practice has indicated that it has no current intention of demanding repayment. No such notice had been received by 7 September 2022 in respect of either of the loans and they are classified as having a maturity date between one and two years from the period end.

Currency risk

The presentational currency of the group and company is pounds sterling. The loan from Juno Limited is denominated in pounds sterling and the group has no currency exposure in respect of this loan. The currency risk in respect of the group's only other loan (denominated in Swedish krona) is as follows: if the rate of exchange between the krona and sterling were to weaken against sterling by 10% there would be a gain to the group of £ 30,713 (2021 - £30,207) and if it were to move in favour of sterling by a similar amount there would be a loss of £ 37,538 (2021 - £36.919). These gains or losses would be recorded in other comprehensive income.

In respect of the investment in Grangesberg in Sweden, if the rate of exchange between the Krona and sterling were to weaken against sterling by 10% there would be a loss to the group of £ 10,338 (2021 - £10,508) and if it were to move in favour of sterling by a similar amount there would be a gain of £ 12,635 (2021 - £12,843).

In respect of the investment in Labrador Iron Mines in Canada, if the rate of exchange between the US dollar (the currency of the market on which the shares are quoted) and sterling were to weaken against sterling by 10% there would be a loss to the group of £174,017 (2021 - £368,501) and if it were to move in favour of sterling by a similar amount there would be a gain of £212,687 (2021 - £450,390). Potential exchange variations in respect of other foreign currencies are not material.

Credit risk

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

Group	**Financial assets classified at fair value through other comprehensive income**		**Financial assets measured at amortised cost**	
	31 March 2022	**31 March 2021**	**31 March 2022**	**31 March 2021**
	£	**£**	**£**	**£**
Investments	2,024,342	4,163,664	-	-
Deposit	-	-	123,811	123,787
Other receivables	-	-	57,123	31,381
Cash and cash equivalents	-	-	922,177	891,767
	2,024,342	4,163,664	1,103,111	1,046,935

	Financial liabilities measured at amortised cost	
	31 March 2022	**31 March 2021**
	£	**£**
Trade payables	(106,236)	(4,366)
Other payables	(260,182)	(121,862)
Loans	(4,307,095)	(4,147,294)
	(4,673,513)	(4,273,522)

Company

.	**Financial assets measured at amortised cost**		**Financial liabilities measured at amortised cost**	
	31 March 2022	**31 March 2021**	**31 March 2022**	**31 March 2021**
	£	**£**	**£**	**£**
Other receivables	10,920	7,448	-	-
Cash and cash equivalents	921,043	883,463	-	-
Trade payables	-	-	(74,619)	(2,887)
Other payables	-	-	(157,977)	(63,880)
Loan	-	-	(3,969,256)	(3,815,022)
	931,963	890,911	(4,201,852)	(3,881,789)

24 Related party transactions

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

Juno Limited

Juno Limited (Juno) which is registered in Bermuda held 23% of the company's issued ordinary share capital at 31 March 2022. The group had the following agreements with Juno: (a) a controlling shareholder agreement dated September 1996 and (b) a consolidated working capital agreement of 12 June 2002. In May 2022 a new Investor Agreement was concluded with Juno Limited to replace the controlling shareholder and consolidated working capital agreements. In the new Investor Agreement Juno agreed to participate in any future equity financing, at the same price per share and on the same terms as other arms-length participants, to maintain its percentage, with the subscription price to be satisfied by the conversion and consequent reduction of debt, and the company agreed to pay Juno in cash ten percent of the net proceeds of such equity financing in further reduction of the debt. The interest rate on the outstanding debt will be reduced from 10% to 5% p.a. from 1 April 2022. In addition, Juno was granted certain nomination and reporting rights, including the right to nominate two directors to the board, so long as Juno holds at least 20% of the company's outstanding shares and one director so long as Juno holds at least 10% of the company's outstanding shares. This renegotiation was approved by an independent board committee responsible for reviewing and approving any transactions and potential transactions with Juno. The family interests of Danesh Varma have a significant shareholding in Juno.

The net effect of the new agreement with the May 2022 financing was that the debt due to Juno was reduced by £305,499, of which £78,345 was paid in cash and the balance by conversion of debt.

Interest payable to Juno is shown in note 7 and the balance due to Juno is shown in note 18. There were no further transactions between the group and Juno or its group during the year. The family interests of Danesh Varma have a significant shareholding in Juno, a connected person.

Grangesberg

John Kearney and Danesh Varma, as nominees of the company, are directors of Grangesberg Iron AB. Danesh Varma has been associated with the Grangesberg project since 2007 when he became a director of Mikula Mining Limited, a company subsequently renamed Eurang Limited, previously involved in the Grangesberg project. He did not take part in the decision to enter into the Grangesberg project when this was approved by the board in 2014. The Group has a liability to Eurang Limited, amounting to £337,839 at the year-end (2021 – £343,613). See also note 18.

Key management personnel

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

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

25 Mineral holdings

Parys Mountain

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

(b) Under a mining lease from Lord Anglesey dated December 2006, the subsidiary Parys Mountain Land Limited holds the eastern part of Parys Mountain, formerly known as the Mona Mine. An annual certain rent of £18,727 is payable for the year beginning 23 March 2021; the base part of this rent increases to £20,000 when extraction of minerals at Parys Mountain commences; this rental is index-linked. A royalty of 1.8% of net smelter returns from mineral sales is also payable. The lease may be terminated at 12 months' notice and otherwise expires in 2070.

(c) Under a renewable 30-year mining lease from the Crown dated December 1991 there was an annual lease payment of £5,000 and a royalty of 4% of gross sales of gold and silver from the lease area was payable. This Crown lease expired in April 2020 and negotiations in respect of the renewal of this lease or the granting of a new lease are continuing. It is expected that a new or renewed lease, if taken up and accepted, would be subject to annual lease payments and a royalty on gold and silver sales.

Lease payments

The mining leases may be terminated by the group with 12 months' notice. If they are not so terminated, the minimum payments due in respect of the leases and royalty agreement are analysed as follows: within the year commencing 1 April 2022 - £20,114 and for the five years between 1 April 2023 and 31 March 2026 - £106,713 Thereafter the payments will continue at proportionate annual rates, in some cases with increases for inflation, for so long as the leases are retained or extended.

26 Material noncash transactions

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

Under the Development and Co-operation Agreement with QME Limited in respect of Parys Mountain optimisation studies which began in 2018, it was agreed to grant QME various rights and options relating to the future development of Parys Mountain comprising contracts for the construction of the decline and the underground mine, including rehabilitation of the shaft. This will be done on terms to be agreed following a decision to proceed with the development of Parys Mountain. In the absence of agreement such contracts may be offered to third parties, subject to a right of first refusal in favour of QME, and subject to a payment to QME, upon the award of such contracts to a third-party, of a break-fee of £500,000. Under such circumstances, the award of such contracts to a third party could potentially create a contingent liability for the payment of the break fee however such liability is not at this time crystallised.

In addition, QME would be granted the right and option, upon completion of a Prefeasibility Study, to undertake at its cost and investment, the mine construction component of the Parys Mountain project, including the decline and related underground and shaft works, with a scope to be agreed, to the point of commencement of production, in consideration of which QME would earn a 30% undivided joint venture interest in the Parys Mountain project.

27 Commitments

Other than commitments under leases (note 25) there is no capital expenditure authorised or contracted which is not provided for in these accounts (2021 - nil).

28 Contingent liabilities

There are no contingent liabilities (2021 - nil).

29 Events after the period end

On 17 May 2022 a placing to institutional investors for cash of 22,829,705 shares raising £864,416 gross was completed. In connection with the financing, 1,250,000 broker warrants were issued to WH Ireland and Canaccord, with each warrant exercisable at a price of 3.4 pence per share for a period of three years.

At the same time, the terms of the Juno loan were amended, 6,681,000 shares were issued to Juno and a cash repayment of £78,345 was made, together reducing the amount of the outstanding loan by £305,499. See Notes 18 and 24.

On 4 August 2022, 500,000 shares were issued to the chief executive, Jo Battershill, .as share based compensation upon the achievement of certain performance targets.

Notice is given that the 2022 Annual General Meeting of Anglesey Mining plc will be held at the offices of DLA Piper, 160 Aldersgate Street London EC1A 4HT on 27 October 2022 at 11.00 am to consider and, if thought fit, to pass the resolutions set out below.

As ordinary business

1. To receive the annual accounts and directors' and auditor’s reports for the year ended 31 March 2022
2. To approve the directors' remuneration report for the year ended 31 March 2022
3. To approve the directors' remuneration policy in the directors’ remuneration report for the year ended 31 March 2022
4. To reappoint John F. Kearney as a director
5. To reappoint Jonathan (Jo) Battershill as a director
6. To reappoint Howard Miller as a director
7. To reappoint Danesh Varma as a director
8. To confirm the appointment of Namrata Verma as a director
9. To confirm the appointment of Andrew King as a director
10. To appoint UHY Farrelly Dawe White as auditor
11. To authorise the directors to determine the remuneration of the auditor.

As special business

12. That, pursuant to section 551 of the Companies Act 2006 ("Act"), the directors be and are generally and unconditionally authorised to exercise all powers of the company to allot shares in the company or to grant rights to subscribe for or to convert any security into shares in the company up to an aggregate nominal amount of £2,800,000, provided that (unless previously revoked, varied or renewed) this authority shall expire on 31 December 2023, save that the company may make an offer or agreement before this authority expires which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after this authority expires and the directors may allot shares or grant such rights pursuant to any such offer or agreement as if this authority had not expired.

    This authority is in substitution for all existing authorities under section 551 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).
13. That pursuant to section 570 of the Act, the directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted under section 551 of the Act pursuant to the preceding resolution as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

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

    (b) otherwise than pursuant to paragraph 12(a) above, up to an aggregate nominal amount of £2,800,000

    and (unless previously revoked, varied or renewed) this power shall expire on 31 December 2023, save that the company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired. This power is in substitution for all existing powers under section 570 of the Act which, to the extent effective at the date of this resolution, are revoked with immediate effect.

By order of the board
Danesh Varma
Company secretary
7 September 2022

Notes to the notice of AGM

Entitlement to attend and vote

If you wish to attend the Annual General Meeting (Meeting) in person, you must send an email to mail@angleseymining.co.uk by 11.00 a.m. on 25 October 2022 to make an advance booking for your attendance. You must also attach a Letter of Corporate Representation from the custodian of your shares if the shares are not registered in your name. Please note that your name must be pre-registered with the venue in advance of the day.

To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members at close of business on 25 October 2022 (or, in the event of any adjournment, at the close of business on the date which is two business days before the date of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

Appointment of proxies

Members who are entitled to attend and vote at the Meeting are entitled to appoint a proxy to exercise all or any of their rights in relation to the meeting on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. The appointment of a proxy shall be subject to any special arrangements that the board of directors determines is necessary in light of the coronavirus pandemic.

You can appoint a proxy by:

- logging onto www.signalshares.com and submitting your proxy appointment and votes online by following the instructions. If you have not previously done so, you will first need to register to use this service. To do this you will need your investor code detailed on your share certificate; or
- if you are a CREST member, submitting a proxy appointment electronically by using the CREST voting service (in accordance with the notes below).

If you would prefer a paper proxy form, you may request one from the registrar, Link Group, by calling 0371 664 0300 (Calls are charged at the standard geographic rate and will vary by provider). If you are calling from overseas, the number is +44 (0)371 664 0300 and calls will be charged at the applicable international rate.

Proxy appointments must be received by no later than 11.00 a.m. on 25 October 2022 for them to be valid (or in the event of an adjournment, no later than 48 hours (excluding any part of a day that is not a working day) before the time of the adjourned meeting). Beneficial owners of Ordinary Shares should consult with their custodian or nominee in case they have any queries on how to complete and submit a proxy appointment on their behalf.

The return of a completed proxy form or the submission of an electronic proxy appointment will not prevent a shareholder attending the Meeting and voting in person if he/she wishes to do so, subject to any legislation in force temporarily limiting such rights.

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Register of Members in respect of the joint holding (the first-named being the most senior).

To change proxy instructions, please submit a new proxy appointment using the methods set out above. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Appointment of proxies through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed (a) service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com). In order to be valid, the message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the issuer’s agent (ID RA10) by no later than 11.00 a.m. on 25 October 2022. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions.

It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Nominated persons

Any person to whom this Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statement in these notes concerning the rights of shareholders in relation to the appointment of proxies in the note on page 16 of this document does not apply to Nominated Persons. Such rights described in that note can only be exercised by shareholders of the Company.

Corporate representatives

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares. The attendance in person of the meeting of any corporate representative shall be subject to any special arrangements that the board of directors determines necessary in light of the coronavirus pandemic.

Publication of audit concerns on website

Under section 527 of the Act, shareholders have the right to request publication of any concerns that they propose to raise at the Meeting relating to the audit of the Company's accounts, subject to meeting the threshold requirements set out in that section. Where a statement is published the Company will forward the statement to the auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required, under section 527 of the Act, to publish on its website. The Company cannot require the members concerned to pay its expenses in complying with either section 527 or 528 of the Act.

Entitlement to ask questions

Any shareholder attending the meeting has the right to ask questions relating to the business of the meeting and for these to be answered, unless the answer: would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; has already been published on the website; or it is not in the interests of the Company or the good order of the meeting that the question be answered.

Details of communications

The electronic address given in this Notice for the appointment of proxies for the meeting is given for that purpose only and may not be used for any other purposes including general communication with the Company in relation to the meeting or otherwise. Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other method of communication will be accepted):

- calling the shareholder helpline, 0371 664 0300 or from overseas +44 371 664 0300;
- by email to shareholderenquiries@linkgroup.co.uk; or
- by writing to the registrar, Link Group, 10th Floor, Central Square, 29 Wellington Road, Leeds, LS1 4DL.

Documents on Display

Copies of this document and of the Articles of Association will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this document and at the place of the Meeting from at least 15 minutes prior to, and until the conclusion of, the Meeting. A copy of this document, and other information required by section 311A of the Act, can be found on the investors section of the website at www.angleseymining.co.uk.

Issued shares and total voting rights

As at 7 September 2022 (being the latest practicable date prior to the publication of this Notice) the issued share capital consisted of 280,675,721 ordinary shares with a nominal value of £0.01 each, carrying one vote each and 21,529,451 Deferred A Shares and 116,241,384 Deferred B Shares which do not carry any rights to vote. Therefore, the total voting rights as at 7 September 2022 are 280,675,721.

John F. Kearney	Irish, aged 71, is Chairman of Anglesey Mining plc, and several other public companies, including Labrador Iron Mines Holdings Limited, Buchans Resources Limited and Minco Exploration plc, and until 2019 was Chairman of Canadian Zinc Corporation. He is a director of Grangesberg Iron AB. Over the course of his career, he has served as a senior officer (usually chairman and/or chief executive) of more than thirty public companies incorporated in Canada; Ireland; United Kingdom; United States; Australia and elsewhere, the shares of which were listed on various stock exchanges (including London Stock Exchange; AIM Market; Toronto Stock Exchange; New York Stock Exchange; American Stock Exchange; NASDAQ; Australian Stock Exchange). Mr. Kearney also served as a director and member of the Executive Committee of the Mining Association of Canada and as a director and two term President of the Northwest Territories and Nunavut Chamber of Mines. Mr. Kearney is a member of the Prospectors and Developers Association of Canada, the Canadian Institute of Mining and Metallurgy and the Law Society of Ireland. He holds degrees in law and economics from University College Dublin, an M.B.A. degree from Trinity College Dublin, and a Certificate in Mining Law from Osgoode Hall Law School, York University, Toronto. He qualified as a solicitor in Ireland and as a chartered secretary with the Institute of Chartered Secretaries and Administrators in London. He is a member of the nomination and remuneration committees.
Jonathan (Jo) Battershill from 21 August 2022	aged 52, Chief Executive, is a mining geology graduate from Camborne School of Mines and has over 25 years of experience both in mining operations and in the finance sector, particularly in Australia and in the United Kingdom. After almost a decade working in mining operations and business development with Western Mining Corporation in Australia, in 2004 he joined a boutique broking house in Perth, Western Australia. He subsequently worked in the mining finance sector for 17 years until July 2021, primarily as an Executive Director for UBS in Sydney/London and as Managing Director for Canaccord in London. He has extensive knowledge and connections within the mining finance industry, having been part of globally top ranked mining ECM/Sales between 2008 and 2021. Early in his mining career he worked as an underground miner at the South Crofty Tin Mine in Cornwall, while attending the School of Mines. Mr Battershill is also non-executive director of AIM listed Alien Metals Limited and ASX listed companies Silver Mines Limited and Errawarra Resources Limited.
Bill Hooley until 7 June 2022	Bill Hooley was a director until his untimely death on 7 June 2022. aged 75, Deputy Chairman and previously Chief Executive until 31 July 2021, was a mining engineering graduate from the Royal School of Mines, London and had extensive experience in the minerals industry including mine and processing operations, planning, project management and corporate management in many countries including Australia, Saudi Arabia, Canada and the UK. He also practised as a minerals industry consultant at a senior level and has managed other businesses developing and selling products and services to the minerals and related industries. He was Vice-Chairman and a director of Labrador Iron Mines Holdings Limited as well as chairman and a director of Grangesberg Iron AB and Angmag AB. He had been a director of a number of other companies involved in the minerals industry and was a Fellow of the Australasian Institute of Mining and Metallurgy.

Danesh Varma	aged 72, Finance Director and Company Secretary is a chartered accountant in England and Wales, and Canada, with many years of experience in financial management. He is currently a director of Brookfield Investment Corp., Canadian Manganese Corp., Labrador Iron Mines Holdings Limited, Grangesberg Iron AB, Angmag AB and Minco Exploration plc. He also serves as the Chief Financial Officer of Buchans Resources Limited. Previously he was President of American Resource Corporation and Westfield Minerals Limited and a director of Northgate Exploration Limited., Minco plc and Connemara Mining plc
Howard Miller	aged 78, non-executive director, a lawyer with over 45 years' experience in the legal and mining finance sector in Africa, Canada and the UK. He has extensive experience in the financing of resource companies. He was chairman and chief executive of Avnel Gold Mining Limited, which operated the Kalana gold mine in Mali and was acquired by Endeavour Mining in 2018. He is a member of the remuneration, audit and nomination committees and the lead independent director.
Andrew King From 20 December 2022	aged 57, non-executive director appointed 20 December 2021. Andrew is a proven business leader with more than 30 years' experience in the mining, metals and banking sectors where his management experience has encompassed strategic, financial and operational oversight. He is currently Managing Director of Scanmetals A/S, a specialist metal recycling business with operations in Denmark, the UK and Germany. Prior thereto he was Group Business Development Director at Amalgamated Metal Corporation Plc. and for thirteen years Andrew held various positions with Standard Bank including Head of Resource Banking, Global Co-Head Investment Banking, and Chief Executive Standard Bank Asia. Earlier in his career he worked with BMO Nesbitt Burns and Warrior International. Other directorships have included Avnel Gold Mining Limited and Rame Energy plc. Andrew has a BSc in Metallurgical Engineering from the University of the Witwatersrand, South Africa and an MBA from the London Business School. He is a member of the audit and nomination committees.
Namrata Verma From 20 December 2022	aged 42, non-executive director appointed 20 December 2021. Namrata Verma is an experienced corporate finance executive with strong credentials in advising metals and mining companies with assets at the pre-feasibility and feasibility stages on project bankability, growth strategies, funding options, and financing execution. She is the founder of Terrafranca Advisory, which was set up in 2015 to provide independent debt financing advice to early-stage and small and mid-cap mining companies and investors. She has advised on bankability considerations, debt structuring and arranging on numerous mining projects in Europe and Africa. Namrata previously had more than a decade of experience at Standard Chartered Bank, in Asia and the UK, where she was a director in the mining finance team focused on advising and arranging project and structured debt financing, acquisition financing and working capital funding for mining and metals clients. Namrata holds a Bachelor of Engineering from Nanyang Technological University, Singapore and an MBA from the London Business School. She is a member of the audit and remuneration committees.

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Registrars	Link Group
	29 Wellington Street, Leeds, LS1 4DL Share dealing phone 0371 664 0445 Helpline phone 0371 664 0300
Company registered number	1849957
Registered office address	Parys Mountain, Amlwch, Anglesey, LL68 9RE
Web site	www.angleseymining.co.uk
Shares listed	AIM - AYM
	On 8 April 2022 the company's listing on the premium segment of main board was cancelled and the company's shares were admitted to listing on AIM.