

Anglesey Mining plc

Annual Report 2016

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Glossary

AGM - the annual general meeting to be held on 28 September 2016.

GIAB - Grangesberg Iron AB, a privately owned Swedish company which has a 25 year mining permit covering iron deposits at Grangesberg in Sweden.

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

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

mtpa - million tonnes per annum.

tonne - metric tonne of 2,204.6 pounds avoirdupois, used for measuring current mineral production and resources.

SEK - Swedish Krona.



Anglesey Mining plc

A UK mining company listed on the London Stock Exchange

Anglesey holds 100% of the Parys Mountain underground zinc-copper-lead-silver-gold deposit in North Wales, UK where it is exploring and plans to carry out evaluation and pre-feasibility work when financial conditions permit.

Anglesey holds 15% of Labrador Iron Mines Holdings Limited which has direct shipping iron ore deposits in Labrador and Quebec and is currently undergoing a financial restructuring.

Anglesey holds a 6% interest and management rights to the Grangesberg Iron project in Sweden, together with a right of first refusal to increase its interest to 51%.

Once again we have to report that the expected resurgence in the resources sector, and in particular the prices of the metals that form the bases of our assets, has largely not materialised. With the continuing underlying weaknesses in commodities, the equities markets for small cap miners has remained at best thin and at other times almost non-existent. Anglesey Mining is no different from its peers in this respect and it has proved virtually impossible during the last year to create any interest in raising new funds from the market.

The recent upward movement in zinc and precious metals' prices could now begin to improve this position and if this momentum is maintained Anglesey will look for the opportunity to improve the balance sheet and permit funding of project development activities. Gold and silver have increased in value over the last year and are trading near their 12 month highs.

The price of iron ore, on which both Labrador and Grangesberg rely, did show some improvement during the early part of 2016, albeit not to the levels that would sustain a return to production at Labrador, but unfortunately that rally was not sustained and prices have fallen back to lower levels.

The recent improvement in the price of zinc may be the sign that we have been waiting for a number of years. There is a general consensus based on supply/demand imbalance that zinc prices must improve from recent levels. There is no doubt that following a number of major mine closures during 2015 there is a current deficit in zinc supply compared to demand and, with few major new mines planned, that deficit is likely to continue for a number of years. However, the levels of derivative trading and warehousing in various forms often impacts this classical economic view and in the recent past has served to apparently hold prices down against an expected increase.

The other factor that affects project viability, particularly for Parys Mountain, is currency exchange rates. With all commodity prices quoted in US dollars, movements in domestic exchange rates can have significant impacts. The British Pound and Swedish Krona have fallen during the last year and this will have improved the economics of projects based in those countries where the majority of costs will be priced in the local currency.

Your directors have worked hard to keep costs to a minimum, director's salaries and fees continued to be waived and this will continue until the financial position of the group improves. I thank the directors and management for these efforts, and I also thank our loyal shareholders for their patience and understanding while we work our way through this particularly ugly phase of the commodity cycle.

Parys Mountain

The Parys Mountain property hosts a significant polymetallic zinc, copper, lead, silver and gold deposit. An independent JORC resource estimate completed in 2012 reported a resource of 2.1 million tonnes at 6.9% combined base metals in the indicated category and 4.1 million tonnes at 5.0% combined base metals in the inferred category with substantial exploration potential. A feasibility study in 1991 demonstrated the technical and economic viability of bringing the property into production at a rate of 350,000 tonnes per annum, producing zinc, copper and lead concentrates.

Operations at Parys Mountain were again kept at a low level during the past year with only essential maintenance work carried out. We hold the freehold title to most of the known resources and this permits us to continue to hold good title to these resources without the need for ongoing exploration and expenditure.

With the recent improvement and positive outlook for the price of zinc, we plan, during the summer of 2016, to undertake a detailed review of the previous technical and feasibility studies of the Parys Mountain project, including current estimates of operating and capital costs, with a view to completing an updated scoping and economic study, based on reasonable commodity price forecasts. We believe that capital costs of developing a mine at Parys Mountain, previously forecast during the mineral boom in 2011-12, will be somewhat lower in today's less competitive environment and, coupled with positive changes in exchange rates, could make the project attractive at metal price levels that may confidently be expected in the relatively near term. It is expected that the results of this review will be available in the early autumn and will be used to assist with future planning and potential financing of the development of the Parys Mountain project.

Grangesberg Iron

With iron ore prices remaining depressed operations at Grangesberg have been limited. We continue to manage the project on behalf of the company and its other shareholders. The economics of Grangesberg will be more positive than many of the other iron ore projects that have failed or missed realization in the last three years. The high grade of concentrate to be produced from Grangesberg, together with the extensive existing infrastructure on site and nationally, and the potential for sales within Sweden's domestic markets, negating the requirements for major port facilities and expensive handling and shipping costs, will be key drivers in this expectation.

Labrador Iron

As reported last year, Labrador Iron Mines ("LIM") is operating under the Canadian Companies Creditors Arrangement Act. This process continues and it is expected that a plan of arrangement will be put in place later this year. Under this arrangement Anglesey's current 15% shareholding in LIM will be significantly diluted but it is expected that the reorganized entity will maintain title to its iron ore assets in Labrador such that they could be restarted when the economics of iron ore in Canada improve, and at the same time LIM will have the flexibility to pursue alternative business opportunities.

Outlook

The future for commodity prices in general continues to be somewhat uncertain. The group is exposed to base and precious metals at Parys Mountain, which recently show signs of improvement, and to iron ore at LIM and at Grangesberg. The only cash draw on the group is a limited requirement for Parys Mountain and for normal corporate costs. As has been noted both these cost centres have been kept to a minimum.

The outlook for iron ore has changed little over the last year. Consolidation of the industry with many small miners closing down is probably near completion leaving the supply side dominated by Rio Tinto, BHP Billiton and Vale likely supplying around 75% of all sea borne iron ore. Comments by these majors have suggested that, while profitable at the current lower prices, they foresee that higher prices will be needed to ensure the necessary investment to maintain production levels.

The Parys Mountain project will benefit from the expected improvements in base metals and particularly from an increase in the price of zinc which will be the predominant metal to be produced in the early years of the project. ICBC Standard Bank in a recent note suggested that zinc stocks could fall to a critical point by as early as November this year and on that basis they are forecasting that zinc prices will at least double from the recent level of \$US0.95 per pound within 24 months. We share this optimism and see no reason to doubt this analysis and we are therefore now embarking on a technical review and updated scoping and economic study of the Party Mountain project.

Whilst there still are a number of uncertainties in the metals markets we feel that there is sound reason to believe that we have passed the low point in the commodities cycle. We believe China may reposition its economy to be less reliant upon construction but with ongoing urbanization its demand for metals will continue and coupled with reductions on the supply side will inevitably lead to much higher metal prices than we see today.

We trust that this time next year we will be able to report upon a positive outlook for the future and for Anglesey Mining.

John F. Kearney

Chairman

25 July 2016

Principal activities and business review

The group is engaged in the business of exploring and evaluating its wholly owned Parys Mountain project in North Wales, although activities there have been very limited during the year.

Under various agreements the group also participates in the management of the Grangesberg iron ore property in Sweden in which it has a 6% holding and a right of first refusal to acquire a further 51% ownership interest.

Operations at the Labrador iron project in eastern Canada in which group has a 15% holding (2015 - 15%) are currently suspended. LIM is now operating under the Canadian Companies' Creditors Arrangement Act to facilitate a restructuring and refinancing of its business operations.

The group continues its search for other mineral exploration and development opportunities.

The aim of the group is to create value in the Parys Mountain and Grangesberg properties, including by co-operative arrangements where appropriate, and to actively engage in other mineral ventures using the group's own resources together with such external investment and finance as may be available.

Parys Mountain

The Parys Mountain property has a significant zinc, copper and lead deposit with small amounts of silver and gold. A feasibility study in 1991 demonstrated the technical and economic viability of bringing the property into production at a rate of 350,000 tonnes per annum, producing zinc, copper and lead concentrates. In 2012 the first JORC Code compliant resource estimate of the property was published and reported a resource of 2.1 million tonnes at 6.9% combined base metals in the indicated category and 4.1 million tonnes at 5.0% combined base metals in the inferred category and there is substantial exploration potential.

The site has a head frame, a 300m deep production shaft and planning permission for operations. The group has freehold ownership of the minerals and surface land. Infrastructure is good, political risk is low and the project has the support of local people and government.

The directors are of the opinion that this project is at an advanced state and the existence of the current JORC resource estimate and the original feasibility study, together with the valid planning permissions, represent a solid base from which to move the project towards production. A detailed review of the previous technical and feasibility studies of Parys Mountain, including current estimates of operating and capital costs, is planned for the summer of 2016 with a view to completing an updated scoping and economic study later this year. It is expected that the results of this review will be available in the early autumn and will be used to assist with future planning and potential financing of the development of the Parys Mountain project.

The directors carried out an impairment review with an effective date of 26 March 2016. This review was based on an estimate of discounted future cash flows from the development and operation of the Parys Mountain project over the initial projected mine life of 16 years and assumed that there would be a two year delay before any activities commence. Capital costs were estimated at current costs and the key assumptions utilised were a discount rate of 10% applied to future cashflows with metal prices (long-term estimates) of: zinc \$US1.25 /lb; copper \$US 2.50 /lb; lead \$US1.00 /lb; silver \$US17.50 per ounce and gold \$US1275 per ounce and an exchange rate US\$1.40/£1.00. Further details of this review are included in note 10 to the financial statements. Based on the above parameters and the assumptions utilised the directors believe that no impairment provision is necessary or appropriate. The directors also re-evaluated the impairment review following the recent EU Referendum in the UK and concluded there was no requirement for any change in their original assessment or calculations. Any depreciation in the value of sterling in relation to the US dollar would have a positive effect on the project cashflows.

Operation of the mine and the receipt of cashflows from it are dependent on finance being available to fund the development of the property.

Grangesberg Iron AB

In May 2014 the group entered into agreements giving it certain rights in the Grangesberg iron ore mine situated in the mineral-rich Bergslagen district of central Sweden about 200 kilometres north-west of Stockholm. Until its closure in 1989 due to prevailing market conditions Grangesberg had mined in excess of 150 million tonnes of iron ore. GIAB holds a 25 year exploitation permit covering the previously mined Grangesberg underground mining operations granted by the Swedish Mining Inspectorate in May 2013.

The group now has a direct 6% interest in GIAB, a private Swedish company founded in 2007 which in 2014 completed a financial and capital restructuring with assistance from the group and a right of first refusal over 51% of the enlarged share capital of GIAB until June 2018. This right has been granted in exchange for the group continuing to co-manage GIAB on a cost recovery basis. The group also has shareholder and cooperation agreements such that Anglesey holds operatorship of GIAB subject to certain conditions and appoints two out of five directors to the board of GIAB.

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

A new geo-mechanical and hydro-geological review was also commissioned. This report confirmed the expected position of a fault zone in the near surface area and measured a number of hydro-geological criteria in that zone. Generally, the results were in line with prior expectations and the report made recommendations regarding some additional investigations that will be required as part of any future definitive feasibility study.

During the coming year, Grangesberg will continue to operate under Anglesey's direction. It is planned that subject to the availability of adequate funding, Grangesberg will advance a number of environmental studies and other activities as a pre-requisite to a definitive feasibility study.

Labrador Iron

Labrador Iron Mines Holdings Limited (LIM) was formerly an associate company in the group however following a dilution of the group's holding in November 2012 it became an investment in which Anglesey holds a 15% interest.

LIM is engaged in the exploration, development and mining of direct shipping iron ore projects near Schefferville in the central part of the Labrador Trough region, one of the major iron ore producing regions in the world. LIM owns extensive iron ore resources, processing plants and equipment and rail infrastructure and facilities in its Schefferville Projects. LIM commenced mining operations in 2011 and in the three year period of 2011, 2012 and 2013 produced a total of 3.6 million dry metric tonnes of iron ore, which was sold in 23 cape-size shipments into the Chinese spot market. LIM did not undertake mining operations during the 2014 or 2015 operating seasons, due to a combination of prevailing low iron ore prices and a continuing need for start-up working capital and development financing.

In April 2015 LIM initiated proceedings under the Canadian Companies' Creditors Arrangement Act to provide an opportunity for the orderly restructuring of its business and financial affairs, so as to enable the company to emerge with a viable business in the most favourable position to secure additional development financing to proceed with the development of its Houston Project and continue as a going concern. It is expected that a Plan of Arrangement will be presented to creditors and the court later this year.

Other activities

The directors continue to search for new properties suitable for development within a relatively short time frame and within the financing capability likely to be available to the group.

Performance

The directors expect to be judged by results of project development and/or exploration and by their success in creating long term value for shareholders. The group holds shares in mineral companies and has interests in exploration and evaluation properties and, until economically recoverable reserves can be identified, there are no standardised performance indicators which can usefully be employed to gauge the performance of the group, other than the market price of the company's shares.

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

Financial results and position

The group has no revenues from the operation of its properties. The loss for the year ended 31 March 2016 after tax was £256,450 compared to a loss of £1,736,610 in the 2015 fiscal year. The larger 2015 loss was due chiefly to falls in the value of the group's investment in Labrador Iron. There were also significant expense reductions during the year (including the waiver by directors of salaries and fees, continuing from July 2014) and the administrative and other costs excluding investment income and finance charges were £112,279. This compares to £355,071 in the previous year which included expenses of £167,256 in connection with the acquisition of the interests in Grangesberg.

During the year there were no additions to fixed assets (2015 - nil) and £49,433 (2015 - £75,145) was capitalised in respect of the Parys Mountain property as mineral property exploration and evaluation.

At 31 March 2016 the group held mineral property exploration and evaluation assets with a carrying value of £14.9 million. These carrying values may not reflect the realizable value of the properties if they were offered for sale at this time.

The group's cash balance at 31 March 2016 was £32,759 (2015 - £96,873). The foreign exchange loss of £2,039 (2015 - loss £4,574) shown in the income statement arises on cash balances held in Canadian dollars and Swedish Krona.

At 31 March 2016 the company had 160,608,051 ordinary shares in issue, unchanged from last year.

Employment, community, donations and environment

The group is an equal opportunity employer in all respects and aims for high standards from and for its employees. It also aims to be a valued and responsible member of the communities which it operates in or affects.

The group has no operations; consequently its effect on the environment is very slight, being limited to the operation of two small offices, where recycling and energy usage minimisation are taken seriously and encouraged. It is not

practical or useful to quantify the effects of these measures. There are no social, community or human rights issues which require the provision of further information in this report.

Risks and uncertainties

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

General mining risks

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

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

Development and liquidity risk

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

Exploration and development

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

Metal prices

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

Foreign exchange

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

Permitting, environment and social

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

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. At 31 March 2016 the company had six male directors; there were no female directors or employees.

Financial instruments

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

Bill Hooley

Chief executive officer

25 July 2016

The directors are pleased to submit their report and the audited accounts for the year ended 31 March 2016.

The corporate governance statement which follows forms part of this report. In accordance with statutory requirements, the principal activities of the group and other information is set out in the strategic report section preceding this report.

Directors

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

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

Directors' interests in material contracts

Juno Limited (Juno), which is registered in Bermuda, holds 36.1% of the company's ordinary share capital. The company has a controlling shareholder agreement and working capital agreement with Juno. Advances made under the working capital agreement are shown in note 19. Apart from interest charges there were no transactions between the group and Juno or its group during the year. An independent committee reviews and approves any transactions and potential transactions with Juno. Danesh Varma is a director and, through his family interests, a significant shareholder of Juno.

John Kearney is chairman and chief executive of LIM, Bill Hooley is a director and vice-chairman of LIM and Danesh Varma is a director of LIM. All three are shareholders of LIM. John Kearney receives remuneration from LIM in his capacity of chief executive. There are no transactions between LIM, the group and the company which are required to be disclosed.

Bill Hooley and Danesh Varma are directors of Grangesberg Iron AB and of the special purpose vehicle Eurmag AB. Danesh Varma has been associated with the Grangesberg project since 2007 when he became a director of Mikula Mining Limited, a company subsequently renamed Eurang Limited, previously involved in the Grangesberg project. He did not take part in the decision to enter into the Grangesberg project when this was approved by the board. The group has a liability to Eurmag AB a subsidiary of Eurang amounting to £245,461 at the year end (2015 - £226,857). See also note 25.

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

Substantial shareholders

At 13 July 2016 the following shareholder had advised the company of an interest in the issued ordinary share capital: Juno Limited notified an interest in 57,924,248 shares representing 36.1% of the issued ordinary shares.

Shares

Allotment authorities and disapplication of pre-emption rights

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

The authority sought in resolution 12 of the notice of the AGM is to enable the directors to allot new shares and grant rights to subscribe for, or convert other securities into shares, up to a nominal value of £540,000 (54,000,000 ordinary shares) which is approximately one third of the total issued ordinary share capital of the company as at 13 July 2016. The directors will consider issuing shares if they believe it would be appropriate to do so in respect of business opportunities that arise consistent with the company's strategic objectives. The directors have no present intention of exercising this general authority, other than in connection with the potential issue of shares pursuant to the company's employee share and incentive plans.

The purpose of resolution 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 £401,500 (40,150,000 ordinary shares). This aggregate nominal amount represents approximately 25% of the issued ordinary share capital of the company at 25 July 2016. Whilst such authority is in excess of the 5% of

existing issued ordinary share capital which is commonly accepted and recommended for larger listed companies, it will provide additional flexibility which the directors believe is in the best interests of the group in its present circumstances. The authority sought under resolution 13 will expire on 31 December 2017. The directors intend to seek renewal of this authority at future annual general meetings.

Rights and obligations attaching to shares

The rights and obligations attaching to the ordinary and deferred shares are set out in the Articles of Association. Details of the issued share capital are shown in note 21. Details of employee share schemes are set out in the Directors Remuneration Report and in note 22.

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

Subject to the provisions of the Companies Act 2006, the rights attached to any class may be varied with the consent of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class.

There are no restrictions on the transfer of the company's shares.

Voting rights

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

No member shall be entitled to vote at a general meeting or at a separate meeting of the holders of any class of shares in the capital of the company, either in person or by proxy, in respect of any share held by him unless all monies presently payable by him in respect of that share have been paid. Furthermore, no shareholder shall be entitled to attend or vote either personally or by proxy at a general meeting or at a separate meeting of the holders of that class of shares or on a poll if he has been served with a notice after failing to provide the company with information concerning interests in his shares required to be provided under the Companies Act 2006.

Significant agreements and change of control

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

Dividend

The group has no revenues and the directors are unable to recommend a dividend (2015 - nil).

Going concern

The directors have considered the business activities of the group as well as its principal risks and uncertainties as set out in this report. When doing so they have carefully applied the guidance given in the Financial Reporting Council's document "Going concern and liquidity risk: Guidance for directors of UK companies 2009".

The ongoing operations of the group are dependent on its ability to raise adequate financing. The group relies on equity financing and support from its shareholders to fund its working capital requirements. The group will need to generate additional financial resources in order to meet its planned business objectives and continue as a going concern. Additional financing will be required in the short term to continue the development of the group's properties and in the longer term to put the Parys Mountain Mine into production.

The directors recognise the continuing operations of the group are dependent upon its ability to raise adequate financing and that this represents a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The directors have a reasonable expectation that the required financing will be raised and are actively pursuing various financing options with certain shareholders and financial institutions regarding proposals for financing. 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.

Greenhouse Gas emissions

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

Post balance sheet events

There are no post balance sheet events to report.

Statement of directors' responsibilities

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

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

In preparing the financial statements the directors are required to:

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

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

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

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

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

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

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

Auditor

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

A resolution to reappoint Mazars LLP as auditor and to authorise the directors to fix their remuneration will be proposed at the annual general meeting.

Danesh Varma

Company Secretary

25 July 2016

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

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

Statement by the chair of the Remuneration Committee

This has once again been a difficult year for the group with significant pressures on very limited resources. All the salaried directors have waived all of their remuneration to assist the company through this challenging time. However the group's policies with regard to directors' remuneration, which are set out below, have not changed. While the group is at its current stage of development, the committee considers that no policy changes are necessary or appropriate; the group needs to retain its executives while also conserving its resources for the tasks which lie ahead. The committee believes that the existing structure is the best way to do that in the current circumstances and for the year ahead.

Howard Miller

Remuneration committee chair

25 July 2016

Directors' remuneration policy

The board's aim, implemented by the remuneration committee, with regard to executive and non-executive directors' remuneration, is to provide a package which will attract, retain and motivate directors of the calibre required and be consistent with the group's ability to pay. So far as is possible, it is the group's policy to keep contract durations, notice periods and termination payments to a minimum. In practice, for executive directors, this results in rolling 12 month contracts.

A bonus for attainment of key corporate targets forms part of overall executive director remuneration as do share options.

Share options were granted to non-executive directors in the past however a fee payment (although currently waived) is now being made to non-executive directors and future share option grants will be reduced or eliminated accordingly. At present there are no pension contributions of any type. There have been no new appointments during the year and the committee has not recommended any changes to existing remuneration packages.

The company has one active share scheme, the 2014 Unapproved Share Option Scheme, and the 2004 Unapproved Share Option Scheme which has options outstanding but is now closed. All directors and employees are eligible to receive options. In determining the amount of options to be granted to each individual, the directors take into account the need for and value of the services provided, the amount of time spent on the business of the group and any other remuneration receivable from the group. All share options are subject to a performance criterion, namely that the company's share price performance over the period from grant to exercise must exceed that of the companies in the top quartile of the FTSE 100 index. This index was selected as being an easily available benchmark of general corporate performance.

Annual report on remuneration

Terms and conditions of service

John Kearney, the chairman, does not receive fees; he has in the past been remunerated by the grant of options over the company's shares however he does not currently hold any such options.

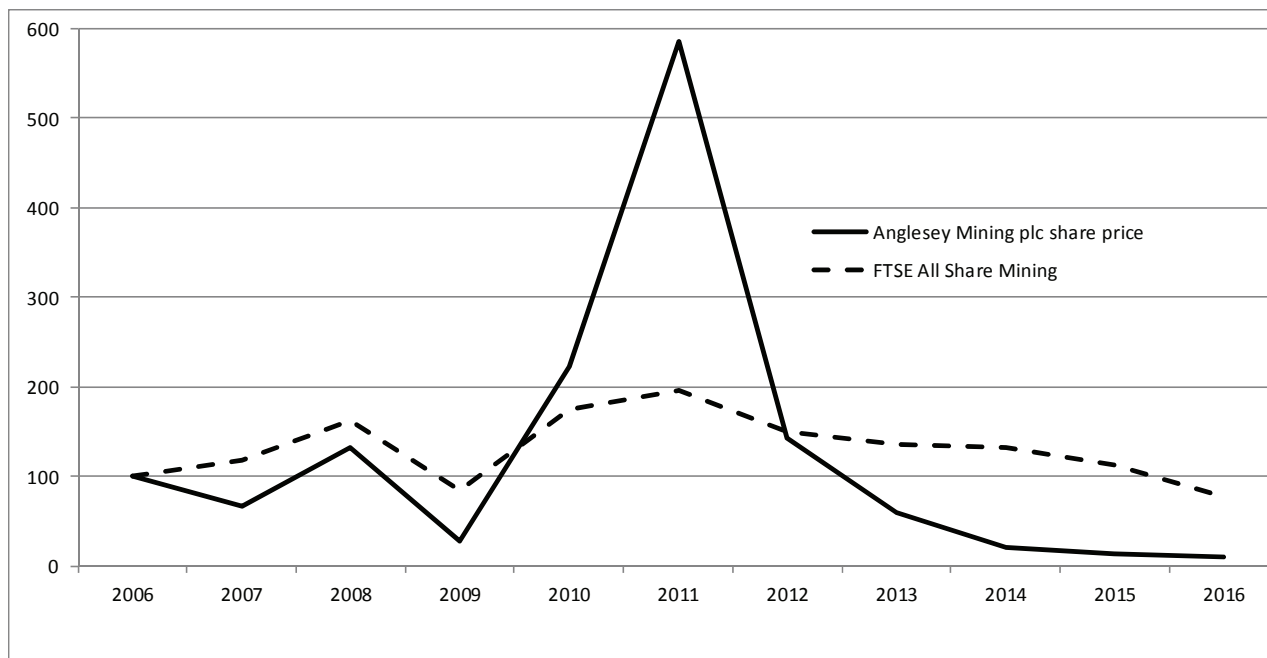
Bill Hooley has written terms of employment with rolling notice periods of 12 months and no other entitlement to termination or bonus payments. Each of the non-executive directors has a written contract for services, terminable at one month's notice.

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

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

Total shareholder return graph

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

**Single figure of total remuneration - audited**

Name	2016			2015		
	Salary and fees £	Pension £	Total £	Salary and fees £	Pension £	Total £
Executive						
John Kearney	-	-	-	-	-	-
Bill Hooley	-	-	-	15,000	-	15,000
Danesh Varma	-	-	-	6,000	-	6,000
Non-executive						
Howard Miller	-	-	-	1,250	-	1,250
David Lean	-	-	-	1,250	-	1,250
Roger Turner	-	-	-	1,250	-	1,250
Totals	-	-	-	24,750	-	24,750

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

CEO remuneration table - audited

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
CEO total remuneration in £	-	15,000	60,000	60,000	33,297	20,000	20,000	102,000	107,000	60,000
Bonus payout against maximum	0%	0%	0%	0%	0%	0%	0%	50%	0%	0%

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

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

This table shows the percentage change in remuneration of the director undertaking the role of chief executive and the company's employees as a whole between 2015 and 2016:

	CEO	Employees
Salaries and fees	-100%	0%
Benefits	0%	0%
Bonus	0%	0%
Total remuneration	-100%	0%

Directors' share options - audited

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

Name	Options at 1 April 2015	Granted in year	Exercised in year	Lapsed in year	Options at 31 March 2016	Exercise price	Date from which exercisable	Expiry date
Bill Hooley	1,000,000	-	-	1,000,000	-	10.625p	15 Jan 07	15 Jan 16
Bill Hooley	1,500,000	-	-	-	1,500,000	21.900p	26 Nov 07	26 Nov 17
David Lean	50,000	-	-	50,000	-	10.625p	15 Jan 07	15 Jan 16
David Lean	400,000	-	-	-	400,000	21.900p	26 Nov 07	26 Nov 17
Howard Miller	400,000	-	-	-	400,000	21.900p	26 Nov 07	26 Nov 17
Howard Miller	200,000	-	-	-	200,000	5.000p	27 Mar 10	27 Mar 19
Roger Turner	100,000	-	-	100,000	-	10.625p	15 Jan 07	15 Jan 16
Roger Turner	400,000	-	-	-	400,000	21.900p	26 Nov 07	26 Nov 17
Danesh Varma	200,000	-	-	200,000	-	10.625p	15 Jan 07	15 Jan 16
Danesh Varma	500,000	-	-	-	500,000	21.900p	26 Nov 07	26 Nov 17
Danesh Varma	200,000	-	-	-	200,000	5.000p	27 Mar 10	27 Mar 19
	4,950,000	-	-	1,350,000	3,600,000			

The market price of the ordinary shares at 31 March 2016 was 1.325 pence, the high for the year to 31 March 2016 was 2.75 pence and the low for the year was 0.90 pence. The mid-market price at 13 July 2016 was 1.30 pence.

Other components of remuneration - audited

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

Directors' share and share option holdings summarised – audited

Director.	13 July 2016		31 March 2016		Total	31 March 2015		Total
	Number of options	Number of ordinary shares	Number of options	Number of ordinary shares		Number of options	Number of ordinary shares	
John Kearney	-	-	-	-	-	-	-	-
Bill Hooley	1,500,000	200,000	1,500,000	200,000	1,700,000	2,500,000	200,000	2,700,000
Danesh Varma	700,000	-	700,000	-	700,000	900,000	-	900,000
David Lean	400,000	-	400,000	-	400,000	450,000	-	450,000
Howard Miller	600,000	-	600,000	-	600,000	600,000	-	600,000
Roger Turner	400,000	-	400,000	-	400,000	500,000	-	500,000
	3,600,000	200,000	3,600,000	200,000	3,800,000	4,950,000	200,000	5,150,000

All of these interests are beneficial.

Relative importance of spend on pay

The total pay for the year ended 31 March 2016 was £10,195 and for the year ended 31 March 2015 it was £21,000. The change between the years is a reduction of 51%. There are no dividends or distributions with which to compare this reduction and no relevant performance related pay to consider.

Statement of voting at general meeting

The voting in respect of the approval of the directors' remuneration report at the annual general meeting held on 28 September 2015 was as follows: for the resolution 99.5%, against the resolution 0.5% and withheld votes 0.0%.

Future remuneration policy

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

Awards under previous remuneration policies

Any awards or remuneration-related commitments made to directors under previous remuneration policies will continue to be honoured.

Approach to recruitment remuneration

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

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

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

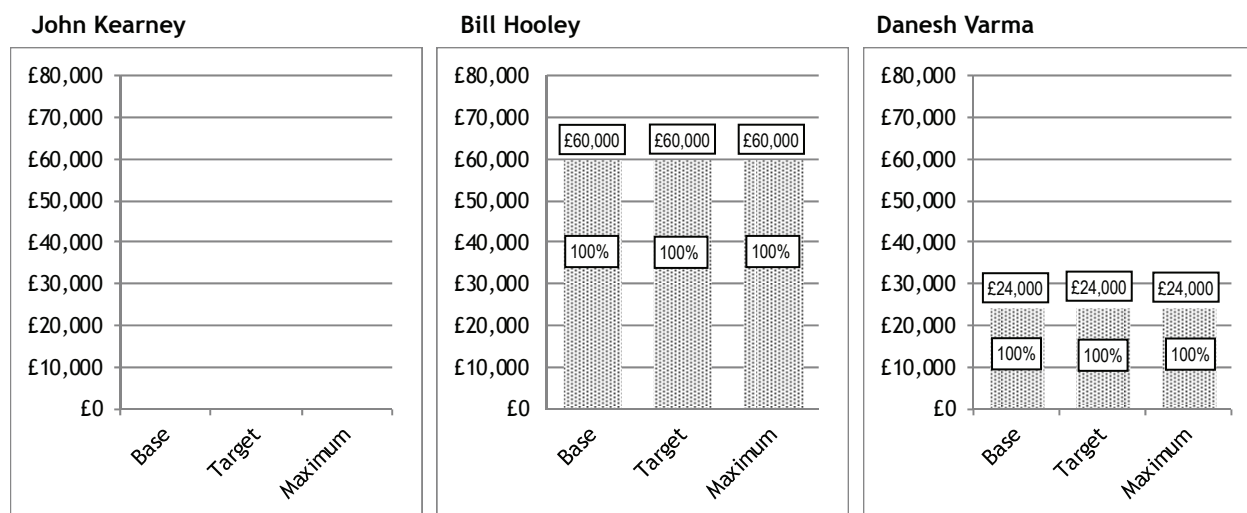
Service contracts

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

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

Remuneration scenario charts

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



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

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

Policy on loss of office

Generally any severance payments on termination are limited to established contractual arrangements only. Any payment in lieu of notice would be limited to salary and benefits, and subject to mitigation.

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

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

Difference between director remuneration policy and that for other employees

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

Consideration of employment conditions

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

Consideration of shareholder views

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

Danesh Varma

Company Secretary

25 July 2016

Principles

The board bases its policies and practices in relation to corporate governance on the 2014 Financial Reporting Council UK Corporate Governance Code (the “Code”). The group has also made use of the Corporate Governance Guidelines for Smaller Quoted Companies published by the Quoted Companies Alliance in 2013 which relates to the implementation of corporate governance for smaller quoted companies.

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

The Board

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

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

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

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

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

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

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

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

Remuneration committee

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

Audit committee

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

Nomination committee

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

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

Assessment of directors' performance

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

Internal control

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

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

Risks and uncertainties

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

Communication with shareholders

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

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

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

Directors' appointment and attendance at board and committee meetings

During the year attendance at meetings was as follows:

Director	Date appointed	Next election	Meetings			
			Board	Audit	Remuneration	Nomination
Total number of meetings:			4	3	0	0
John Kearney	10 November 1994	2016	4			
Bill Hooley	10 January 2006	2016	3			
Howard Miller	20 September 2001	2016	3	3		
David Lean	20 September 2001	2016	2	3		
Roger Turner	10 January 2006	2016	4			
Danesh Varma	15 November 1994	2016	4			

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

Compliance with the Combined Code

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

- A.3.1 - John Kearney was, on appointment, both chairman and chief executive of the company. He is currently executive chairman.
- B.1.1 - Non-executive directors hold options over shares; these were granted before the Code came into effect. It is not the intention of the board to grant further options to non-executive directors. The three non-executive directors of the board have served for more than 9 years.
- B.6 - There has been no formal and rigorous annual evaluation of the performance of the board, its committees or the individual directors.
- D.1.2 - Executive directors' remuneration from other sources: John Kearney and Danesh Varma divide their time between a number of mineral companies and other activities; they are not currently remunerated.

Danesh Varma

Company Secretary

25 July 2016

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

Financial statements and internal control

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

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

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

Internal and external audits

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

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

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

Mazars were appointed as auditors in 2008 after a tendering process involving four firms. The committee considered and approved the provision of taxation services by Mazars during the year which were routine in nature.

Howard Miller

Audit committee chair

25 July 2016

We have audited the financial statements of Anglesey Mining plc for the year ended 31 March 2016 which comprise the Group Income Statement, the Group Consolidated Statement of Comprehensive Income, the Group and Company Statement of Financial Position, the Group and Company Statement of Changes in Equity, the Group and Company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs) (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report in order to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

There are 7 legal entities accounting for 100% of the group's operating loss, 100% of net assets and 100% of total assets all of which were subject to full scope audits for the year ended 31 March 2016. The audit of all the entities within the group was undertaken by the group audit team.

Our assessment and application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on the financial statements and our audit. Materiality is used so we can plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements.

Based on our professional judgement the level of overall materiality we set for the group financial statements is outlined below:

Overall Group materiality:	£363,000
Benchmark applied:	This has been calculated with reference to the group's net assets, of which it represents approximately 3%.
Basis for chosen benchmark:	Net assets represents shareholders' funds and we have determined it to be the principal benchmark within the financial statements relevant to shareholders, as the group has no revenues and is still exploring and evaluating mineral sites in which it retains an interest. 3% has been chosen to reflect the level of understanding of the stakeholders of the Group in relation to the inherent uncertainties around accounting estimates and judgements.

We agreed with the Audit Committee that we would report to it all audit differences in excess of £11,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified during the course of assessing the overall presentation of the financial statements.

Our assessment of the risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

The risk	Our response
<p><i>Going concern</i></p> <p>The financial statements are prepared on a going concern basis in accordance with IAS1 ‘Presentation of Financial Statements’. Given the cash position of the group at the year end, the net current liabilities of £91,996, the net cash outflows since the year end, and the projected net cash outflows for the next 12 months there is a potential material uncertainty that the group does not have sufficient cash or other financial resources to continue in operation for at least 12 months from the date of authorising these financial statements.</p>	<p>We evaluated the directors’ assessment of the group’s ability to continue as a going concern. In particular, we reviewed and challenged the cash flow forecasts including key assumptions to assess the risk of the inability to meet liabilities as they fall due. We have considered the group’s reliance on ongoing support from its largest shareholder, Juno Limited, including its ability to provide adequate funds for its current and future activities and the availability of other sources of finance to the group to support the going concern assumption.</p> <p>In the absence of support from Juno Limited, the Directors consider that the going concern status of the group would be dependent on the raising of funds from share issues or from accessing alternative sources of funding. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the group and company’s ability to continue as a going concern. Accordingly, as outlined below, without modifying our opinion on the financial statements in respect of this matter, we have included an emphasis of matter.</p>
<p><i>Potential impairment of capitalised costs associated with the exploration and evaluation of the Parys Mountain mine site</i></p> <p>The group has held rights to explore and mine the site for a number of years but has not completed exploration and evaluation activities and feasibility assessments to an extent where the site has been confirmed as being commercially viable and mining activities commenced. There is a risk that accounting criteria associated with the capitalisation of exploration and evaluation expenditure may no longer be appropriate and that capitalised costs exceed the value in use. Any assessment of the value in use is highly judgemental and is based on the directors’ assessment of a number of factors, including: long term metal commodity prices, the estimated mineral deposits from independent experts’ studies, costs associated with mineral extraction and sale, discount rates and exchange rate factors.</p>	<p>Our audit work included, but was not restricted to, a review of the directors’ assessment of the criteria for the capitalisation of exploration and evaluation expenditure and whether there are any indicators of impairment to capitalised costs. The directors concluded that there were indicators of potential impairment, however their assessment did not indicate that an impairment of the asset was required.</p> <p>Our work included a review of the integrity of the discounted cash flow model used by the directors to make an assessment as to whether impairment had occurred, as well as using our professional scepticism to challenge and test the key assumptions for sensitivity to the model. These key assumptions included: the expected future revenue and costs associated with the extraction and sale of the mineral deposits, future metal prices, currency exchange rates, demand for the minerals and the discount rate utilised in the financial model. Our work did not indicate that impairment to exploration and evaluation assets was required.</p>

<p><i>Potential impairment of the investment in the subsidiary, Parys Mountain Mines Limited, in the company financial statements</i></p> <p>The cost of the investment in and loan due from the subsidiary, Parys Mountain Mines Limited, held in the balance sheet of the company, is supported by the future cash flows associated with the recovery of the exploration and evaluation assets following the development of the Parys Mountain site held by Parys Mountain Mines Limited. If there were impairment in the exploration and evaluation assets, this would have a direct impact on the carrying value of the investment in and loan due from the subsidiary, which may need to be written down in the company's accounts.</p>	<p>In conjunction with our work associated with the potential impairment of the exploration and evaluation assets held within Parys Mountain Mine Limited, we considered whether there was an indication that the cost of the investment in and loan due from the subsidiary required writing down in the company. As there was no impairment of the asset held by Parys Mountain Mine Limited, there is no indication that the carrying value of the investment in and loan due from the company was not recoverable.</p>
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The Audit Committee's consideration of these risks is set out on page 18.

The audit procedures relating to the above mentioned matters were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of these risks, and we do not express an opinion on these individual risks.

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2016 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified in this regard, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the Group's ability to continue as a going concern. The Group incurred a net cash outflow of £83,330 during the year ended 31 March 2016 and, at that date it had net current liabilities of £91,996. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion 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;
- 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
- the information given in the Corporate Governance Statement with respect to internal control and risk management systems in relation to financial reporting processes and about share capital is consistent with the financial statements and rules 7.2.5 and 7.2.6 of the Disclosure and Transparency Rules.

Disclosures of principal risks

Based on the knowledge we acquired during our audit, we have nothing material to add or draw attention to in relation to:

- the risks and uncertainties on page 6, concerning the principal risks, their management, on page 16 and 18, and, based on that, the Directors' assessment and expectations of the Group's continuing in operation, on page 8; or
- the disclosures in note 2 of the Financial Statements concerning the use of the going concern basis of accounting.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the International Standards on Auditing (ISAs) (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the company acquired in the course of performing our audit; or
- otherwise misleading.

In particular we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

Under the Companies Act 2006, we are required to report to you, if in our opinion:

- adequate accounting records have not been kept, 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 company.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 8, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Robert Neate (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House, St. Katharine's Way, London, E1W 1DD

Date: 25 July 2016

Group income statement

All attributable to equity holders of the company

	Notes	Year ended 31 March 2016 £	Year ended 31 March 2015 £
All operations are continuing			
Revenue		-	-
Expenses		(112,279)	(355,071)
Impairment of investment	14	-	(1,231,218)
Exchange difference on investment impairment	14	-	(26,766)
Investment income	6	335	882
Finance costs	7	(142,467)	(119,863)
Foreign exchange loss		(2,039)	(4,574)
Loss before tax	4	(256,450)	(1,736,610)
Taxation	8	-	-
Loss for the period		(256,450)	(1,736,610)
Loss per share			
Basic - pence per share	9	(0.2)p	(1.1)p
Diluted - pence per share	9	(0.2)p	(1.1)p

Group consolidated statement of comprehensive income

Loss for the period	(256,450)	(1,736,610)
Other comprehensive income		
Items that may subsequently be reclassified to profit or loss:		
Exchange difference on translation of foreign holding	(7,294)	(31,163)
Total comprehensive loss for the period	(263,744)	(1,767,773)

Statement of financial position of the group

	Notes	31 March 2016 £	31 March 2015 £
Assets			
Non-current assets			
Mineral property exploration and evaluation	10	14,926,626	14,877,193
Property, plant and equipment	11	204,687	204,687
Investments	14	86,660	86,660
Deposit	15	123,078	122,806
		<u>15,341,051</u>	<u>15,291,346</u>
Current assets			
Other receivables	16	32,759	30,977
Cash and cash equivalents	17	11,504	96,873
		<u>44,263</u>	<u>127,850</u>
Total assets		<u>15,385,314</u>	<u>15,419,196</u>
Liabilities			
Current liabilities			
Trade and other payables	18	(136,259)	(121,557)
		<u>(136,259)</u>	<u>(121,557)</u>
Net current (liabilities)/assets		<u>(91,996)</u>	<u>6,293</u>
Non-current liabilities			
Loans	19	(3,097,662)	(2,882,502)
Long term provision	20	(50,000)	(50,000)
		<u>(3,147,662)</u>	<u>(2,932,502)</u>
Total liabilities		<u>(3,283,921)</u>	<u>(3,054,059)</u>
Net assets		<u>12,101,393</u>	<u>12,365,137</u>
Equity			
Share capital	21	7,116,914	7,116,914
Share premium		9,848,949	9,848,949
Currency translation reserve		(38,457)	(31,163)
Retained losses		(4,826,013)	(4,569,563)
Total shareholders' equity		<u>12,101,393</u>	<u>12,365,137</u>

The financial statements of Anglesey Mining plc were approved by the board of directors, authorised for issue on 25 July 2016 and signed on its behalf by:

John F. Kearney, Chairman

Danesh Varma, Finance Director

Statement of financial position of the company

	Notes	31 March 2016 £	31 March 2015 £
Assets			
Non-current assets			
Investments	13	14,144,127	14,117,026
		<u>14,144,127</u>	<u>14,117,026</u>
Current assets			
Other receivables	16	15,433	13,945
Cash and cash equivalents	17	7,867	72,088
		<u>23,300</u>	<u>86,033</u>
Total Assets		14,167,427	14,203,059
Liabilities			
Current liabilities			
Trade and other payables	18	(117,435)	(102,660)
		<u>(117,435)</u>	<u>(102,660)</u>
Net current liabilities		(94,135)	(16,627)
Non-current liabilities			
Loan	19	(2,852,201)	(2,659,916)
		<u>(2,852,201)</u>	<u>(2,659,916)</u>
Total liabilities		(2,969,636)	(2,762,576)
Net assets		11,197,791	11,440,483
Equity			
Share capital	21	7,116,914	7,116,914
Share premium		9,848,949	9,848,949
Retained losses		(5,768,072)	(5,525,380)
Shareholders' equity		11,197,791	11,440,483

The financial statements of Anglesey Mining plc registered number 1849957 were approved by the board of directors and authorised for issue on 25 July 2016, 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 2014	7,116,914	9,848,949	-	(2,832,953)	14,132,910
Total comprehensive loss for the year:					
Loss for the year	-	-	-	(1,736,610)	(1,736,610)
Exchange difference on translation of foreign holding	-	-	(31,163)	-	(31,163)
Total comprehensive loss for the year	-	-	(31,163)	(1,736,610)	(1,767,773)
Equity at 31 March 2015	7,116,914	9,848,949	(31,163)	(4,569,563)	12,365,137
Total comprehensive loss for the year:					
Loss for the year	-	-	-	(256,450)	(256,450)
Exchange difference on translation of foreign holding	-	-	(7,294)	-	(7,294)
Total comprehensive loss for the year	-	-	(7,294)	(256,450)	(263,744)
Equity at 31 March 2016	7,116,914	9,848,949	(38,457)	(4,826,013)	12,101,393

Company	Share capital £	Share premium £	Retained losses £	Total £
Equity at 1 April 2014	7,116,914	9,848,949	(5,212,341)	11,753,522
Total comprehensive loss for the year:				
Loss for the year	-	-	(313,039)	(313,039)
Total comprehensive loss for the year	-	-	(313,039)	(313,039)
Equity at 31 March 2015	7,116,914	9,848,949	(5,525,380)	11,440,483
Total comprehensive loss for the year:				
Loss for the year	-	-	(242,692)	(242,692)
Total comprehensive loss for the year	-	-	(242,692)	(242,692)
Equity at 31 March 2016	7,116,914	9,848,949	(5,768,072)	11,197,791

Statement of cash flows of the group

	Notes	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Operating activities			
Loss for the period		(256,450)	(1,736,610)
Adjustments for:			
Investment income	6	(335)	(882)
Finance costs	7	142,467	119,863
Impairment of investment	14	-	1,231,218
Exchange difference on investment impairment	14	-	26,766
Foreign exchange movement		2,039	4,574
Exchange difference on translation of foreign holding			-
		(112,279)	(355,071)
Movements in working capital			
Increase in receivables		(1,782)	(15,867)
Increase in payables		14,775	4,934
Net cash used in operating activities		(99,286)	(366,004)
Investing activities			
Investment income		63	672
Mineral property exploration and evaluation		(49,506)	(69,888)
Investment		-	(74,940)
Net cash used in investing activities		(49,443)	(144,156)
Financing activities			
Loans		65,399	322,510
Net cash generated from financing activities		65,399	322,510
Net decrease in cash and cash equivalents		(83,330)	(187,650)
Cash and cash equivalents at start of year		96,873	289,097
Foreign exchange movement		(2,039)	(4,574)
Cash and cash equivalents at end of year	17	11,504	96,873

Statement of cash flows of the company

	Notes	Year ended 31 March 2016 £	Year ended 31 March 2014 £
Operating activities			
Loss for the period	23	(242,692)	(313,039)
Adjustments for:			
Investment income		-	(477)
Finance costs		127,718	116,043
		(114,974)	(197,473)
Movements in working capital			
Increase in receivables		(1,488)	(152)
Increase in payables		14,775	16,653
Net cash used in operating activities		(101,687)	(180,972)
Investing activities			
Interest income		-	477
Investments and long term loans		(27,101)	(139,462)
Net cash used in investing activities		(27,101)	(138,985)
Financing activities			
Loan from Juno Limited		64,567	125,000
Net cash generated from financing activities		64,567	125,000
Net decrease in cash and cash equivalents		(64,221)	(194,957)
Cash and cash equivalents at start of period		72,088	267,045
Cash and cash equivalents at end of period	17	7,867	72,088

1 General information

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

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

2 Significant accounting policies

Basis of Accounting

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

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

Going concern

The financial statements are prepared on a going concern basis. The validity of the going concern basis is dependent on finance being available for the continuing working capital requirements of the group for the foreseeable future, being a period of at least twelve months from the date of approval of the accounts. The ongoing operations of the group are dependent on its ability to raise adequate financing. The group relies on equity financing and support from its shareholders to fund its working capital requirements. The group will need to generate additional financial resources in order to meet its planned business objectives and continue as a going concern. Additional financing will be required in the short term to continue the development of the group's properties and in the longer term to put the Parys Mountain Mine into production.

The directors recognise the continuing operations of the group are dependent upon its ability to raise adequate financing. The directors have a reasonable expectation that the required financing will be raised and are actively pursuing various financing options with certain shareholders and financial institutions regarding proposals for financing. 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.

Basis of consolidation

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

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

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

Revenue recognition

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

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 disposition 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.

*Significant accounting policies - continued***Equity-settled employee benefits**

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

Taxation

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

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

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

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

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. The carrying value is reviewed annually to consider whether it exceeds the recoverable value in which case any impairment in value would be charged immediately to the income statement.

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

Intangible assets - mineral property exploration and evaluation costs

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

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

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

Impairment of tangible and intangible assets

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

Investments

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

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

Provisions

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

Financial instruments

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

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

Significant accounting policies - continued

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

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

(c) *Available for sale financial assets.* Unlisted shares held by the group that are classified as being AFS are stated at cost on the basis that the shares are not quoted and a reliable fair value is not able to be estimated.

Dividends on AFS equity instruments are recognised in profit or loss when the group's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The foreign exchange gains and losses that are recognised in profit or loss are determined based on amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

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

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

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

Equity instruments

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

Leases

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

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

New accounting standards

There are no new accounting standards and interpretations that the group and company has adopted in the year.

The group and company have adopted the amendments to the following accounting standards interpretation:

Annual Improvements 2010 - 2012 cycle amendments to IFRS2, IFRS3, IFRS8 IAS 16, IAS24 and IAS38.

Annual Improvements 2011 - 2013 cycle amendments to IFRS3, IFRS13 and IAS40.

There has been no impact of adopting the amendments.

The group and the company have not applied the following IFRS, IAS and IFRICs that are applicable and have been issued but are not yet effective:

- IAS 1 Presentation of Financial Information: Amendment relates to the disclosure initiative; Effective - Annual periods beginning on or after 1 January 2016
- IAS16 Property, plant and equipment and IAS 38 Intangible Assets: Amendments regarding the clarification of acceptable methods of depreciation and amortisation; Amended May 2014; Effective for Annual periods beginning on or after 1 January 2016
- IAS 27 Separate Financial Statements (as amended in 2011): Original issue; Issued - May 2011; Effective - Annual periods beginning on or after 1 January 2016
- IFRS 11 Joint Arrangements: Amendment relating to the accounting for acquisition of interests in joint operations; Effective - Annual periods beginning on or after 1 January 2016
- IAS 12: Income taxes: Amendment relating to recognition of deferred tax assets on unrealised losses; Effective - Annual periods beginning on or after 1 January 2017
- IAS 7: Statement of cash flows: Amendment relating to the disclosure initiative; Effective - Annual periods beginning on or after 1 January 2017
- IFRS 15 Revenue from contracts with customers: Original issue; Issued - May 2014; Effective - Annual periods beginning on or after 1 January 2018
- IFRS 9 Financial Instruments; Original issue; Issued - November 2009; Effective - Annual periods beginning on or after 1 January 2018
- IFRS 16 Leases: Original issue, Issued - January 2016; effective - Annual periods beginning on or after 1 January 2019

Significant accounting policies - continued

The directors expect that the adoption of the above pronouncements (with the possible exceptions of IFRS9, IFRS15 and IFRS16) will have no material impact to the financial statements in the period of initial application other than disclosure. IFRS 9 is still ongoing and yet to be adopted by the EU. The directors have not yet assessed the full impact of IFRS15 and IFRS16 on these financial statements.

The directors do not consider the adoption of the amendments resulting from the Annual Improvements 2012 - 2014 cycle will result in a material impact on the financial information of the group and company. These amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34 are effective for accounting periods beginning on or after 1 January 2016.

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

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

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

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

(b) In connection with possible impairment of assets the directors assess each potentially cash generating unit annually to determine whether any indication of impairment exists. The judgements made when doing so are similar to those set out above and are subject to the same uncertainties.

Nature and purpose of equity reserves

The share premium reserve represents the consideration that has been received in excess of the nominal value of shares on issue of new ordinary share capital, less any direct costs of issue. The currency translation reserve represents the variations on revaluation of overseas foreign subsidiaries and associates. The retained earnings reserve represents profits and losses retained in previous and the current period.

3 Segmental information

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

Income statement analysis

	2016				2015			
	UK £	Sweden £	Canada £	Total £	UK £	Sweden £	Canada £	Total £
Expenses	(108,606)	(3,673)	-	(112,279)	(187,815)	(167,256)	-	(355,071)
Impairment of investment	-	-	-	-	-	-	(1,231,218)	(1,231,218)
Exchange difference on above	-	-	-	-	-	-	(26,766)	(26,766)
Investment income	335	-	-	335	882	-	-	882
Finance costs	(142,467)	-	-	(142,467)	(119,863)	-	-	(119,863)
Exchange rate loss	(1,976)	(63)	-	(2,039)	(4,574)	-	-	(4,574)
Loss for the year	(252,714)	(3,736)	-	(256,450)	(311,370)	(167,256)	(1,257,984)	(1,736,610)

Assets and liabilities

	31 March 2016				31 March 2015			
	UK £	Sweden £	Canada £	Total £	UK £	Sweden £	Canada £	Total £
Non-current assets	15,254,391	86,659	1	15,341,051	15,204,686	86,659	1	15,291,346
Current assets	43,069	1,194	-	44,263	123,364	4,486	-	127,850
Liabilities	(3,038,460)	(245,461)	-	(3,283,921)	(2,831,473)	(222,586)	-	(3,054,059)
Net assets/liabilities	12,259,000	(157,608)	1	12,101,393	12,496,577	(131,441)	1	12,365,137

4 Operating result

The loss before taxation for the year has been arrived at after charging:

	2016 £	2015 £
Fees payable to the group's auditor:		
for the audit of the annual accounts	22,000	22,000
for the audit of subsidiaries' accounts	3,000	3,000
for other services - taxation compliance	2,000	2,500
for other services	800	800
Directors' remuneration	-	24,750
Foreign exchange loss	2,039	4,574

5 Staff costs

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

	2016	2015
Administrative	3	3
	3	3

Their aggregate remuneration was:

	£	£
Wages and salaries	9,205	33,985
Social security costs	990	2,118
Other pension costs	-	-
	10,195	36,103

Details of directors' remuneration and share options are given in the directors' remuneration report.

6 Investment income

		2016	2015
Loans and receivables		£	£
Interest on bank deposits		63	672
Interest on site re-instatement deposit	15	272	210
		335	882

7 Finance costs

		2016	2015
Loans and payables		£	£
Loan interest to Juno Limited	19	127,718	116,043
Loan interest to Eurmag AB	19	14,749	3,820
		142,467	119,863

For both loans the interest shown is accrued and not required to be paid in cash.

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 2016 of £1.2 million (2015 - £1.3 million) which, in view of the group's trading results, is not considered by the directors to be recoverable in the short term. There are also capital allowances, including mineral extraction allowances, of £12.5 million unclaimed and available at 31 March 2016 (2015 - £12.4 million). No deferred tax asset is recognised in respect of these allowances.

	2016	2015
	£	£
Current tax	-	-
Deferred tax	-	-
Total tax	-	-

Domestic income tax is calculated at 20% of the estimated assessed profit for the year. In 2015 the rate used was 21% and the change this year is due to a change in Corporation Tax rates. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

Loss for the year	(256,450)	(1,736,610)
Tax at the domestic income tax rate of 20% (2015 - 21%)	(51,290)	(364,688)
Tax effect of:		
Expenses that are not deductible in determining taxable result:	-	-
Losses on interest in investments	-	364,688
Unrecognised deferred tax on losses	51,290	-
Total tax	-	-

9 Earnings per ordinary share

	2016	2015
	£	£
Earnings		
Loss for the year	(256,450)	(1,736,610)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	160,608,051	160,608,051
Weighted average number of ordinary shares for the purposes of diluted earnings per share	160,608,051	160,608,051
Basic earnings per share	(0.2)p	(1.1)p
Diluted earnings per share	(0.2)p	(1.1)p

As the group has a loss for the year ended 31 March 2016 the effect of the outstanding share options is anti-dilutive and diluted earnings are reported to be the same as basic earnings.

10 Mineral property exploration and evaluation costs - group

	Parys Mountain
Cost	£
At 1 April 2014	14,802,048
Additions - site	59,049
Additions - rentals & charges	16,096
<hr/>	
At 31 March 2015	14,877,193
Additions - site	27,045
Additions - rentals & charges	22,388
<hr/>	
At 31 March 2016	14,926,626
<hr/>	
Carrying amount	
Net book value 2016	14,926,626
<hr/>	
Net book value 2015	14,877,193
<hr/>	

Included in the additions are mining lease expenses of £16,200 (2015 - £16,096).

Potential impairment of mineral property

Accumulated exploration and evaluation expenditure in respect of the Parys project is carried in the financial statements at cost, less an impairment provision where there are grounds to believe that the discounted present value of the future cash flows from the project is less than the carrying value or there are other reasons to indicate that the carrying value is unsuitable.

This year the directors carried out an impairment review with an effective date of 26 March 2016. This review was based on an estimate of discounted future cash flows from the development and operation of the Parys Mountain project over the initial projected mine life of 16 years and assumed that there would be a two year delay before any activities commence. The directors have used past experience and an assessment of future conditions, together with external sources of information, to determine the assumptions which were adopted in the preparation of a financial model used to estimate the cashflows.

The key assumptions utilised were:

- Capital costs were estimated at current costs when the expenditure is planned to be incurred; neither revenues nor operating costs take into account any inflation.
- Metal prices (long-term estimates): zinc 1.25 US\$/lb; copper 2.50 US\$/lb; lead 1.00 US\$/lb; silver US\$17.50 per ounce and gold US\$1275 per ounce. Exchange rate US\$1.40/£1.00.
- The discount rate of 10% applied to future cashflows is one which reflects the directors' current market assessment of the time value of money and any risk factors which have not been adjusted already in the preparation of the forecast.

The directors estimated the sensitivity of the assumptions used in the cashflow model which would significantly affect the discounted net present value of the projected Parys cashflows. The figures which follow are the variation expressed in percent of each specific assumption which would, on its own, reduce the calculated net present value to the carrying value of the intangible asset in the accounts: copper price -20%, zinc price -6%, lead price -13%, capital expenditure +8%, operating costs +11% and the discount rate +9%.

The directors re-evaluated the impairment review following the EU Referendum result and decided there was no requirement for any change in their original assessment or calculations. Any depreciation in the value of sterling in relation to the US dollar would have a positive effect on the project cashflows.

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

Based on the review set out above the directors have determined that no impairment provision is required in the financial statements in respect of the carrying value of the Parys property.

11 Property, plant and equipment

Group	Freehold land and property	Plant & equipment	Office equipment	Total
Cost	£	£	£	£
At 1 April 2014	204,687	17,434	5,487	227,608
At 31 March 2015 and 2016	204,687	17,434	5,487	227,608
Depreciation				
At 1 April 2014	-	17,434	5,487	22,921
At 31 March 2015 and 2016	-	17,434	5,487	22,921
Carrying amount				
At 31 March 2015 and 2016	204,687	-	-	204,687

Company	Freehold land and property	Plant & equipment	Office equipment	Total
Cost	£	£	£	£
At 1 April 2014	-	17,434	5,487	22,921
At 31 March 2015 and 2016	-	17,434	5,487	22,921
Depreciation				
At 1 April 2014	-	17,434	5,487	22,921
At 31 March 2015 and 2016	-	17,434	5,487	22,921
Carrying amount				
At 31 March 2015 and 2016	-	-	-	-

12 Subsidiaries - company

The subsidiaries of the company at 31 March 2016 and 2015 were as follows:

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

13 Investments - company

	Shares at cost	Capital contributions	Total
	£	£	£
At 1 April 2014	100,103	13,877,461	13,977,564
Advanced	3,922	135,540	139,462
At 31 March 2015	104,025	14,013,001	14,117,026
Advanced	-	27,101	27,101
Repaid	-	-	-
At 31 March 2016	104,025	14,040,102	14,144,127

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 31 March 2014	1,257,985	-	1,257,985
Addition during period	-	86,659	86,659
Impairment resulting from adjustment to nominal value	(1,231,218)	-	(1,231,218)
Exchange difference arising on adjustment above	(26,766)	-	(26,766)
At 31 March 2015	1	86,659	86,660
Addition during period	-	-	-
At 31 March 2016	1	86,659	86,660

LIM

The group's investment in LIM is now classified as 'unquoted'. Based on the difficulty of determining a fair market value the directors decided in 2015 to write down the value of the LIM shares to a nominal value of £1 and to reclassify it as Level 3 rather than Level 1 under the IFRS fair value hierarchy. This treatment has been continued this year.

Grangesberg

The group has, through its Swedish subsidiary Angmag AB, a 6% ownership interest in GIAB, a Swedish company which holds rights over the Grangesberg iron ore deposits. This investment has been initially recognised and subsequently measured at cost, on the basis that the shares are not quoted and a reliable fair value is not able to be estimated. The group has a right of first refusal (expiring on 30 June 2018) over a further 51% of the equity of GIAB together with management direction of the activities of GIAB, subject to certain restrictions. The group has significant influence over certain relevant activities of GIAB however equity accounting has not been applied in respect of this influence as the directors consider this would not have any material affect.

15 Deposit

	Group	
	2016	2015
	£	£
Site re-instatement deposit	123,078	122,806

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

16 Other receivables

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Other	32,759	30,977	15,433	13,945

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

17 Cash and cash equivalents

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Held in sterling	9,120	72,571	7,867	72,088
Held in Canadian dollars	1,190	19,816	-	-
Held in US dollars	408	2,167	-	-
Held in Swedish Krona	786	2,319	-	-
	11,504	96,873	7,867	72,088

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

18 Trade and other payables

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade payables	(77,465)	(71,538)	(64,142)	(58,142)
Taxes	-	(1,848)	-	(1,848)
Other accruals	(58,794)	(48,171)	(53,293)	(42,670)
	(136,259)	(121,557)	(117,435)	(102,660)

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

19 Loans

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Loan from Juno Limited	(2,852,201)	(2,659,916)	(2,852,201)	(2,659,916)
Loan from Eurmag AB	(245,461)	(222,586)	-	-
	(3,097,662)	(2,882,502)	(2,852,201)	(2,659,916)

Juno: Apart from advances amounting to £64,567 there has been no change in the loan principal during the year. The loan is provided under a working capital agreement, denominated in sterling, unsecured and carries interest at 10% per annum on the principal only. It is repayable from any future financing undertaken by the company, or on demand following a notice period of 367 days. The terms of the facility were approved by an independent committee of the board. The carrying value of the loan approximates to its fair value.

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

20 Long term provision

	Group	
	2016 £	2015 £
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. There are significant uncertainties inherent in the assumptions made in estimating the amount of this provision, which include judgements of changes to the legal and regulatory framework, magnitude of possible contamination and the timing, extent and costs of required restoration and rehabilitation activity.

21 Share capital

Issued and fully paid	Ordinary shares of 1p		Deferred shares of 4p		Total Nominal value £
	Nominal value £	Number	Nominal value £	Number	
At 31 March 2014, 2015 and 2016	1,606,081	160,608,051	5,510,833	137,770,835	7,116,914

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

22 Equity-settled employee benefits**2004 Unapproved share option plan**

This group 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 to date have carried a performance criterion, namely that the company's share price performance from the date of grant must exceed that of the companies in the top quartile of the FTSE 100 index. The vesting period for any options granted since 2004 has been one year. If the options remain unexercised after a period of 10 years from the date of grant, they expire. Options are forfeited if the employee leaves employment with the group before the options vest.

	2016		2015	
	Options	Weighted average exercise price in pence	Options	Weighted average exercise price in pence
Outstanding at beginning of period	6,050,000	17.06	11,550,000	10.90
Granted during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Expired during the period	1,550,000	4.13	5,500,000	4.13
Outstanding at the end of the period	4,500,000	19.27	6,050,000	17.06
Exercisable at the end of the period	4,500,000	19.27	6,050,000	17.06

The plan has now closed and no options were granted or forfeited in the year. Options over 1,550,000 shares expired during the year. The options outstanding at 31 March 2016 had a weighted average exercise price of 19.27 pence (2015 - 17.06 pence), and a weighted average remaining contractual life of 2 years (2015 - 2 years). As all options had vested by 31 March 2010, the group recognised no expenses in respect of equity-settled employee remuneration in respect of the years ended 31 March 2015 and 2016.

Note 22 - Equity-settled employee benefits - continued

2014 Unapproved share option plan

This group plan, approved on 30 September 2014, has very similar terms and conditions to the 2004 plan. No option grants have yet been made under this plan.

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

Scheme	Number	Nominal value £	Exercise price	Exercisable from	Exercisable until
2004 Unapproved	3,800,000	38,000	21.90p	26 November 2008	26 November 2017
2004 Unapproved	700,000	7,000	5.00p	27 March 2010	27 March 2019
Total	<u>4,500,000</u>	<u>45,000</u>			

23 Results attributable to Anglesey Mining plc

The loss after taxation in the parent company amounted to £242,692 (2015 loss £313,039). The directors have taken advantage of the exemptions available under section 408 of the Companies Act 2006 and not presented an income statement for the company alone.

24 Financial instruments

Capital risk management

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

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

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

Interest rate risk

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

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

Liquidity risk

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

Trade creditors are payable on normal credit terms which are usually 30 days. The loans due to Juno and Angmag carry a notice period of 367 days. Juno, in keeping with its practice since drawdown commenced more than 10 years ago, has indicated that it has no current intention of demanding repayment. No such notice had been received by 13 July 2016 in respect of either of the loans and they are classified as having a maturity date between one and two years from the period end.

Currency risk

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

In respect of the investment in Grangesberg in Sweden if the rate of exchange between the Swedish Krona and sterling were to weaken against sterling by 10% there would be a loss to the group of £8,768 (2015 - £8,300) and if it were to move in favour of sterling by a similar amount there would be a gain of £10,716 (2015 - £10,100). Regarding liabilities denominated in Krona if the rate of exchange between the Swedish Krona and sterling were to weaken against sterling by 10% there would be a gain to the group of £22,315 (2015 - £20,600) and if it were to move in favour of sterling by a similar amount there would be a loss of £27,273 (2015 - £25,200).

In respect of the group's Canadian dollar holding, if the rate of exchange between the Canadian dollar and sterling were to weaken against sterling by 10% there would be a loss to the group of £108 (2015 - £1,800) and if it were to move in favour of sterling by a similar amount there would be a gain of £132 (2015 - £2,200).

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

Note 24 - Financial instruments - continued

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	Available for sale assets		Loans & receivables	
	31 March 2016 £	31 March 2015 £	31 March 2016 £	31 March 2015 £
Financial assets				
Investments	1	1	-	-
Deposit	-	-	123,078	122,806
Other debtors	-	-	32,759	30,977
Cash and cash equivalents	-	-	11,504	96,873
	<u>1</u>	<u>1</u>	<u>167,341</u>	<u>250,656</u>
	31 March 2016 £	31 March 2015 £		
Financial liabilities				
Trade payables	(77,465)	(71,538)		
Other payables	(58,794)	(50,019)		
Loans	(3,097,662)	(2,882,502)		
	<u>(3,233,921)</u>	<u>(3,004,059)</u>		
Company				
	Loans & receivables		Financial liabilities	
	31 March 2016 £	31 March 2015 £	31 March 2016 £	31 March 2015 £
Financial assets				
Other debtors	15,433	13,945	-	-
Cash and cash equivalents	7,867	72,088	-	-
Financial liabilities				
Trade & other payables	-	-	(117,435)	(102,660)
Loan	-	-	(2,852,201)	(2,659,916)
	<u>23,300</u>	<u>86,033</u>	<u>(2,969,636)</u>	<u>(2,762,576)</u>

25 Related party transactions

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

Juno Limited

Juno Limited (Juno) which is registered in Bermuda holds 36.1% of the company's issued ordinary share capital. The group has the following agreements with Juno: (a) a controlling shareholder agreement dated September 1996 and (b) a consolidated working capital agreement of 12 June 2002. Interest payable to Juno is shown in note 7 and the balance due to Juno is shown in note 19. Except as set out in note 19, there were no transactions between the group and Juno or its group during the year. Danesh Varma is a director and, through his family interests, a significant shareholder of Juno.

*Note 25 - Related party transactions - continued***Grangesberg**

Bill Hooley and Danesh Varma are directors of Grangesberg Iron AB and of the special purpose vehicle Eurmag AB; Danesh Varma has been associated with the Grangesberg project since 2007 when he became a director of Mikula Mining Limited, a company subsequently renamed Eurang Limited, previously involved in the Grangesberg project. He did not take part in the decision to enter into the Grangesberg project when this was approved by the board. The group has a liability to Eurmag AB a subsidiary of Eurang amounting to £245,461 at the year end (2015 - £226,857) - see note 19.

Key management personnel

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

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

26 Mineral holdings**Parys**

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

(b) Under a lease from Lord Anglesey dated December 2006, the subsidiary Parys Mountain Land Limited holds the eastern part of Parys Mountain, formerly known as the Mona Mine. An annual certain rent of £10,700 is payable for the year beginning 23 March 2015; the base part of this rent increases to £20,000 when extraction of minerals at Parys Mountain commences; this rental is index-linked. A royalty of 1.8% of net smelter returns from mineral sales is also payable. The lease may be terminated at 12 months' notice and otherwise expires in 2070.

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

Lease payments

All the group's leases may be terminated with 12 months' notice. If they are not so terminated, the minimum payments due in respect of the leases and royalty agreement are analysed as follows: within the year commencing 1 April 2016 - £16,521; between 1 April 2017 and 31 March 2022 - £87,767. Thereafter the payments will continue at proportionate annual rates, in some cases with increases for inflation, so long as the leases are retained or extended.

27 Material non cash transactions

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

28 Commitments

Other than commitments under leases (note 26) there is no capital expenditure authorised or contracted which is not provided for in these accounts (2015 - nil).

29 Contingent liabilities

There are no contingent liabilities (2015 - nil).

30 Events after the period end

There are no events after the period end to report.

Notice of AGM

Notice is given that the 2016 annual general meeting of Anglesey Mining plc will be held at the offices of the company's lawyers, DLA Piper UK LLP, 1 London Wall, London, EC2Y 5EZ on 28 September 2016 at 11.00 a.m. to consider and, if thought fit, to pass the following resolutions. Resolutions 1 to 12 will be proposed as ordinary resolutions and resolution 13 will be proposed as a special resolution:

As ordinary business

1. To receive the annual accounts and directors' and auditor's reports for the year ended 31 March 2016
2. To approve the directors' remuneration policy report for the year ended 31 March 2016
3. To approve the directors' remuneration report for the year ended 31 March 2016
4. To reappoint John F. Kearney as a director
5. To reappoint Bill Hooley as a director
6. To reappoint David Lean as a director
7. To reappoint Howard Miller as a director
8. To reappoint Roger Turner as a director
9. To reappoint Danesh Varma as a director
10. To reappoint Mazars LLP 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 £540,000, provided that (unless previously revoked, varied or renewed) this authority shall expire on 31 December 2017, 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 resolution 12 above as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

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

(b) otherwise than pursuant to paragraph 14(a) above, up to an aggregate nominal amount of £401,500 and (unless previously revoked, varied or renewed) this power shall expire on 31 December 2017, 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
25 July 2016

Notice of AGM

Notes to the notice of AGM

Entitlement to attend and vote

1. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at the close of business on 26 September 2016 (or, if the meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the date and time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

Proxies

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a member of the Company. A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid. A proxy may be appointed only in accordance with the procedures set out in note 3 and the notes to the proxy form. The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.
3. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar Capita Asset Services, Proxies, The Registry, 34 Beckenham Road, Kent BR3 4TU or the proxy form may be photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed. To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, Capita Asset Services, Proxies, The Registry, 34 Beckenham Road, Kent BR3 4TU, no later than 11.00 a.m. on 26 September 2016 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).

Corporate representatives

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

Total voting rights

5. As at 13 July 2016 (being the last practicable date before the publication of this notice), the issued share capital consists of 160,608,051 ordinary shares of £0.01 each, carrying one vote each and 21,529,451 Deferred A Shares and 116,241,384 Deferred B Shares which do not carry any rights to vote. Therefore, the total voting rights as at 13 July 2016 are 160,608,051.

Nominated Persons

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

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

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

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

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

Notice of AGM

Website publication of audit concerns

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

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

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

Questions at the meeting

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

Documents available for inspection

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

Biographical details of directors

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

Website providing information about the meeting

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

Directors

- John F. Kearney** Irish, aged 65, chairman, is a mining executive with more than 40 years' experience in the mining industry and is chairman and CEO of Labrador Iron Mines Holdings Limited. He is also chairman of Canadian Zinc Corporation, Minco plc, Xtierra plc and Conquest Resources Limited. He is a director of Avnel Gold Mining Limited and the Mining Association of Canada and has degrees in law and economics from University College Dublin and an MBA from Trinity College Dublin. He is a member of the nomination committee and is resident in Canada.
- Bill Hooley** aged 69, chief executive, is a mining engineering graduate from the Royal School of Mines and has extensive experience in many countries including the UK and Australia. He is vice-chairman and a director of Labrador Iron Mines Holdings Limited and since May 2014 a director of Grangesberg Iron AB and Eurmag AB. He has been a director of a number of other companies involved in the minerals industry. He is a Fellow of the Australasian Institute of Mining and Metallurgy.
- Danesh Varma** Canadian, aged 66, finance director and company secretary is a chartered accountant and a member of the Chartered Institute of Taxation. He is a director of Labrador Iron Mines Holdings Limited and since May 2014 has been a director of Grangesberg Iron AB and Eurmag AB. He is also chief financial officer of Minco plc, Xtierra Inc. and Conquest Resources Limited.
- David Lean** Australian, aged 69, non-executive director, is a chartered accountant. He has over 30 years' experience in the commercial aspects of the mining industry most of which was with major base and precious metal mining houses. Currently he is involved in trading mineral products. He is a member of the audit and nomination committees.
- Howard Miller** aged 72, non-executive director, a lawyer with over 40 years' experience in the legal and mining finance sector in Africa, Canada and the UK. He has extensive experience in the financing of resource companies. He is chairman of Avnel Gold Mining Limited. He is a member of the remuneration, audit and nomination committees and the senior independent director.
- Roger Turner** aged 73, non-executive director, is a mining engineer with more than 50 years' experience in engineering, management and project development. He is a Camborne School of Mines graduate and has an MSc in economic geology. He was previously President and CEO of Nelson Gold Corporation and Oxus Gold plc. He is a member of the remuneration committee.

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DLA Piper UK LLP
101 Barbirolli Square
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M2 3DL

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

Anglesey Mining plc

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London office	<p>Painters' Hall 9 Little Trinity Lane, London, EC4V 2AD Phone 020 7653 9881</p>
Registrars	<p>Capita Asset Services The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU Phone 0871 664 0300</p> <p>Calls cost 12p per minute plus network extras From overseas +44 208 639 3399</p>
Registered office	<p>Tower Bridge House, St. Katharine's Way, London, E1W 1DD</p>
Web site	<p>www.angleseymining.co.uk</p>
Company registered number	<p>1849957</p>
Shares listed	<p>The London Stock Exchange - LSE:AYM</p>

www.angleseymining.co.uk
www.labradorironmines.ca