

Anglesey Mining plc

Half yearly report for the six months to 30 September 2023

Chairman's Statement and Management Report

During the reporting period significant advances were made at the company's key asset, Parys Mountain, with the following developments:

- Submission of the Pre-Application Inquiry to the North Wales Mineral Planning Authority and hosting an on-site hearing for over 20 statutory consultee groups.
- Further resource update work for the Morfa Dhu zone (White Rock and Engine Zone) with 93% of the contained resources now being in the Measured and Indicated categories.
- Commencement of confirmatory metallurgical test work and pre-concentration trade-off with 340kg of Morfa Dhu material sent to Grinding Solutions Limited. Preliminary results were received subsequent to the end of the period with overall recoveries either in-line or better than those received from previous test work.
- Detailing the planned drilling programme for the Northern Copper Zone, the first drilling of this high potential area since 1972. Drilling recommenced in October 2023 and the first hole was completed on 11 December at a depth of 635 metres. Visual logging of the core suggests two zones of sulphide mineralisation were intersected with the Northern Copper Zone interpreted to be between 351 – 540 metres and a second zone, potentially the Garth Daniel Zone, between 560 – 586 metres (all downhole depths). As expected, the interpreted Northern Copper Zone has varying levels of sulphide accumulation. The lower zone of sulphide accumulation between 560 – 586 metres demonstrates areas with very high levels of chalcopyrite. A first batch of samples will be dispatched to the assay laboratory prior to Christmas with results expected in Q1 2024.

Progress at the 49.75% owned Grängesberg iron ore project in Sweden included ongoing discussions with potential development partners and the commencement of planning for the environmental baseline gap analysis with a locally based consulting group, as was recommended in the Pre-Feasibility Study Update.

Board of Directors and Management

Following the resignation of Jo Battershill and the results of the annual general meeting held in late October 2023 the company is actively engaged in the search for a new Chief Executive Officer and Non-Executive Chairman. We are very pleased that Jo Battershill has agreed to remain on the board as a non-executive director.

Financial

The group had no revenue for the period. The loss for the six months to 30 September 2023 was £604,787 (2022 comparative period £468,656) and expenditure on the mineral properties in the period was £174,748 compared to £320,887 in the same period in 2022. This reduction was primarily due to a cessation in Parys Mountain drilling activity.

Net current assets as at 30 September 2023 were £711,635 compared to £86,781 as at 31 March 2023 with the increase being due to equity private placements in May and July 2023, which raised a total of £1.5 million to fund current operations.

Summary

We continue to firmly believe that Anglesey Mining is in a good position to advance its two key assets at Parys Mountain and Grängesberg over the next year.

At Parys Mountain, drilling of the Northern Copper Zone is expected to generate strong results leading to the conversion of significant areas of the resource from the Inferred category through into the higher confidence Indicated category. From a development study perspective, it is important that the Northern Copper Zone is upgraded to the Indicated resource category as this will allow the incorporation of this zone into any potential mineral reserve. Metallurgical test work will also be required on the Northern Copper Zone to confirm the +93% recoveries demonstrated by the original test work completed in 1969 at the Lakefield Plant in Ontario, Canada. As suggested in the initial review of the Northern Copper Zone in 2022, we believe that the system could be significantly larger than currently modelled, although this will require additional drilling to test prospective areas.

At Grängesberg, we continue to explore options to advance the project. This initially requires finalising some of the recommendations from the preliminary feasibility study update, including baseline studies for the environmental impact assessment and updating the mining reserve to include some improvements to the proposed mine plan. We are also exploring a number of options to optimise the ownership structure of Grängesberg Iron AB following our acquisition of an additional 29.8% stake in February 2023.

Outlook

Persistent global uncertainties and difficult financial markets have resulted in challenging conditions in which to operate. However, we continue to be encouraged by growing investor interest in Anglesey Mining which was demonstrated by the successful raising of £1.5 million during the reporting period. We believe that investors are finally recognising the progress made over the last two years after a period of relative inactivity.

Over the course of the next year, we look forward to advancing the Parys Mountain project and to optimising the ownership and potential of the Grängesberg iron ore project.

In closing, on behalf of the board of directors, I would like to thank our shareholders for their ongoing support, and to confirm that I remain very confident that the assets held by Anglesey Mining will deliver significant value as they continue to be progressed over the next year.

Andrew King

Interim Chairman

19 December 2023

Unaudited condensed consolidated income statement

	Notes	Unaudited six months ended 30 September 2023	Unaudited six months ended 30 September 2022
All operations are continuing		£	£
Revenue		-	-
Expenses		(476,872)	(388,972)
Equity-settled employee benefits		(24,572)	-
Investment income		800	20
Finance costs		(104,296)	(79,789)
Foreign exchange movement		153	85
Loss before tax		(604,787)	(468,656)
Taxation	8	-	-
Loss for the period	7	(604,787)	(468,656)
Loss per share			
Basic - pence per share		(0.2)p	(0.2)p
Diluted - pence per share		(0.2)p	(0.2)p

Unaudited condensed consolidated statement of comprehensive income

Loss for the period	(604,787)	(468,656)
Other comprehensive income		
Items that may subsequently be reclassified to profit or loss:		
Change in fair value of investment	(155,557)	(176,428)
Foreign currency translation reserve	8,021	4,967
Total comprehensive loss for the period	(752,323)	(640,117)

All attributable to equity holders of the company

Unaudited condensed consolidated statement of financial position

	Notes	30 September 2023 £	31 March 2023 £
Assets			
Non-current assets			
Mineral property exploration and evaluation	9	16,346,569	16,171,821
Property, plant and equipment		204,687	204,687
Investments	10	1,877,628	2,033,185
Deposit		124,586	124,586
		<u>18,553,470</u>	<u>18,534,279</u>
Current assets			
Other receivables		53,354	49,635
Cash and cash equivalents		941,208	247,134
		<u>994,562</u>	<u>296,769</u>
Total assets		19,548,032	18,831,048
Liabilities			
Current liabilities			
Trade and other payables		(282,927)	(209,988)
		<u>(282,927)</u>	<u>(209,988)</u>
Net current assets		711,635	86,781
Non-current liabilities			
Loans		(3,813,430)	(4,194,721)
Long term provision		(50,000)	(50,000)
		<u>(3,863,430)</u>	<u>(4,244,721)</u>
Total liabilities		(4,146,357)	(4,454,709)
Net assets		15,401,675	14,376,339
Equity			
Share capital	11	9,711,764	8,463,039
Share premium		12,948,103	12,443,741
Currency translation reserve		(64,117)	(72,138)
Retained losses		(7,194,075)	(6,458,303)
Total shareholders' funds		15,401,675	14,376,339

All attributable to equity holders of the company

Unaudited condensed consolidated statement of cash flows

	Notes	Unaudited six months ended 30 September 2023 £	Unaudited six months ended 30 September 2022 £
Operating activities			
Loss for the period		(604,787)	(468,656)
Adjustments for:			
Investment income		(800)	(20)
Finance costs		104,296	79,789
Equity-settled employee benefits		24,572	-
Shares issued in lieu of salary		50,000	-
Foreign exchange movement		(153)	(85)
		<u>(426,872)</u>	<u>(388,972)</u>
Movements in working capital			
(Increase) in receivables		(3,719)	(18,375)
Increase/(decrease) in payables		58,774	(131,982)
Net cash used in operating activities		<u>(371,817)</u>	<u>(539,329)</u>
Investing activities			
Investment income		800	-
Mineral property exploration and evaluation		(165,062)	(355,542)
Net cash used in investing activities		<u>(164,262)</u>	<u>(355,542)</u>
Financing activities			
Issue of share capital		1,380,000	797,951
Loan repayment		(150,000)	(78,345)
Net cash generated from financing activities		<u>1,230,000</u>	<u>719,606</u>
Net increase/(decrease) in cash and cash equivalents		693,921	(175,265)
Cash and cash equivalents at start of period		247,134	922,177
Foreign exchange movement		153	85
Cash and cash equivalents at end of period		<u>941,208</u>	<u>746,997</u>

All attributable to equity holders of the company

Unaudited condensed consolidated statement of changes in group equity

	Share capital £	Share premium £	Currency translation reserve £	Retained losses £	Total £
Equity at 1 April 2023 - audited	8,463,039	12,443,741	(72,138)	(6,458,303)	14,376,339
Total comprehensive loss for the period:					
Loss for the period	-	-	-	(604,787)	(604,787)
Change in fair value of investment	-	-	-	(155,557)	(155,557)
Exchange difference on translation of foreign holding	-	-	8,021	-	8,021
Total comprehensive loss for the period	-	-	8,021	(760,344)	(752,323)
Shares issued	1,248,725	624,362	-	-	1,873,087
Share issue expenses	-	(120,000)	-	-	(120,000)
Equity at 30 September 2023 - unaudited	9,711,764	12,948,103	(64,117)	(7,194,075)	15,401,675
Comparative period					
Equity at 1 April 2022 - audited	7,991,541	11,453,789	(84,926)	(5,040,074)	14,320,330
Total comprehensive loss for the period:					
Loss for the period	-	-	-	(468,656)	(468,656)
Change in fair value of investment	-	-	-	(176,428)	(176,428)
Exchange difference on translation of foreign holding	-	-	4,967	-	4,967
Total comprehensive loss for the period	-	-	4,967	(645,084)	(640,117)
Shares issued	326,050	780,020	-	-	1,106,070
Share issue expenses	-	(80,965)	-	-	(80,965)
Equity at 30 September 2022 - unaudited	8,317,591	12,152,844	(79,959)	(5,685,158)	14,705,318

All attributable to equity holders of the company

Notes to the accounts

1. Basis of preparation

This half-yearly financial report comprises the unaudited condensed consolidated financial statements of the group for the six months ended 30 September 2023. It has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, the requirements of IAS 34 - Interim financial reporting (as adopted by the UK) and using the going concern basis. The directors are not aware of any events or circumstances which would make this inappropriate. It does not constitute financial statements within the meaning of section 434 of the Companies Act 2006 and does not include all of the information and disclosures required for annual financial statements. It should be read in conjunction with the annual report and financial statements for the year ended 31 March 2023 which is available on request from the company or may be viewed at www.angleseymining.co.uk/accounts.

The financial information contained in this report in respect of the year ended 31 March 2023 has been extracted from the report and financial statements for that year which have been filed with the Registrar of Companies. The report of the auditors on those accounts did not contain a statement under section 498(2) or (3) of the Companies Act 2006 and was not qualified. The half-yearly results for the current and comparative periods have not been audited or reviewed by the company's auditor.

2. Significant accounting policies

The accounting policies applied in these unaudited condensed consolidated financial statements are consistent with those set out in the annual report and financial statements for the year ended 31 March 2023. There are no new standards, amendments to standards or interpretations that are expected to have a material impact on the group's results.

The group has not applied certain new standards, amendments and interpretations to existing standards that have been issued but are not yet effective. They are either not expected to have a material effect on the consolidated financial statements or they are not currently relevant for the group.

3. Risks and uncertainties

The principal risks and uncertainties set out in the group's annual report and financial statements for the year ended 31 March 2023 remain the same for this half-yearly period. They can be summarised as: development risks in respect of mineral properties, especially in respect of permitting and metal prices; liquidity risks during development; and foreign exchange risks. More information is to be found in the 2023 annual report – see note 1 above.

4. Statement of directors' responsibilities

The directors confirm to the best of their knowledge that:

- (a) the unaudited condensed consolidated financial statements have been prepared in accordance with the requirements of IAS 34 Interim financial reporting (as adopted by the UK); and
- (b) the interim management report includes a fair review of the information required by the FCA's Disclosure and Transparency Rules (4.2.7 R and 4.2.8 R).

This report and financial statements were approved by the board on 19 December 2023 and authorised for issue on behalf of the board by Andrew King, interim chairman and Jo Battershill, chief executive officer.

5. Activities

The group is engaged in mineral property development and currently has no turnover. There are no minority interests or exceptional items.

6. Earnings per share

The loss per share is computed by dividing the loss attributable to ordinary shareholders of £0.6 million by 406 million - the weighted average number of ordinary shares in issue during the period. The comparative figures were a loss to 30 September 2022 of £0.47m divided by 282 million shares. However where there are losses the effect of outstanding share options is not dilutive.

7. Business and geographical segments

There are no trading revenues. The cost of all activities charged in the income statement relates to exploration and evaluation of mining properties. The group's income statement and assets and liabilities are analysed as follows by geographical segments, which is the basis on which information is reported to the board.

Income statement analysis

Unaudited six months ended 30 September 2023				
	UK	Sweden - investment	Canada - investment	Total
	£	£	£	£
Expenses	(476,872)	-	-	(476,872)
Equity settled employee benefits	(24,572)	-	-	(24,572)
Investment income	800	-	-	800
Finance costs	(99,231)	(5,065)	-	(104,296)
Exchange rate movements	-	153	-	153
Loss for the period	(599,875)	(4,912)	-	(604,787)

Unaudited six months ended 30 September 2022				
	UK	Sweden - investment	Canada - investment	Total
	£	£	£	£
Expenses	(388,972)	-	-	(388,972)
Equity settled employee benefits	-	-	-	-
Investment income	20	-	-	20
Finance costs	(74,356)	(5,433)	-	(79,789)
Exchange rate movements	-	85	-	85
Loss for the period	(463,308)	(5,348)	-	(468,656)

Assets and liabilities

Unaudited 30 September 2023				
	UK	Sweden investment	Canada investment	Total
	£	£	£	£
Non current assets	16,675,842	633,170	1,244,458	18,553,470
Current assets	993,244	1,318	-	994,562
Liabilities	(3,821,291)	(325,066)	-	(4,146,357)
Net assets/(liabilities)	13,847,795	309,422	1,244,458	15,401,675

Audited 31 March 2023				
	UK	Sweden investment	Canada investment	Total
	£	£	£	£
Non current assets	16,501,094	633,170	1,400,015	18,534,279
Current assets	295,560	1,209	-	296,769
Liabilities	(4,122,208)	(332,501)	-	(4,454,709)
Net assets/(liabilities)	12,674,446	301,878	1,400,015	14,376,339

8. Deferred tax

There is an unrecognised deferred tax asset of £1.6 million (31 March 2023 - £1.6m) which, in view of the group's results, is not considered to be recoverable in the short term. There are also capital allowances, including mineral extraction allowances, exceeding £13.7 million (unchanged from 31 March 2023) unclaimed and available. No deferred tax asset is recognised in the condensed financial statements.

9. Mineral property exploration and evaluation costs

Mineral property exploration and evaluation costs incurred by the group are carried in the unaudited condensed consolidated financial statements at cost, less an impairment provision if appropriate. The recovery of these costs is dependent upon the successful development and operation of the Parys Mountain project which is itself conditional on finance being available to fund such development. During the period expenditure of £174,748 was incurred (six months to 30 September 2022 - £320,887). There have been no indicators of impairment during the period.

10. Investments

	Labrador £	Grangesberg £	Total £
At 1 April 2022	1,914,185	110,157	2,024,342
Net change during the period	(514,170)	523,013	8,843
At 31 March 2023	1,400,015	633,170	2,033,185
Net change during the period	(155,557)	-	(155,557)
At 30 September 2023	1,244,458	633,170	1,877,628

Labrador – Canada

The group has an investment in Labrador Iron Mines Holdings Limited, (LIM) a Canadian company which is carried at fair value through other comprehensive income. The group's holding of 19,289,100 shares in LIM (12% of LIM's total issued shares) is valued at the closing price traded on the OTC Markets in the United States. In the directors' assessment this market is sufficiently active to give the best measure of fair value, which on 30 September 2023 was 10 US cents per share. As at the 13 December 2023 the share price was 5.5 US cents per share.

Grangesberg - Sweden

The group has, through its Swedish subsidiary Angmag AB, a 49.75% ownership interest in Grangesberg Iron AB an unquoted Swedish company (GIAB) which holds rights over the Grangesberg iron ore deposits.

Under a shareholders' agreement, Angmag has a reciprocal right of first refusal over the remaining 50.25% of the equity of GIAB, together with management direction of the activities of GIAB subject to certain restrictions. The shareholders' agreement has an initial term of 10 years from 28 May 2014, extendable on a year-to-year basis, unless terminated on one year's notice.

The directors assessed the fair value of the investment in Grangesberg under IFRS 9 and consider the investment's value at 30 September 2023 to be £633,170.

11. Share capital

	Ordinary shares of 1p		Deferred shares of 4p		Total
	Nominal value £	Number	Nominal value £	Number	Nominal value £
Issued and fully paid					
At 1 April 2022	2,480,708	248,070,732	5,510,833	137,770,835	7,991,541
Issued in the period	471,498	47,149,816	-	-	471,498
At 31 March 2023	2,952,206	295,220,548	5,510,833	137,770,835	8,463,039
Issued in the period	1,248,725	124,872,469	-	-	1,248,725
At 30 September 2023	4,200,931	420,093,017	5,510,833	137,770,835	9,711,764

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

On 16 May 2023 a placing of 66,666,659 new ordinary shares was made at 1.5 pence per share to several institutions and two of the directors, to raise a total of £1,000,000. At the same time Juno converted part of its loan, at the issue price, into 14,589,149 new ordinary shares and a bonus payment of £50,000 was made in shares, again at the same price.

On 31 July 2023 a placing of 33,333,329 new ordinary shares was made at 1.5 pence per share to several institutions, to raise a total of £500,000. At the same time Juno converted part of its loan, at the issue price, into 6,950,000 new ordinary shares.

12. Financial instruments

Group	Financial assets classified at fair value through other comprehensive income		Financial assets measured at amortised cost	
	30 September 2023	31 March 2023	30 September 2023	31 March 2023
	£	£	£	£
Financial assets				
Investments	1,877,628	2,033,185	-	-
Deposit	-	-	124,586	124,586
Other receivables	-	-	53,354	49,635
Cash and cash equivalents	-	-	941,208	247,134
	<u>1,877,628</u>	<u>2,033,185</u>	<u>1,119,148</u>	<u>421,355</u>
	Financial liabilities measured at amortised cost			
	30 September 2023	31 March 2023		
	£	£		
Trade payables	(141,485)	(94,796)		
Other payables	(141,442)	(115,192)		
Loans	(3,813,430)	(4,194,721)		
	<u>(4,096,357)</u>	<u>(4,404,709)</u>		

13. Events after the reporting period

At the AGM held on 27 October 2023 the chairman, John Kearney, was not re-elected to the board and consequently ceased to be chairman and a director from that date. Non-executive director Andrew King was appointed Interim Chairman in his place. Danesh Varma resigned as financial director on 14 November 2023.

14. Related party transactions

Juno Limited

Juno Limited (Juno) which is registered in Bermuda held approximately 20% of the company's issued ordinary share capital during the period. The group has an Investor Agreement with Juno under which Juno agreed to participate in any future equity financing, at the same price per share and on the same terms as other arm's-length participants, to maintain its percentage, with the subscription price to be satisfied by the conversion and consequent reduction of debt and the company agreed to pay Juno in cash ten percent of the net proceeds of such equity financing in further reduction of the debt. In addition, Juno has certain nomination and reporting rights, including the right to nominate two directors to the board, so long as Juno holds at least 20% of the company's outstanding shares and one director so long as Juno holds at least 10% of the company's outstanding shares. The family interests of Danesh Varma have a significant shareholding in Juno.

Following the share issues of May and July 2023, 21,539,148 shares and 10,769,573 warrants over shares were issued to Juno and the consequently debt due to Juno was reduced by £323,087. In addition, cash repayments of £150,000 were made in the period. All this was in conformity with the Investor Agreement.

Since the period end the company has been notified that Juno has sold 100% of its shareholding in the company.

Grangesberg

John Kearney and Danesh Varma, as nominees of the company, are directors of Grangesberg Iron AB. Danesh Varma has been associated with the Grangesberg project since 2007 when he became a director of Mikula Mining Limited, a company subsequently renamed Eurang Limited, previously involved in the Grangesberg project. He did not take part in the decision to enter into the Grangesberg project when this was approved by the board in 2014. The group has a liability to Eurang Limited, amounting to £325,066 as at 30 September 2023.

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

Anglesey Mining plc

Directors

Andrew King

Jo Battershill

Namrata Verma

Interim chairman

Chief executive

Non executive

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