

Company registration number 00939442 (England and Wales)



Parys Mountain Mines Limited

Directors' report and financial statements for the year ended 31 March 2013

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Directors

J F Kearney
R I Cuthbertson
D W Hooley

Company Secretary

R I Cuthbertson

Registered Office

Parys Mountain
Amlwch
Anglesey
LL68 9RE

Auditor

Mazars LLP
Chartered Accountants
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Solicitors

DLA Piper LLP
101 Barbirolli Square
Manchester
M2 3DL

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 March 2013

Principal activity and business review

The principal activity is the development of the Parys Mountain property near Amlwch in the northern part of Anglesey, North Wales. The company is a wholly-owned subsidiary of Anglesey Mining plc which is incorporated in England and Wales.

During the year drilling continued as part of the programme commenced in January 2012. Initially this was in the shallower White rock area to the west of the property after which the rig was moved to two locations near the Great Open Cast pit and ended the programme with three holes from a location adjacent to the Pearl engine house in the east of the property, the last of these being completed in July 2012.

All the stages of this programme are considered to have been successful. Whilst it was a little disappointing that the Engine zone, near the White Rock zone in the west, could not be established at economic grades and widths at higher levels, the results in the first two holes did extend the potentially viable zone upwards.

The Pearl area drilling is particularly encouraging as it opens up an area that is more than one kilometre away from the Morris Shaft and in conjunction with previous results from the Garth Daniel area which lie midway between the Pearl Engine House and Morris Shaft locations demonstrates that mineralisation at potentially economic grades and widths occurs across the entire property.

Following the drilling programme the first property-wide JORC Code compliant resource estimate was prepared by Micon International Co Limited ("Micon").

Parys Mountain Mineral Resource estimate at \$80 per tonne GMPV* cut-off

Zone	Category	Tonnes	Cu %	Pb %	Zn %	Ag g/t	Au g/t
Engine	Indicated	489,000	1.38	2.61	4.99	92.80	0.50
	Inferred	121,000	1.74	3.42	6.74	70.00	0.50
Deep Engine	Inferred	618,000	1.95	1.90	4.22	23.00	0.20
White Rock	Indicated	1,625,000	0.34	2.05	3.84	33.00	0.50
	Inferred	534,000	0.38	1.93	4.04	41.00	0.40
Garth Daniel	Inferred	299,000	2.06	3.07	6.43	75.00	0.20
Northern	Inferred	2,542,000	1.48	0.56	0.94	6.00	0.40
Total	Indicated	2,114,000	0.58	2.18	4.11	46.00	0.50
	Inferred	4,114,000	1.46	1.20	2.40	20.00	0.30

Source: Micon GMPV (gross mineral product value) based on Cu \$3.50/lb, Pb \$1.00/lb, Zn \$0.90/lb, Ag \$33/oz, Au \$1700/oz.

This new estimate follows a previous report by Micon in 2007 that dealt only with the White Rock deposit. The current estimate includes all the known contiguous deposits on site and is reported on a JORC Code-compliant basis. With the exception of the 2007 White Rock estimate, the previous resource was historical (estimated in 1990) and was not JORC Code-compliant. In now reporting all estimates on a JORC Code-compliant basis the project has been brought up to date and put in a position to be properly recognised for future funding.

The Garth Daniel zone had been partially identified in 1990 but benefitted from a further drilling programme in 2005 and 2006. The current estimate draws all this information together. The Northern Zone was previously poorly identified and without any significant continuity. Micon has now shown such continuity to exist and has defined a major resource for two discrete overlapping structures.

There are several other areas on Parys Mountain that have had exploration and drilling carried out on them that have not been included in these estimates. These include the area between the Deep Engine Zone and Garth Daniel, and the area around the Pearl Engine House that was drilled earlier this year. These and other targets will be subject to additional exploration in the future, and it is hoped that additional data will enable further continuity to be demonstrated with subsequent additions to the resource base. Anglesey believes there is ample scope for significant additions to the resources reported here.

At the appropriate time it is planned to carry out additional development and drilling to bring some or all of the Inferred mineral resource in to the Indicated mineral resource category. This will be dependent on funding and, in some cases, underground access to these areas.

In producing its estimates, Micon has followed all the normal procedures required to make a JORC Code-compliant estimate. These have included a validation of the drill hole database, construction of wireframes around the various deposits, basic statistical analysis of the resultant assay data to identify the extent to which top-cutting was required, the basis for assay compositing, detailed variography analysis to identify the principal trends of the mineralisation, appropriate block sizes to represent the volume of the mineralisation and a determination of the appropriate search ellipsoid to be applied for grade interpolation in each deposit. Grade interpolation using Ordinary Kriging was then applied to the block model and the data was validated. Specific gravity data was reviewed to develop bulk densities for tonnage calculations.

A mineral resource estimate was then made based on a suite of metal prices. These metal prices were assigned to each block and the sum of the products of these prices and the various block grades produced a single Gross Metal Product Value ("GMPV") value for each block. Micon reported the mineral resources by category following the guidelines of the JORC Code, for a range of GMPV cut-off values from \$0 per tonne to \$200 per tonne.

The resource estimate methodology employed now is quite different from that used in 1990 and provides a higher degree of confidence than previously enjoyed. This methodology has resulted in differing grade tonnage combinations than previously reported.

There are technical and other matters to be addressed to ensure that the project moves towards production speedily, however the directors are of the opinion that this project is at an advanced state and the existence of the original feasibility study, together with the valid planning permissions, will do much to reduce both the volume of work required to move the project into production and the risks associated with this work.

In July 2012 an agreement was reached with Intermine Limited in respect of the termination of a net profits royalty on Production from Parys Mountain. A cash payment of C\$1,000,000 (£630,000) was made and 2,000,000 ordinary shares in the company issued to discharge the amount due to Intermine of £759,680 at 31 March 2012 and to buy out and cancel the royalty in its entirety and release the charge.

The profit for the year was £12,221 (2012 profit £12,761). The company's expenditure on the property during the year was £497,748 (2012 - £355,225).

Dividend

There is no revenue from the operations of the company. The directors are unable to recommend a dividend (2012 - nil).

Since the balance sheet date the activities of the company have continued in accordance with the directors' expectations.

Risks and uncertainties

In conducting its business the company faces a number of risks and uncertainties some of which have been described in note 6 with regard to Parys Mountain. However there are 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, 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 company expects to produce, legislative, environmental and other judicial, regulatory, political and competitive developments in areas in which the company operates, technological and operational difficulties encountered in connection with the company's activities, labour relations matters, costs and changing foreign exchange rates and other matters.

The mining industry is competitive in all of its phases. The company faces strong competition from other mining companies in connection with the recruitment and retention of qualified employees and other personnel. Many of these companies have greater financial resources, operational experience and technical capabilities than the company.

Metal prices

The company is currently in a development phase and more than usually subject to investor sentiments regarding business conditions in the future, which are extremely hard to predict in the current uncertainties surrounding the state of the world economy.

The prices of metals fluctuate widely and are affected by many factors outside the company'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 international currency fluctuations which affect the metal price received in the domestic currency.

Funding

The company does not have sufficient funds to put the Parys Mountain mine into production from its own financial resources. The company relies on loans from its parent for its working capital requirements and to fund its exploration development activities.

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

Permitting, environment and social

The company holds planning permissions for the development of the Parys Mountain property. The company will be required to obtain various other permits to carry out its activities and may be subject to various reclamation and operational conditions on these permits. There can be no assurance that permitting or environmental laws, regulations or requirements will not change in the future in a manner that could have an adverse effect on the company's activities and financial condition and no provision has been made in the accounts for any such potential liability.

Employees and personnel

The company is dependent on the services of a small number of key executives and a limited number of other skilled and experienced personnel. Due to the relatively small size of the company, the loss of these persons or the company's inability to attract and retain additional highly skilled and experienced employees may adversely affect its business or future operations. However, the location of the Parys Mountain project in particular remains attractive compared to a number of other similar mining projects in various developing countries and this should mitigate these potential difficulties to a significant extent.

Events since year end

There have been no significant events since the year end.

Directors and directors' interests

The directors who held office during the year were.

J F Kearney

D W. Hooley

R I Cuthbertson

R I Cuthbertson retired as a director and company secretary on 31 July 2013.

None of the directors has any interests in the shares of the company which are required to be disclosed. The company is a wholly owned subsidiary of Anglesey Mining plc and the interests of the directors who are also directors of the parent undertaking are disclosed in the financial statements of that company.

Going concern basis

The directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the financial statements. The validity of the going concern basis is dependent on finance being available for the continuing working capital requirements of the company and finance for the development of the Parys Mountain property becoming available when required. The directors believe, based on ongoing support from the parent in respect of continuing working capital requirements, that, whilst there is uncertainty as to whether the conditions above will be met, the going concern basis is appropriate for these financial statements.

Market value of land

Obtaining an accurate estimate for the market value of the company's land is difficult, especially given its historical use. The land is carried in the accounts at its cost to the company of £106,000. In the opinion of the directors, the market value of this land is unlikely to be less than this figure.

Creditor payment policy

The company conducts its business on the normal trade credit terms of each of its suppliers and tries to ensure that suppliers are paid in accordance with those terms. The company's average creditor payment period at 31 March 2013 was 19 days (2012 - 183 days). Several high value invoices from the drilling contractor, dated before 31 March 2012, were received after the year end and account for the high value at 31 March 2012.

Auditor

To the best of the directors' knowledge and belief and having made appropriate enquiries of other officers of the company, all information relevant to enabling the auditor to provide their opinion on the financial statements has been provided. The directors have taken all reasonable steps in order to ensure their awareness of any relevant audit information and to establish the company's auditor is aware of any such information.

A resolution for the reappointment of Mazars LLP as auditor of the company is to be proposed at the forthcoming annual general meeting.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the board:



Ian Cuthbertson

Company secretary

30 July 2013

Report of the Independent Auditor to the members of Parys Mountain Mines Limited

We have audited the financial statements of Parys Mountain Mines Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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 to express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 financial statements 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.



Richard Metcalfe (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

30 July 2013

Profit and loss account for the year ended 31 March 2013

	Notes	2013 £	2012 £
Turnover		-	-
Rentals and other income		12,194	12,473
Administration expenses		(491)	(251)
Operating profit	2	11,703	12,222
Interest receivable		518	539
Profit before tax		12,221	12,761
Tax		-	-
Profit for the year		12,221	12,761

All operations are continuing

There were no recognised gains or losses during the year other than those recorded in the profit and loss account

Balance sheet as at 31 March 2013

	Notes	31 March 2013 £	31 March 2012 £
FIXED ASSETS			
Intangible assets	6	14,753,566	14,255,818
Tangible assets	7	296,891	296,372
Total Fixed Assets		15,050,457	14,552,190
CURRENT ASSETS			
Debtors	8	14,135	40,919
Cash at bank & in hand		23,545	28,886
Total Current Assets		37,680	69,805
CREDITORS			
Amounts due within one year	9	(26,161)	(929,543)
Total Current Liabilities		(26,161)	(929,543)
NET CURRENT ASSETS/(LIABILITIES)		11,519	(859,738)
CREDITORS due after more than one year			
Parent company	10	(14,849,354)	(13,492,051)
Provision for liabilities and charges	11	(42,000)	(42,000)
TOTAL NET ASSETS		170,622	158,401
SHAREHOLDERS' FUNDS			
Share capital	12	1,000	1,000
Share premium account		37,461	37,461
Profit and loss account	13	132,161	119,940
TOTAL SHAREHOLDERS' FUNDS		170,622	158,401

The financial statements were approved and authorised for release by the board of directors on 30 July 2013 and signed on its behalf by



Ian Cuthbertson
Director and company secretary
Company registration number 939442

Notes to the financial statements for the year ended 31 March 2013

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in the United Kingdom and the Companies Act 2006

Accounting convention

The financial statements are prepared under the historical cost convention

Going concern

The financial statements are prepared on a going concern basis. The validity of the going concern basis is dependent on continued parent company support (which has been confirmed by its parent), finance being available for continuing working capital requirements for the foreseeable future (being a period of not less than one year from the date of approval of these statements) and development funds for the Parys Mountain property becoming available. The directors believe that the going concern basis is appropriate for these accounts.

Cash flow statements

Under Financial Reporting Standard 1 - Cash Flow Statements, the company is exempt from the requirement to prepare a cash flow statement on the grounds that the consolidated financial statements of the ultimate parent company contain a group cash flow statement.

Property, plant and equipment

Freehold land is stated in the balance sheet at cost. The directors consider that the useful life of the land and buildings is so long and their estimated residual value, based on prices prevailing at the date of acquisition, is such that any depreciation would not be material. The carrying value is reviewed annually and any impairment in value would be charged immediately to the income statement.

Intangible fixed assets

Intangible assets are stated in the balance sheet at cost, less amounts written off and provisions for impairment. Mineral property development costs are capitalised until the results of the projects, which are based on geographical areas, are known. Mineral property development costs included allocation of administration and salary costs as determined by management.

An internally-generated intangible asset arising from the group's exploration activities is recognised only if all of the following conditions are met:

- an asset is created that can be identified,
- it is probable that the asset created will generate future economic benefits, and
- the development cost of the asset can be measured reliably.

Where the project is successful, the related exploration costs are written off over the life of the estimated mineral reserve on a unit of production basis. Where a project is terminated, the related exploration costs are written off 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

Mineral properties 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.

Provisions

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

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. There are no financial leases or other operating leases.

2. Operating profit

The remuneration of the auditor for the annual audit of the company's financial statements is borne by the parent company, Anglesey Mining plc, a company registered in England and Wales.

3. Remuneration of directors, staff numbers and costs

Other than the directors, the company had no employees during the year or the preceding year. Any directors' remuneration is paid by the parent company.

4. Result on ordinary activities before taxation

Revenues are in respect of rental income from land owned by the company. The company earned no income, and administrative costs were borne by the parent company.

5 Taxation

Trading profits for taxation purposes have been offset against losses of other companies using Group Relief.

Accordingly no provision has been made for Corporation Tax.

There are capital allowances, including mineral extraction allowances, of £12.3 million unclaimed and available at 31 March 2013 (2012 - £11.8 million).

	2013	2012
	£	£
Current tax	-	-
Deferred tax	-	-
Total tax	-	-

Domestic corporation tax is calculated at 24% (2012 - 26%) of the estimated assessed profit for the year.

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

Profit for the year	12,222	12,761
Tax at the domestic corporation tax rate of 24% (2012 - 26%)	2,933	3,318
Tax effect of:		
Prior year losses utilised	(2,933)	(3,318)
Current tax	-	-

6. Intangible fixed assets

Deferred development costs

	Parys Mountain
Cost	£
Opening cost	14,255,818
Additions - own expenditure	497,748
Closing cost	<u>14,753,566</u>

Carrying amount

Net book value 2013	<u>14,753,566</u>
Net book value 2012	<u>14,255,818</u>

Accumulated development expenditure in respect of the company's 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. The company has only one potential cash generating unit.

The Parys Mountain property is currently being explored and evaluated and there are no grounds to believe that the discounted present value of the future cash flows from the project is less than the carrying value, so no impairment review has been presented.

The recoverability of the deferred development costs are subject to a number of significant potential risks including

- the raising of new finance to develop the mine,
- the viability of the operation of the mine,
- the ability of the company to trade profitably in the future, and
- the continued financial support of its parent

Further significant potential risks have been outlined in the Directors' Report.

The realisation of these intangible fixed assets is dependent on the development of economic mineral reserves. Should this prove unsuccessful, the value included in the balance sheet would be written off.

7. Tangible fixed assets**Freehold land & buildings**

	£
Opening cost	174,687
Added in year	-
Closing cost	<u>174,687</u>
Carrying amount	
Net book value 2013	<u>174,687</u>
Net book value 2012	<u>174,687</u>

Amount held by Isle of Anglesey County Council

	£
Opening balance	121,685
Interest accumulated in year	518
Closing balance	<u>122,203</u>
Total tangible fixed assets	<u>296,890</u>

This deposit was made in accordance with the terms of a section 106 agreement between the company and the Isle of Anglesey County Council in connection with planning permission for mining at Parys Mountain

8. Debtors

	2013	2012
	£	£
Amounts receivable	<u>14,135</u>	<u>40,919</u>

9. Creditors due within one year

	2013	2012
	£	£
Trade payables	(23,161)	(166,310)
Accruals	(3,000)	(763,233)
Totals	<u>(26,161)</u>	<u>(929,543)</u>

10. Creditors due after more than one year

	2013	2012
	£	£
Amount due to parent company	(14,849,354)	(13,492,051)

The amount due is unsecured, interest-free and not subject to fixed repayment terms
The carrying value of the loan approximates to its fair value

11. Provision for liabilities and charges

	2013	2012
	£	£
Site reinstatement provision	(42,000)	(42,000)

The provision for site reinstatement covers the estimated costs of reinstatement at the Parys Mountain site of the work done and changes made up to the date of the accounts. These costs would be payable on completion of mining activities which is estimated to be in more than 20 years' time 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 and extent and costs of required restoration and rehabilitation activity. There has been no movement in the year.

12. Called-up share capital

	2013	2012
	£	£
Issued		
1000 ordinary shares of £1 each	1,000	1,000

13. Profit and loss account

	2013	2012
	£	£
Profit at beginning of year	119,940	107,179
Profit for the year	12,221	12,761
Profit at the end of the year	132,161	119,940

14. Reconciliation of movement in equity shareholder's funds

	2013	2012
	£	£
Shareholder's funds at the beginning of year	158,401	145,640
Profit for the year	12,222	12,761
Shareholder's funds at the end of the year	170,623	158,401

15. Parent company, financial support and related party transactions

During the year Anglesey Mining plc (Anglesey), a listed company registered in England and Wales with no single controlling party, was the company's ultimate parent. Anglesey has indicated its willingness to provide financial support to enable the company to continue its activities for the foreseeable future being a period of at least 12 months from the date of approval of these accounts.

The company has availed of the exemption provisions in FRS 8 in relation to the disclosures of related party transactions. Copies of the consolidated financial statements of Anglesey Mining plc are available on request from the company's registered office.

16. Commitments and mineral properties

(a) Most of the mineral resources delineated to date are under the western portion of Parys Mountain, the freehold and minerals of which is owned by the company. 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 also held by the company by virtue of a 99 year lease dated 16 September 1971.

(b) Under a lease from Lord Anglesey dated 18 December 2006, other companies within the Anglesey Mining group hold the eastern part of Parys Mountain, formerly known as the Mona Mine. An annual certain rent of £10,000 is payable for the year beginning 23 March 2012, this base part of this rent increases to £20,000 when extraction of minerals at Parys Mountain commences, all of these rental figures are 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 terminates in 2070.

(c) Under a mining lease from the Crown dated December 1991, which was assigned to the company by its parent on 19 June 2007, the company makes 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 terminates in 2020. It is guaranteed by the company's parent.

(d) A royalty agreement with Intermine Limited required annual payments of C\$50,000 (approximately £31,000) until production commences at the Parys Mountain mine and a royalty of 4% of net profits (as defined after various deductions) generated from production at the mine. The royalty agreement also provided an option to buy out the royalty and advance payments.

In July 2012 an agreement was reached with Intermine Limited in respect of this net profits royalty. A cash payment of C\$1,000,000 (£630,000) was made and 2,000,000 ordinary shares in the company issued to discharge the amount due to Intermine of £759,680 at 31 March 2012 and to buy out and cancel the royalty in its entirety and release the charge.

Lease payments

All the company's leases may be terminated with 12 months' notice. If they are not so terminated, the minimum payments due in respect of the leases are analysed as follows: within the year commencing 1 April 2013 - £15,500, between 1 April 2014 and 31 March 2019 - £82,000. 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.

17. Events after the period end

There are no events after the period end to report.