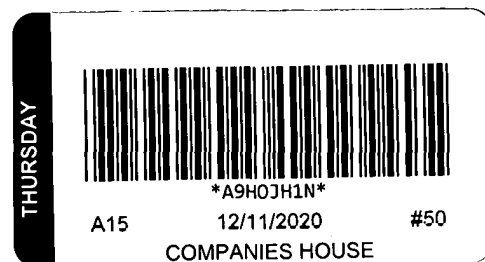


Company registration number 00939442 (England and Wales)

Parys Mountain Mines Limited

Annual report for the year ended 31 March 2020



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Directors

J. F. Kearney
D. W. Hooley

Company Secretary

D. K. Varma

Registered Office

Parys Mountain
Amlwch
Anglesey
LL68 9RE

Auditor

Mazars LLP
Chartered Accountants
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E1W 1DD

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 March 2020.

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.

The Parys Mountain property hosts a significant polymetallic zinc, copper, lead, silver and gold deposit. The site has a head frame, a 300m deep production shaft and planning permission for operations. The company has freehold ownership of the minerals and surface land. Infrastructure is good, political risk is low and the project enjoys the support of local people and government.

An independent JORC resource estimate completed in 2012 by Micon International Limited 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. These resource estimates were made at a cut-off of \$80 per tonne Gross Metal Product Value ("GMPV").

In July 2017 a Scoping Study was prepared by Micon International Limited and Fairport Engineering Ltd. using the 2012 resource estimate. The Scoping Study demonstrates a viable mine development mining 1,000 tonnes per day to produce lead, zinc and copper concentrates and yielding a healthy financial rate of return. The Scoping Study applied the same GMPV cut-off of \$80 per tonne, used in the 2012 resource estimate.

Development Plan – 2017 Scoping Study

A new mining plan was prepared as part of the 2017 Scoping Study based on a surface decline to access the White Rock zone which was subject to a detailed drilling programme during the period 2006-2010. The White Rock zone which extends to surface lies adjacent to the existing 300m Morris Shaft and largely overlies the deeper Engine Zone deposits.

The Scoping Study proposed that a decline would be developed by mining contractors and would be used as the initial means of access to the resource for development and mining. During the initial production phase from the White Rock zone the decline would continue to be driven to reach the current bottom of the Morris Shaft and beyond. The shaft would then be dewatered and deepened by approximately 150 metres and recommissioned as a hoisting shaft for the remnant White Rock ore and for the deeper and more valuable Engine Zone ore. Mining would be carried out initially from the main decline using rubber-tired equipment including drill jumbos, load-haul-dump machines and trucks to remove development waste to surface and production ore to the planned adjacent processing plant. The existing hoist and headframe would be refurbished and used to bring ore to the surface for delivery to the processing plant through the deepened shaft.

Scoping Study Results

The 2017 Scoping Study concluded that the selected development option for the extraction of the 2.1 million tonnes of indicated resource was a 1,000 tonnes per day mine and that this would result in a mine life of approximately eight years based only on the indicated resources.

The processing plant proposed in the 2017 Scoping Study consisted of the DMS component leading to crushing and grinding followed by conventional three stage flotation to produce copper, zinc and lead concentrates to be shipped to smelters in Europe. Metallurgical performance and recovery was based on the large volume of information available from test work over the years.

The pre-production capital cost of the base case, including mining, DMS, concentrator and infrastructure was estimated at \$56 million, including a \$4 million contingency. Operating costs were developed by Micon and Fairport based on knowledge and experience which at the higher levels of production were forecast at around \$47 per tonne of ore treated.

This base case yields a pre-tax net present value of \$27 million, or £22 million, at a 10% discount rate, using metal prices of \$1.25 per pound for zinc, \$1.00 per pound for lead, \$2.50 per pound for copper, \$17.50 per ounce for silver and \$1,275 per ounce for gold and at an exchange rate of £1.00 = \$US1.25. The indicated internal rate of return was 26%.

The Directors consider the 2017 study to be well founded and shows a healthy financial return. Nevertheless, the Directors recognised that alternative development scenarios may yield better results and concluded that these should be investigated to enhance future project economics and financing possibilities.

Project Development Agreement with QME

In late 2018 a Project Development and Cooperation Agreement was signed with QME Mining Technical Services, a division of QME Limited, to carry out an agreed programme of engineering and optimisation studies relating to the future development of Parys Mountain. QME Limited is based in Navan, County Meath, Ireland from which it operates several divisions and provides a wide range of services in both mine development and mine operations to the local and international mining community.

QME has carried out both large and small-scale underground mine development contracts, providing all technical evaluation and budgeting services, personnel, management, equipment and maintenance. QME Mining Technical Services division undertakes contract mining projects and employs an 'in-house' team of highly experienced operations managers, underground supervisors, miners, fitters and electricians.

Under the Development and Co-operation Agreement with QME, various rights and options relating to the future development of Parys Mountain have been granted on completion of the optimisation study and delivery of the results thereof. These are:

- (i) QME will be awarded, on an exclusive basis, contracts for the development of the decline and underground mine development, including rehabilitation of the shaft. This will be done on terms to be agreed following a decision to proceed with the development of Parys Mountain.
- (ii) In the event terms are not able to be agreed, such contracts may be offered to third parties, subject to a right of first refusal in favour of QME, and subject to a payment to QME upon the award of such contracts to a third-party of a break-fee; and
- (iii) In addition, QME will be granted the right and option, upon completion of a Prefeasibility Study ("PFS"), to undertake at QME's cost and investment, the mine development component of the Parys Mountain project, including decline and related underground development and shaft development, with a scope to be agreed, to the point of commencement of production, in consideration of which QME would earn a 30% undivided joint venture interest in the Parys Mountain project.

QME Optimization Studies - Progress

The QME work initially reviewed capital and operating cost forecasts but importantly looked at the opportunity of including some or all of the inferred resources previously identified on the site in a revised and larger development plan. As QME progressed with this work programme, a number of alternative scenarios were identified, and examination of these alternatives expanded the scope of the QME work. This has extended the period of final completion of their work, but this is now in the final stages.

QME conducted three major phases of work.

Phase 1 - Capital and Operating Cost Review

The first phase was a detailed review of mine capital and operating costs as these would be applicable at Parys Mountain. QME carried out this phase using their extensive experience in mine development. The main conclusion, as previously reported, was that an operating cost of approximately \$48 per tonne treated was fair and reasonable. This approach of using lower operating cost assumptions, benchmarked against QME's of other underground operations enabled the application of lower cut-off grades for mine planning of and this figure was then adopted as the on-going cut-off value for mine planning purposes.

As a subset of this first phase, and as reported last year, QME reviewed some alternative means of access to the initial orebodies including early access via the Morris Shaft, rather than through the new decline as planned by Micon. On balance that work indicated that the decline remained the preferred means of initial access and as such the basic Micon mine development plan continued to be followed.

Phase 2 - Mine Planning

The second phase was to carry out detailed mine planning incorporating all the mineralised material available, as identified by Micon in its 2012 resource estimate, to determine an expanded tonnage and grade estimate available for mining. This work was carried out using the \$48 per tonne cut-off noted above. In this phase QME included not just the indicated resources but also the inferred resources, and this expanded resource included not just the White Rock and Upper Engine zones, on which the 2017 Scoping study was based, but also additional zones, including the Lower Engine Zone as well as the more distant Garth Daniel and Northern Copper zones. QME developed potential mineable tonnages for each of the zones including all possible resource categories.

The QME work suggests that at a production cut-off of \$48 per tonne, approximately 5.25 million tonnes in situ within the designed stoping blocks would be available within the White Rock and Upper Engine Zones for consideration in a detailed life-of-mine schedule. This 5.25 million tonnes is substantially higher than the mineable tonnage of 2.1 million tonnes used in the 2017 Scoping Study. It is important to note that QME made no changes to the underlying resource estimates which were calculated by Micon in 2012.

QME then reviewed all of the inferred resources originally reported by Micon in deposits other than White Rock and Upper Engine zones. These other zones are the Lower Engine, Garth Daniel and Northern Copper zones. These zones are located within an area of approximately 1.3 km east-west and 370 metres north-south and lie immediately to the northeast of the White Rock and Engine zones, at depths from 180 metres to 620 metres below surface, which is roughly consistent with, although a little deeper than, the indicated resources in the Upper Engine Zone.

The QME work identified 5.5 million tonnes of modelled inferred resources that could be considered for inclusion in detailed mine design. This is in addition to the 5.25 million tonnes within the White Rock and Upper Engine Zones. This 5.5 million tonnes of modelled inferred resources is defined as the sum of the mining-scale units associated with the Lower Engine Zone, the Garth Daniel Zone and the Northern Copper Zone, above a cut-off of

\$48 per tonne, with no mining factors applied. These zones represent 35% of the global inferred resource, which had been previously estimated by Micon at 15.6 million tonnes at \$0 cut-off. It should be noted that the cut-off used of \$48 per tonne has been derived from the break-even point estimated for the White Rock and Upper Engine zones and therefore is an iterative estimate only at this stage which has to be confirmed as applicable to these other zones.

Phase 3 - Production Planning and Scheduling

The third phase, which started in late 2019 and continued into 2020, involved developing mine production models based on these enhanced tonnage projections at a range of annual production scenarios that would be consistent with maintaining an optimised life of mine for the increased total minable volumes.

The capital and operating cost estimates developed earlier were then applied to these production models to measure their relative financial outcomes compared to the original Micon Scoping Study base model. These financial models included not just QME's detailed operating cost estimates, generated on a work unit by work unit basis, but also included capital costs both pre-production and ongoing through production. As these new cases were developed the outputs were compared to the Scoping Study base case using various metrics including capital cost, payback period, life of mine, NPV and IRR. In reviewing the outcomes from these models, it is apparent that some of the alternatives, particularly those associated with an extended mine life at the same 1,000 tonnes per day production rate, do not compare favourably with the Scoping Study base case model. Nevertheless, the financial models suggested that some of the options where annual throughput is increased, and where the majority of the available resources across all zones are included, could generate particularly encouraging results. This third phase is nearing but not yet at final completion.

As an addition during the third phase, QME looked at the potential of incorporating an initial small open pit operation on the near surface upper sections of the White Rock zone ahead of underground mining. The proposed open cut add-on would appear to be financially beneficial and would provide some cushion to the underground development programme. The adoption of an open pit into the final development plan will have to be considered cognisant of current infrastructure and the likely requirement to seek additional planning permissions.

Results from QME programmes

The Directors consider the QME work to be of great benefit in establishing the parameters for determining the optimum mine production model. The capital cost estimates have given support, with a number of adjustments as necessary, to the estimates made by Micon and Fairport previously. This 'second set of eyes' confirms the previous view that Parys Mountain remains a relatively low initial capital cost project. The operating cost review again confirms, with some minor amendments, that the operating costs generated in 2017 remain generally in line. The benefit of this is that it permits a critical review of the cut-off grade to be utilised in the production planning exercise. To the extent that this suggests a lower cut-off would be justifiable, in significant part, enables a greater tonnage to be made available for mining than would otherwise not be included. The corollary to this is of course, that the grade of material mined will be lower than with the prior cut-off grade with the consequent reduction in Net Smelter Return (NSR) per tonne of ore mined and treated. The trade-off balance between lower grade and increased tonnage will need to be evaluated as part of Pre-Feasibility or Full Feasibility Study.

Increased tonnages available for mining

The Directors have long believed that the potential for the Parys Mountain project was far greater than that developed from the indicated resources only. It is the Directors' opinion that the potentially mineable mineralisation that has been identified by QME's work confirms the overall prospectivity of the Parys Mountain project and of the potential for demonstrating five deposits or zones with combined resources in the range of 10 million tonnes.

Whilst the inclusion of inferred material does not meet the strict criteria for inclusion into reserve definitions under the applicable codes, and as generally accepted for feasibility studies by banks for loan evaluation purposes, it is believed that the QME exercise does give good guidance for future development planning purposes. It should be noted that the QME work has not been signed off by a Competent Person, as defined, and as such, specific financial forecasts arising from it must remain internal to the Company for the time being.

The inferred resources are targets for future definition drilling and there is no guarantee that future infill drilling will result in the deposits being delineated as mineable resources. To bring some if not all of this additional material to a compliant level will require significant additional exploration, to be followed by analysis and calculations by a certified Competent Person. Some of that work can be carried out by surface diamond drilling but would be more efficiently achieved by drilling from underground locations sited closer to the target blocks.

Longer Mine Life

Using the lower cut-off QME block models, there is an opportunity to develop a new mineable model for either the White Rock and Upper Engine zones alone as per the Micon plan, or extending this to the entire known resource zones by re-defining the mining shapes and the stoping plan, followed by a new development plan and schedule. These will require an expansion of the planned annual treatment rate of 1,000 tonnes per day used in the Micon Scoping Study model, potentially to 1,500 tonnes per day, particularly as the total available tonnage increases. To optimise the mine life and dependent upon the extent of inclusion of the more distant zones, this

rate could be increased in the further expanded case of all zones to perhaps 3,000 tonnes per day. The projected mine life could then extend from the Scoping Study base case 8 years through to a range of 12 to 18 years.

Summary and Future Steps

The Directors believe that following completion of the QME exercise, it will be possible to positively report a total compliant resource figure somewhere around 10 million tonnes. From this the mine plan including annual production rates and life of mine would be significantly enhanced. Importantly we believe that financial results flowing from such a plan would achieve our goal of significantly enhancing the project economics indicated by the Scoping Study Base Case.

As indicated, QME also reviewed all the capital costs associated with the various alternative scenarios. This work was based on their particular experience in mine construction together with some estimates of additional infrastructure and processing capital cost associated with increased annual production above the 2017 estimates. While these estimates will require more detailed review, the Directors feel comfortable that even at the higher level associated with largest tonnage mined, the forecast costs to put Parys Mountain into production remain at a level that should be able to be financed under normal commercial conditions.

It is planned to bring all of the QME work into a compliant basis by incorporating this into a Preliminary Economic Analysis. This work has been commenced by Micon International Limited and we look forward to this being completed during the current year. Once that work is complete, we will be able to publicly report more fully on the financial and other metrics that make up this exciting project. This will be followed as soon as practicable, and subject to funding, with a Pre-Feasibility study to enable production financing to be achieved.

All of this work, even though it has taken somewhat longer to bring to conclusion than originally anticipated largely due to the expanded scope that the ongoing encouraging results dictated, is very important for Parys Mountain Mines Limited. The significantly higher tonnages of material that would be available from mining beyond that utilised in the Micon Scoping Study will bring a major change to the way in which the project progresses and to the manner in which the Company is viewed in the marketplace.

Financial

The profit for the year was £1,544 (2019 profit £3,744). The company's expenditure on the property during the year was £49,835 (2019 - £54,747).

Dividend

There is no revenue from the operations of the company. The directors are unable to recommend a dividend (2019 - nil).

Since the date of the statement of financial position the activities of the company have continued in accordance with the directors' expectations.

Risks and uncertainties

The directors have carried out an assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity. In conducting its business, the company faces a number of risks and uncertainties, the more significant of which are described below. The board believes the principal risks are adequately disclosed in this annual report and that there are no other risks of comparable magnitude which need to be disclosed. Mineral exploration and mine development is a high-risk speculative business which is subject to numerous significant risks most of which are outside the control of the board.

The global spread of the contagious coronavirus disease, causing the outbreak of Covid-19 respiratory illness was declared a pandemic by the World Health Organization on March 11, 2020. The Covid-19 pandemic has adversely affected the economies and financial markets of many countries, resulting in an economic and financial downturn that is presenting unprecedented challenges to individual health, communities, jobs, businesses and economies, and specifically to public companies, shareholders and investors. Although the pandemic has no direct impact on the Parys Mountain property and is not expected to affect its ongoing exploration and development, the company relies on equity financing of its parent to generate additional financial resources to fund its working capital requirements and to fund its planned programmes. The pandemic has adversely affected financial markets and investor interest in public companies that could affect the ability to finance its operations. The company cannot predict the impact of Covid-19, including uncertainties relating to the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments.

In reviewing the risks facing the company, the board considers it is sufficiently close to the operations and aware of activities to be able to adequately monitor risk without the establishment of any formal process. The company 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. 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 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 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 company faces competition from other mining companies in connection the recruitment and retention of qualified employees and other personnel and in attracting investment or potential joint venture partners.

Development and liquidity risk

The going concern risk is discussed in the directors report. The company relies on financing from its parent to fund its working capital requirements and additional financial resources to fund future development will also be required.

There is no assurance that the company will continue to obtain additional financial resources and/or achieve positive cash flows or profitability.

Exploration and development

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

Substantial expenditures are required to develop the mining and processing facilities and infrastructure. There can be no assurance that the company's current development programmes will result in profitable mining operations. Current operations are in politically stable environments and hence unlikely to be subject to expropriation but exploration by its nature is subject to uncertainties and unforeseen or unwanted results are always possible.

Metal prices

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 currency fluctuations which affect the amount which might be received by the company in sterling.

Permitting, environment, climate change and social

The company holds planning permissions for the development of the Parys Mountain property, but further environmental studies and assessments and various approvals and consents will be required to carry out proposed activities and these may be subject to various operational conditions and reclamation requirements.

Employee and personnel

The company is dependent on the services of a small number of key executives. The loss of these persons or the company's inability to attract and retain additional highly skilled and experienced employees for any areas in which the company might engage may adversely affect its business or future operations.

Brexit

The directors believe that the effect on the specific operations of the company of the UK leaving the European Union is unlikely to be material and the resultant expected focus on domestic investment in the UK may be beneficial to the Parys Mountain project.

Covid-19

The company cannot accurately predict the impact Covid-19 will have on its operations, including uncertainties relating to the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments. In addition, Covid-19 has resulted in a widespread health crisis that has adversely affect economies and financial markets that could further affect the ability to finance operations.

The directors have carefully considered the impact of the Covid-19 pandemic on the Parys Mountain property and have concluded that to date it has had no impact on the project and further it is unlikely to have, assuming that the pandemic does not get any worse and passes over in the next two to three years. The project is not currently in production, so Covid-19 does not impact current operations.

Although the pandemic has no direct impact on the Parys Mountain property and is not expected to affect its ongoing exploration and development, the company relies on its parent's equity financing to generate additional financial resources to fund its working capital requirements and to fund the planned programmes. Initially, the pandemic adversely affected financial markets and investor interest and initially, the economic impacts of the pandemic also had a significant negative effect on demand for metals and on metal prices. Metal prices, and by extension the level of investor interest in the mining industry, impact Anglesey Mining plc's ability to finance the company. Paradoxically, in the face of Covid-19, the fundamental medium to long term outlook for all base metals, particularly in the time frame and for the metals that would be mined at Parys Mountain, is very positive.

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

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

The financial statements are prepared on a going concern basis. The validity of the going concern basis is dependent on finance being available for the continuing working capital requirements of the company for the foreseeable future, being a period of at least twelve months from the date of approval of the accounts. Based on the committed support of the company's parent there will be sufficient finance available for the continuing working capital requirements of the company on a status quo basis for at least twelve months from the date of the financial statements.

Additional financial resources will be required to meet planned business objectives, to progress the ongoing development of the Parys Mountain project and to continue as a going concern. The plans to phase the development of the project by undertaking the various optimisation programmes and completing a prefeasibility or feasibility study to progress the Parys Mountain Mine towards production require interim funding to finance the further studies and optimisation programmes and, in the longer term, senior financing to fund the capital and development costs to put the Parys Mountain Mine into production.

Anglesey Mining, the company's parent, is actively pursuing various financing options with certain shareholders and financial institutions regarding proposals for financing and is in discussions with a range of investors, including private equity funds. Whilst these discussions continue the directors have reasonable expectations that those financing discussions will be successful and therefore the financial statements have been prepared on the going concern basis.

However, given the limited financial resources currently available, and that there is no guarantee that such funding will be available, there is a risk that the company will not have sufficient financial resources to fund its short-term project funding requirements, and therefore there exists a material uncertainty concerning the ability of the company to continue as a going concern or that it will be successful in receiving the necessary investment to advance the development of the project and put a mine at the Parys Mountain property into production.

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 and this opinion is not affected by the Covid pandemic, for the reasons set out above in the Risks section.

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. 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 judgements and 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; and
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

The directors have prepared this report in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the board of directors and signed on its behalf



D. K. Varma
Company secretary
6 November 2020

Independent auditor's report to the members of Parys Mountain Mines Limited**Opinion**

We have audited the financial statements of Parys Mountain Mines Limited (the 'company') for the year ended 31 March 2020 which comprise the Statement of total comprehensive income, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 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.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements concerning the applicability of the going concern basis of preparation. As detailed in the financial statements and the Directors' Report, the company is not generating revenue and is in the process of getting the Parys Mountain mining project ready to move into development. Its business model requires generation of additional financial resources to progress the ongoing development of the Parys Mountain project.

At 31 March 2020 the company had net current liabilities of £1.2k and cash and cash equivalent reserves of £1.3k. Subsequent to the year end, the parent company issued further shares with gross proceeds of £200k. The parent company therefore has sufficient resources to support Paris Mountain Mine Limited's continuing working capital requirements on a status quo basis for at least twelve months from the date of the financial statements. In Note 2, the directors explain that the company needs to generate additional financial resources to meet its planned business objectives and to progress the development of the Parys Mountain project. The directors of Anglesey Mining plc are actively pursuing various financing options and they are confident that the parent company will raise the additional funding when required. Therefore, the financial statements have been prepared on a going concern basis.

However, as described in Note 2, the directors recognise that the continuing operations of the company is dependent upon the parent company's ability to raise adequate financing and that there is a risk that additional funding may not be available on a timely basis or on acceptable terms. Given the limited financial resources currently available, until the parent company secures sufficient investment for short-term funds required for the additional studies and ultimately for the production phase in the longer term, the current level of resources may not be sufficient to finance short-term project needs. Therefore, a material uncertainty exists that may cast a significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Other information

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

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

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on pages 6 and 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

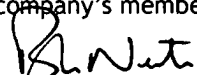
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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.



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

6 November 2020

Statement of total comprehensive income

All operations are continuing

	Notes	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Revenue		-	-
Rentals and other income		4,462	6,661
Administration expenses		(3,205)	(3,150)
Operating profit	3	1,257	3,511
Finance income		287	233
Profit before tax		1,544	3,744
Tax		-	-
Total comprehensive income for the year		1,544	3,744

Statement of financial position

	Notes	31 March 2020	31 March 2019
		£	£
ASSETS			
Non-current assets			
Mineral property exploration and evaluation	7	15,215,723	15,165,888
Property, plant and equipment	8	174,687	174,687
Deposit	9	123,748	123,460
		<u>15,514,158</u>	<u>15,464,035</u>
Current assets			
Other receivables	10	6,494	8,435
Cash and cash equivalents		1,325	954
		<u>7,819</u>	<u>9,389</u>
Total assets		<u>15,521,977</u>	<u>15,473,424</u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	(9,028)	(13,019)
		<u>(9,028)</u>	<u>(13,019)</u>
Net current assets/(liabilities)		<u>(1,209)</u>	<u>(3,630)</u>
Non-current liabilities			
Provision for site reinstatement	12	(50,000)	(50,000)
Total liabilities		<u>(59,028)</u>	<u>(63,019)</u>
Net assets		<u>15,462,949</u>	<u>15,410,405</u>
EQUITY			
Share capital	13	1,000	1,000
Share premium		37,461	37,461
Other reserves		15,250,076	15,199,076
Retained profits		174,412	172,868
Total shareholder's equity		<u>15,462,949</u>	<u>15,410,405</u>

The financial statements were approved and authorised for release by the board of directors on 6 November 2020 and signed on its behalf by:



Bill Hooley, Director

Company registration number 00939442

Statement of changes in equity

All attributable to the equity holder in the company

	Share capital	Share premium	Other reserves	Retained profits	Total
	£	£	£	£	£
Total shareholder's equity at 1 April 2018	1,000	37,461	15,156,876	169,124	15,364,461
Total comprehensive income for the year:					
Profit for the year	-	-	-	3,744	3,744
Total comprehensive income for the year	-	-	-	3,744	3,744
Capital contributions			42,200		42,200
Total shareholder's equity at 31 March 2019	1,000	37,461	15,199,076	172,868	15,410,405
Total comprehensive income for the year:					
Profit for the year	-	-	-	1,544	1,544
Total comprehensive income for the year	-	-	-	1,544	1,544
Capital contributions	-	-	51,000	-	51,000
Total shareholder's equity at 31 March 2020	1,000	37,461	15,250,076	174,412	15,462,949

Notes to the financial statements for the year ended 31 March 2020

1. General information

Parys Mountain Mines Limited is domiciled and incorporated in England and Wales under the Companies Act 2006. The nature of the company's operations and its principal activities are set out in the Directors' report. The registered office address is shown on page 1.

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

2. Significant accounting policies

Basis of Accounting

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") and in accordance with the applicable provisions of the Companies Act 2006. Except for certain disclosure exemptions detailed below, the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (EU-adopted IFRSs) have been applied to these financial statements and, where necessary, amendments have been made in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups Regulations 2008/410 ('Regulations').

Basis of measurement

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

Going concern

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

The financial statements are prepared on a going concern basis. The validity of the going concern basis is dependent on finance being available for the continuing working capital requirements of the company for the foreseeable future, being a period of at least twelve months from the date of approval of the accounts. Based on the committed support of the company's parent, augmented by its share issue on 24 August 2020 which raised £200,000, there will be sufficient finance available for the continuing working capital requirements of the company on a status quo basis for at least twelve months from the date of the financial statements.

Additional financial resources will be required to meet planned business objectives, to progress the ongoing development of the Parys Mountain project and to continue as a going concern. The plans to phase the development of the project by undertaking the various optimisation programmes and completing a prefeasibility or feasibility study to progress the Parys Mountain Mine towards production require interim funding to finance the further studies and optimisation programmes and, in the longer term, senior financing to fund the capital and development costs to put the Parys Mountain Mine into production.

Anglesey Mining, the company's parent, is actively pursuing various financing options with certain shareholders and financial institutions regarding proposals for financing and is in discussions with a range of investors, including private equity funds. Whilst these discussions continue the directors have reasonable expectations that those financing discussions will be successful and therefore the financial statements have been prepared on the going concern basis. However, given the limited financial resources currently available, and that there is no guarantee that such funding will be available, there is a risk that the company will not have sufficient financial resources to fund its short-term project funding requirements, and therefore there exists a material uncertainty concerning the ability of the company to continue as a going concern or that it will be successful in receiving the necessary investment to advance the development of the project and put a mine at the Parys Mountain property into production.

New accounting standards

Standards, amendments and interpretations adopted in the current financial year:

The adoption of the following standards, amendments and interpretations in the current financial year has not had a material impact on the financial statements of the company.

- IFRS 9 Financial Instruments (Amendment)
- IFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments
- IAS 28 Investments in Associates and Joint Ventures (Amendment)

Standards, amendments and interpretations in issue but not yet effective:

	Effective date
Amendments to IAS 1 and IAS 8: Definition of Material	1 January 2020
Amendment to IFRS 3 Business Combinations: Definition of a Business	1 January 2020
Conceptual Framework (Revised) and amendments to related references in IFRS Standards	1 January 2020
IFRS 17 Insurance Contracts	Expected date not available

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

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.

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 company'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 company'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.

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 company 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 asset 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.

Property, plant and equipment

The company'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.

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 that obligation at the end of the reporting period and are discounted to present value where the effect is material.

Financial instruments**Initial recognition**

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

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

*Classification and measurement**Financial assets*

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

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

Financial assets classified and measured at amortised cost

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

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

Financial assets classified as amortised cost are other receivables, deposits and cash and cash equivalent. Carrying value of these financial assets at yearend are not material to the company.

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

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

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

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

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

Financial liabilities

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

Equity and reserves

Share capital represents the nominal value of shares that have been issued. Share premium represents the amount by which the amount received by the Company for a share issue exceeds its face value. Capital contributions represent amounts advanced by the company's parent which are not expected to be repaid. Retained earnings include all current and prior period retained profits.

Leases

Mining lease payments relating to mineral property exploration and evaluation are capitalised; there are no other leases, see note 15 for details. There are no IFRS 16 disclosures required in respect of the mining leases.

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

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

(a) In determining the treatment of exploration and evaluation expenditures the directors are required to make estimates and assumptions as to future events and circumstances. Significant judgment must be exercised in determining when a project moves from the exploration and evaluation category phase and into the development category of mineral property interests. The existence and extent of economic mineral resources, proven or probable mineral reserves; regulatory permits and licences; the availability of development financing; current and future metal prices; and market sentiment are all factors to be considered. Estimates of the recoverable value of exploration and evaluation assets involves certain inherent uncertainties, including geological, fluctuation in metal prices, operating costs, and permitting risks. There are uncertainties inherent in making such assumptions, especially with regard to: mineral resources; recovery rates; production costs; commodity prices and exchange rates. Estimates of the recoverability of the investment in exploration and evaluation assets have been based on current and expected conditions. Assumptions that are valid at the time of estimation may change significantly as new information becomes available and changes in these assumptions may result in resources or reserves being restated.

(b) In connection with possible impairment of exploration and evaluation 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. Other reserves are in respect of capital contributions by the company's parent. The retained earnings reserve represents profits and losses retained in previous and current periods.

3. 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.

4. 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.

5. 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.

6. Taxation

Trading profits for taxation purposes have been offset against losses of other companies using Company Relief. Accordingly no provision has been made for Corporation Tax. There are capital allowances, including mineral extraction allowances, of £12.7 million unclaimed and available at 31 March 2020 (2019 - £12.5 million).

	2020	2019
	£	£
Current tax	-	-
Deferred tax	-	-
Total tax	-	-
Domestic income tax is calculated at 19% (2019 - 19%) 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:		
Loss for the year	1,544	3,744
Tax at the domestic income tax rate of 19% (2019 - 19%)	293	711
Tax effect of:		
Expenses not deductible in determining taxable result	-	-
Prior year losses utilised	(293)	(711)
Current tax	-	-

7. Mineral property exploration and evaluation costs

At 31 March 2019	15,165,888
Additions - site	24,341
Additions - rentals & charges	25,494
	<hr/>
At 31 March 2020	15,215,723
Carrying amount	
Net book value 2020	15,215,723
Net book value 2019	<hr/> 15,165,888

Included in the additions are mining lease expenses of £16,626 (2018 - £11,208).

The recoverability of the deferred exploration and evaluation 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 statement of financial position would be written off.

Potential impairment of mineral property

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

The directors assessed the carrying value of the Parys Mountain exploration and evaluation assets at the reporting date to determine whether specific facts and circumstances suggest there is an indication of impairment and concluded that those facts and circumstances have not materially changed during the year and there are no indicators of impairment.

8. Freehold property

Cost	£
At 31 March 2019 and 2020	<hr/> 174,687
Carrying amount	
At 31 March 2019 and 2020	<hr/> 174,687

The directors assess the market value of the land annually and are satisfied that it is in excess of the carrying value.

9. Deposit

	£
Opening balance	123,460
Interest accumulated in year	287
	<hr/>
Closing balance	123,747

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.

10. Other receivables

	2020	2019
	£	£
Amounts receivable & prepayments	6,494	8,435

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

11. Trade and other payables

	2020	2019
	£	£
Trade payables	(1,598)	(5,590)
Accruals	(7,430)	(7,429)
Totals	(9,028)	(13,019)

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

12. Provision

	2020	2019
	£	£
Provision for site reinstatement	(50,000)	(50,000)
Addition in year	-	-
Provision at the end of the year	(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 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.

13. Share capital

	2020	2019
	£	£
Issued and fully paid		
1000 ordinary shares of £1 each		
At 31 March 2019 and 2020	1,000	1,000

14. Parent company and financial support

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.

15. 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 £11,858 is payable for the year beginning 23 March 2019; the 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 by the company at 12 months' notice and otherwise terminates in 2070.

(c) Under a mining lease from the Crown dated December 1991, 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. The lease expired in early 2020 and negotiations in respect of the renewal of this lease or the granting of a new lease are continuing.

Lease payments

The leases of the company and its associates may be terminated by the lessees 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 2020 - £; between 1 April 2021 and 31 March 2026 - £. Thereafter the payments will continue at proportionate annual rates, in some cases with increases for inflation, for so long as the leases are retained or extended.

16. Events after the period end

There are no events after the period end to report.