Company registration number 00939442 (England and Wales)

Parys Mountain Mines Limited

Annual report for the year ended 31 March 2023

Contents

Directors	J. F. Kearney Jo Battershill Don McCallum appointed 21 July 2022
Company Secretary	D. K. Varma
Registered Office	Parys Mountain Amlwch Anglesey LL68 9RE
Auditor	UHY Farrelly Dawe White Limited FDW House, Blackthorn Business Park, Coe's Road, Dundalk, Co. Louth, Ireland A91 RW26

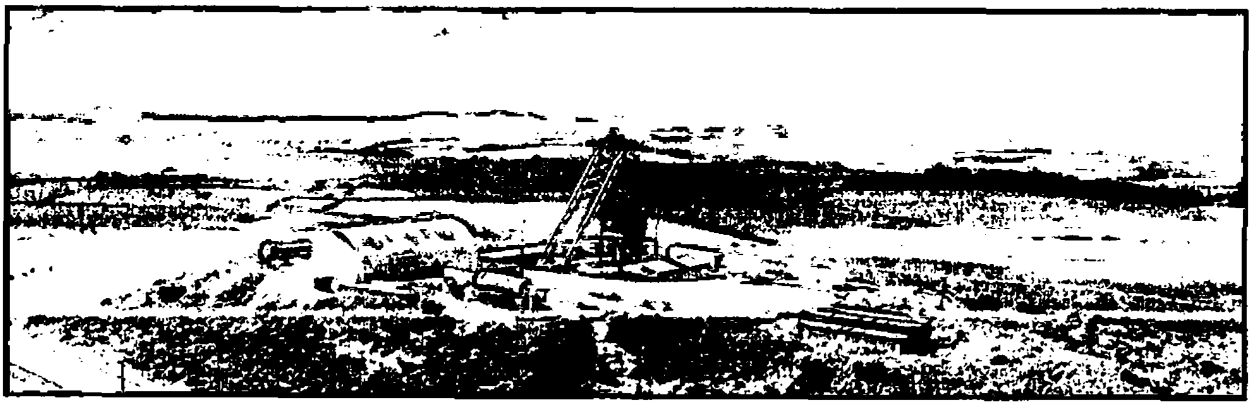
Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 March 2023. The company's objective is to develop the mineral resources of Parys Mountain in north Anglesey, Wales.

The Parys Mountain Cu-Zn-Pb-Ag-Au Project on the Isle of Anglesey hosts a significant polymetallic deposit with an updated resource estimate of 16.1Mt grading 1.3% Zn, 1.0% Cu, 0.7% Pb, 15g/t Ag and 0.2g/t Au. The site has a head frame, a 300m deep production shaft, is connected to grid power, located only 20 miles from the port of Holyhead and is well advanced towards permitting for an operation. We have freehold ownership of the minerals and much of the surface land on the western portion of the property where all the current resources are located. Access to infrastructure is good, political risk is low and the project enjoys the support of local people and government.

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

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



While the Parys Mountain Project has a long history and a substantial amount of data, much of this needs to be updated as an integral part of a Pre-Feasibility Study. The work conducted over the last year, and much of that planned for the current year, is to bring the data to a sufficient level of confidence to complete the Pre-Feasibility Study.

Resource update lifts confidence

A series of 10 drill holes for 2,750m were completed early in 2023. These holes were designed to infill drill both the White Rock and Engine Zones, collectively referred to as the Morfa Du Zone, and upgrade the resource categories across the deposits.

After receiving the assay results from the drilling and conducting a robust review of the geology, the resource interpretation was updated internally resulting in tighter geological constraints being applied. Micon International Limited were then engaged to complete an independent mineral resource estimate.

The updated mineral resource estimate completed in March 2023 introduced the first Measured resource to the Parys Mountain mineral inventory. Overall, the combined Measured and Indicated categories now account for 92%, or 5.3 million tonnes, of the Morfa Du Zone - including a Measured resource of 1.3 million tonnes. Prior to the drilling programme, 78% of the Morfa Du Zone was in the indicated category.

The importance of lifting the resource confidence should not be underestimated. Advancing the project from the 2021 Preliminary Economic Assessment through a Pre-Feasibility Study and subsequent Bankable Feasibility Study will require additional mine design optimisations. The higher confidence category will ultimately reduce the level of uncertainty through the mine design process.

The updated mineral resource estimate for the Morfa Du Zone comprises 5.72Mt at 0.36% Cu, 2.30% Zn, 1.24% Pb, 28/t Ag and 0.28g/t Au (2.0% CuEq or 5.6% ZnEq), as set out in the table below. On a like-for-like basis, the previous resource estimate of the Morfa Du Zone was 6.9Mt at 0.44% Cu, 2.70% Zn, 1.40% Pb, 30g/t Ag and 0.24g/t Au (2.2% CuEq or 6.2% ZnEq).

Morfa Du - Mineral Resource Estimate (March 2023)											
		Grades					Contained Metal				
Classification	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Cu (kt)	Zn (kt)	Pb (kt)	Ag (Moz)	Au (koz)
Measured	1.30	0.33	2.32	1.28	33	0.43	4.3	30.4	16.7	1.38	18.3
Indicated	3.98	0.37	2.39	1.29	27	0.23	14.7	95.3	51.4	3.44	29.7
Inferred	0.45	0.40	1.41	0.65	25	0.25	1.8	6.4	2.9	0.36	3.6
Total	5.72	0.36	2.30	1.24	28	0.28	20.4	131.7	70.9	5.17	51.3

Table 1 – Morfa Du Mineral Resource Estimate (March 2023)

Notes to table:

- Mineral Resources are based on JORC Code definitions
- Operating costs for mining, processing and G&A were modelled at US$45.15/t of mill feed
- An Average Value operating cut-off of US$45.15/t has been applied
- Payability varies depending on metal (from 70% up to 97.5%)
- Metal prices used in the NSR and CuEq calculations were based on US$3,350/t for Zn, US$2,292/t for Pb, US$9,523/t for Cu, US$25.50oz for Ag and US$1850/oz for Au
- Recoveries used in the NSR were based on historical metallurgical testwork and the 2,000t bulk sample processed in 1991 (80% to 82% for Zn, 48% to 80% for Cu, 68% to 78% for Pb, 72% for Ag and 25% for Au to concentrate and 40% for Au to gravity)
- Dilution allowance of 5% included
- CuEq – Copper equivalent was calculated using the formula set out below:
  CuEq = (Cu grade % x Cu Recovery) + (Zn grade % x Zn recovery % x (Zn price / Cu price)) + (Pb grade % x Pb recovery % x (Pb price / Cu price)) + (Ag grade g/t / 31.103 x Ag recovery % x (Ag price / Cu price)) + (Au grade g/t / 31.103 x Au recovery % x (Au price / Cu price))
- It is the opinion of Anglesey Mining and the Competent Persons that all elements and products included in the metal equivalent formula have a reasonable potential to be recovered and sold
- Density values were calculated using a linear regression of density versus the combined Cu, Pb, and Zn grade
- Rows and columns may not add up exactly due to rounding

The tighter geological constraints removed previous zones of inferred material that were supported by limited drilling leading to a reduced overall resource estimate however, it is important to note that these areas still represent key target zones for future drilling.

The resource estimates for the Northern Copper Zone, Garth Daniel and Deep Engine Zone were not updated and will be the target for the next round of resource work.

Technical work streams well advanced – Geotechnical, Metallurgy and Tailings Management

The 2023 drilling was also designed to provide samples for both geotechnical domain modelling within the Morfa Du Zone and provide a suitable sample to complete confirmatory metallurgical test work. From a geotechnical perspective, the drill holes were surveyed with an acoustic televiewer, a downhole tool that measures and models all the discontinuities within the surrounding rock. This data was then confirmed through the geotechnical logging of orientated drill core. All of this data was then utilised in the geotechnical assessment.

During the reporting period, Knight Piésold, one of the world's leading geotechnical consultants, completed the geotechnical assessment of the Morfa Du Zone, which highlighted that the assumptions used in the 2021 Preliminary Economic Assessment were appropriate for the selected stoping method and confirmed the potential mining spans. This data will feed into the next round of underground designs and optimisation process.

Subsequent to the geological and geotechnical logging of the drill core, we dispatched a 340 kg sample to our retained mineral processing consultancy firm, Grinding Solutions Limited ("GSL"), comprising a blend of White Rock and Engine Zone with a combined head-grade of 0.42% Cu, 3.60% Zn, 3.08% Pb, 49g/t Ag and 0.7g/t Au (3.4% CuEq). The blend as delivered to GSL is 3.3 (White Rock) to 1.0 (Engine Zone), similar to the contribution that is expected to be delivered from the mine in the early years, prior to production from the Northern Copper Zone commencing.

The metallurgical testwork is designed to update results from testwork conducted in 2007, which demonstrated that Dense Media Separation (DMS) would upgrade the feed into the comminution circuit with a mass rejection of around 40% and between 3 and 5% associated metal losses. The current round of testwork will also complete a trade-off study between DMS and X-Ray based ore-sorting technology which is now utilised across many mines around the globe.

If the Parys Mountain ore is suitable for pre-concentrating, the benefits will be significant. Should the testwork confirm the previous 40% mass rejection and associated metal losses, the designed milling rate could be significantly smaller than the mining rate with the rejects going back underground to be used as road base for the decline or stope-fill. Additionally, the 40% mass rejection would significantly reduce the amount of mine tailings. Both benefits would also lower the capital requirements of mine development. Ultimately, the decision on whether to include a pre-concentration process or not will be decided through economic trade-off analyses during the Pre-Feasibility Study.

Knight Piésold also completed the conceptual design of a dry stack tailings management facility. The historical planning permissions for Parys Mountain assumed a conventional tailings slurry storage. However, the preferred method would now be a dry stack tailings management facility, which is aligned with the recommendations from the Global Industry Standard on Tailings Management.

To integrate the filtered stack facility with the valley to the south of the mine, the stack has been designed in 10 m lifts and modelled against existing slopes at the north. Under the expanded case development proposal, the filtered stack facility would require a capacity of 6.5 million tonnes over the proposed 12-year mine life, while also protecting a Special Site of Scientific Interest, related to a lichenological interest, located nearby.

The conceptual configuration, size and cross-section of the tailings area are presented below.

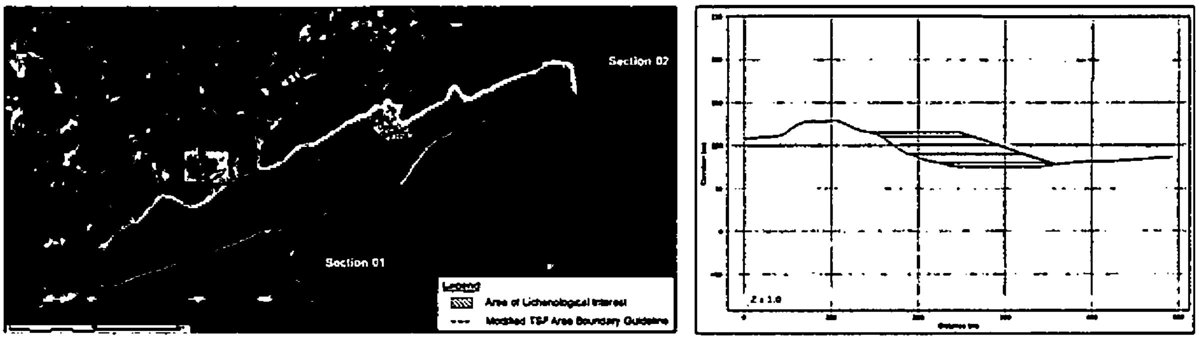


Figure 1 – Conceptual design for filtered, dry stack tailings management facility

Environmental assessment and permitting

The permitting process has changed significantly since 1988. While we have existing planning permissions that relate to the proposed development of the mine, processing plant and tailings storage facility, these need to be updated to meet today's more stringent requirements.

Environmental and permitting activities have continued at Parys Mountain over the course of the period. Up to the end of March 2023 the following surveys had been completed:

- Habitat mapping and Habitat suitability
- Pond water testing
- Over-wintering and nesting birds
- Reptiles and great crested newts
- Invertebrates (aquatic and terrestrial)
- Soils and agricultural land quality

Work has also commenced on the following surveys:

- Groundwater testing, which will feed directly into both the infrastructure foundation designs and the dry-stack tailings engineering studies
- Air quality, including noise and vibration surveys
- Landscape and
- Heritage

As a former operating mine, the project is classified as a Dormant Site, which requires a Pre-Application Inquiry submission to the North Wales Mineral Planning Authority. This Pre-Application Inquiry was submitted in 2022. A Pre-Application Inquiry meeting with the Mineral Planning Authority and a number of statutory consultees was held on site and in Amlwch in April 2023. The attendees included Natural Resources Wales, Cadw, Anglesey County Council Departments (Environmental Health, Highways & Transportation, Ecology & Environment and Heritage), Archaeological Planning Services, local councillors and members of both Westminster and Welsh governments.

The planning process allows for the statutory consultees to respond to the proposal with any comments or queries regarding the project details. A number of responses have now been received and will be used to define the limits of the Environmental Impact and Social Assessment for Parys Mountain.

Bringing the Northern Copper Zone into play

The design, planning and logistics for the first round of infill drilling into the Northern Copper Zone since 1974 has now been completed.

The NCZ was discovered in 1962 after testing an Induced Polarisation geophysical target. The zone is interpreted as the downdip extension of the historical open pit mined at Parys Mountain and appears as a wedge-shaped block with the thin edge (15m wide) starting around 200m below surface that extends down to the thicker end (over 100m width) at a depth of around 525m below surface. It remains open both along strike to the east and at depth. The locations of the historical drilling intersections are shown below:

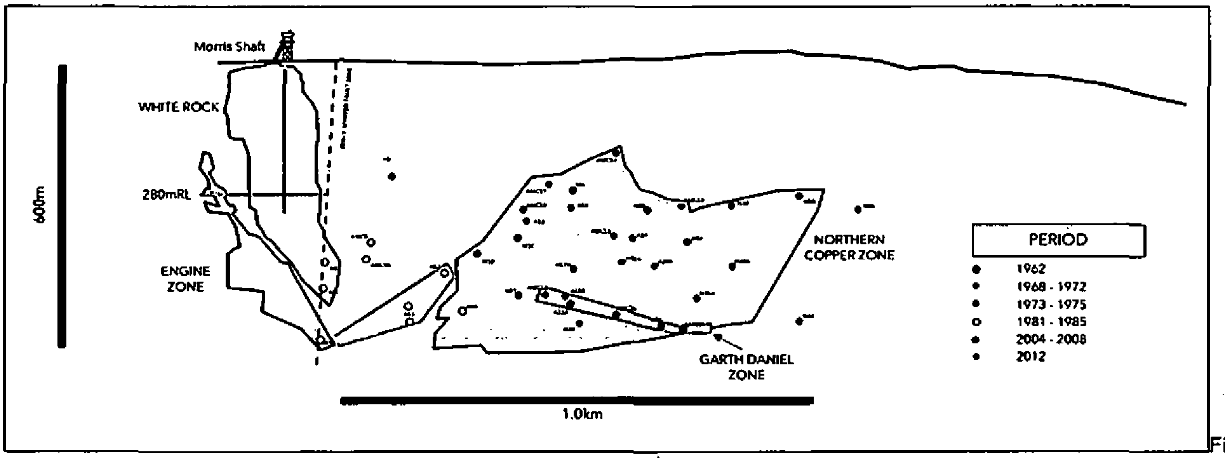


Figure 2 – Existing intersections within the Northern Copper Zone and Garth Daniel (long section)

The Northern Copper Zone has a 2012 resource estimate of 9.4Mt at 1.27% Cu, plus minor Au, Ag, Zn and Pb credits (1.6% CuEq) - although very few holes were assayed for all the metals. The internal resource estimate from the early 1970's was >30Mt at 0.81% Cu - excluding any by-products - which should not be considered compliant with any modern JORC or CIMM methodologies or NI43-101 reporting requirements.

While very few of the holes drilled before 1980 were assayed for gold, it was recognised that the Northern Copper Zone contains gold with minor silver, zinc and lead. Preliminary metallurgical testwork completed in 1969 at Lakefield Research in Ontario demonstrated recoveries of up to 93.3% producing a copper concentrate grading 23.2% Cu - but no testing was conducted on the recovery of any other metals.

The proposed drilling programme of 6 holes, for 3,750m, could potentially provide multiple pierce points across the Northern Copper Zone, the Garth Daniel Zone and the Central Zone, based on current interpretations.

Examples of historical intersections from these zones are detailed in the tables below.

Historical High-grade Intersections				
Hole ID	Depth	Width	Grade	
	(m)	(m)	CuEq (%)	ZnEq (%)
AMC15	562.7	5.2	13.5	37.4
A29	351.9	3.8	8.6	24.0
AMC17	397.7	11.4	5.9	16.5
A53	561.8	4.8	5.4	15.2
H3	284.7	1.8	11.7	32.3

Historical Lower-grade Intersections				
Hole ID	Depth	Width	Grade	
	(m)	(m)	CuEq (%)	ZnEq (%)
H34	349.9	146.3	1.2	3.3
H30	297.6	80.9	1.5	4.3
AMC19	313.4	13.6	2.4	6.6
H31	398.7	50.9	1.2	3.3
H17A	419.4	87.0	0.9	2.5

Table 2 – Historical drilling intersections – high-grade intersections from Garth Daniel and Central Zone, lower grade intersections from Northern Copper Zone.

Lifting the resource confidence category for the Northern Copper Zone, which is currently all in the Inferred category, is a key target over the next year. The Northern Copper Zone is projected to contribute almost 40% of the mill feed over the 12-year mine life as proposed by the expanded case in the 2021 Preliminary Economic Assessment.

Base metal prices soften, but fundamentals remain supportive

It is now well understood that the energy transition currently underway will significantly increase demand for metals used in the manufacturing of electric vehicles (EVs) and renewable power generation facilities. Ultimately, this will require a vast supply response over the next two decades and a step change in investments from miners. However, mining projects have long lead times and require large investments. Based on data from the International Energy Agency (IEA), lead times from resource discovery to production now averages 17-years, which includes 12.5-years from discovery to feasibility and 4.5 years for planning and construction, which is likely to have a significant impact on the timing of any supply response. In addition, some established, well-funded mining companies have recently demonstrated a preference to 'buy-versus-build', which potentially implies there are limited development options around.

Both EVs and renewable generation are more metal-intensive than fossil fuel-based alternatives, which will continue to support metals demand as the world transitions towards a carbon-free economy. According to the International Bar Association, wind and solar installations require between 8 and 12 times more copper than coal and gas generation capacity and EVs require 3 to 4 times more of the base metal than internal combustion engine vehicles.

The IEA suggests this transition will lead to a six-fold increase in demand for minerals by 2050 compared to current levels. While the growth rates for each metal will vary and will depend on technologies chosen for batteries and power generation and environmental policies, the underlying direction of travel for the industry has been set. We continue to remain very confident that the outlook for most minerals, particularly for the copper and zinc minerals at Parys Mountain, is very encouraging.

Base metal prices were generally weaker throughout the course of the reporting period. While copper and lead were around 13% lower year-on-year, zinc fell almost 35%. The highs for most of the base metals complex were seen in April 2022. Over the same time frame, precious metals were flat. The entire commodity suite saw lows for the year in September 2022, bought on by underlying financial and economic indicators pointing to an extended period of weakness across all major geographies and a pending recession. Consumer confidence in China and the United States declined rapidly and purchasing managers indices for construction and manufacturing all pointed to a drop in future orders.

The base case economic model in the PEA utilized three-year trailing metal prices of $2.81/lb copper, $1.20/lb zinc, $0.95/lb lead, $16.67/oz silver, and $1,459/oz gold, with an exchange rate of £1.00/$1.25. We continue to believe that the base case three-year trailing metal prices used in the PEA are a very conservative starting point. The three-year trailing metal prices to the end of 2022 were US$3.67/lb copper (31% above the price used in the 2021 PEA), US$1.32/lb Zn (+10%), US$0.93/lb lead (-2%), US$22.57/oz silver (+35%) and US$1790/oz gold (23%) with an exchange rate of £1.00/US$1.30 (+4%).

Prices at 14 September 2023, the last practicable date before the publication of this report, were $3.78/lb copper, $1.16/lb zinc, $1.02/lb lead, $22.63/oz silver and $1908/oz gold, with the exchange rate at £1.00/$1.24. Using these commodity prices, the expanded case pre-tax NPV10% increases from US$120 million to US$228 million, with pre-tax IRR of 36%, which clearly demonstrate the sensitivity and leverage of a mine at Parys Mountain to higher metal prices.

At these September 2023 metal prices, copper production from a Parys Mountain mine would represent 50% of the net smelter revenue under the expanded case while zinc and lead would represent 27% and 18% respectively. The PEA indicates production of 75,000 tonnes of copper, 166,000 tonnes of zinc, 80,000 tonnes of lead, over 5 million ounces of silver and 30,000 ounces of gold over the project's 12-year mine life, this equates to an average copper equivalent production rate of 14,000 tonnes per year over the proposed life of the operation.

Financial

The loss for the year was £7,008 (2022 profit £2,340). The company's expenditure on the property during the year was £460,118 (2022 - £394,410) the increase being due to additional activities being undertaken as described above.

Dividend

There is no revenue from the operations of the company. The directors are unable to recommend a dividend (2022 - 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 these financial statements and that there are no other risks of comparable magnitude which need to be disclosed.

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

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

General mining risks

Actual results relating to, amongst other things, results of exploration, mineral reserves, mineral resources, capital costs, mining production costs and reclamation and post closure costs, could differ materially from those currently anticipated by reason of factors such as changes in expected geological or geotechnical structures, general economic conditions and conditions in the financial markets, changes in demand and prices for minerals that are expected to be produced, legislative, environmental and other judicial, regulatory, political and competitive developments in areas in which operations take place, technological and operational difficulties encountered in connection with 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 with the recruitment and retention of qualified employees and other personnel and in attracting investment and or potential joint venture partners to its properties.

Exploration and development

Exploration for minerals and development of mining operations involve risks, many of which are outside the 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 at any mine site. No assurance can be given that a mineral deposit can be developed to justify commercial operations or that funds required for development can be obtained on a timely basis and at an acceptable cost. There can be no assurance that the 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.

Development and liquidity risk

The going concern risk is discussed in the directors' report. The company has relied on equity financings by its parent to fund its working capital requirements and will need to generate additional financial resources to fund all future planned exploration programmes.

Developing the Parys project will be dependent on raising further funds from various sources. There is no assurance that the company will continue to obtain additional financial resources and/or achieve positive cash flows or profitability.

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 prices are usually expressed and traded in US dollars and any fluctuations may be either exacerbated or mitigated by currency fluctuations which affect the revenue which might be received in sterling.

Permitting, environment, climate change and social

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

There can be no assurance that all permits, licences, permissions and approvals required for our activities will be obtainable on reasonable terms or on a timely basis.

Employees and personnel

The company is dependent on the services of a small number of key executives and employees. The loss of these persons or the inability to attract and retain additional highly skilled and experienced employees may adversely affect business or future operations.

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 deceased 7 June 2022
Jo Battershill
Danesh Varma appointed 2 January 2023, resigned 14 November 2023
Don McCallum appointed 21 July 2022

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 £174,687. In the opinion of the directors, the market value of this land is unlikely to be less than this figure.

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.

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

8 December 2023

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 2023 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 2023 and of its result 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 Director's Report, the company does not generate revenue.

At 31 March 2023 the company had net current liabilities of £51,216 and cash and cash equivalent reserves of £7,261. The group however has sufficient resources to support the company'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. The directors are actively pursuing various financing options and they are confident that the group will raise the additional funding when required. Therefore, the financial statements have been prepared on a going concern basis.

As stated in note 2, these events or conditions, along with the other matters as set forth in this note to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 have 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.

Responsibilities of Directors

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to going concern assessment and significant one-off or unusual transactions.

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

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Michael Bellew (Senior Statutory Auditor)
for and on behalf of UHY Farrelly Dawe White Limited

Chartered Certified Accountants
Statutory Auditor
FDW House
Blackthorn Business Park
Coes Road
Dundalk
Co. Louth
Ireland

08 December 2023

Statement of total comprehensive income

All operations are continuing

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
		£	£
Revenue			
Rentals and other income		5,975	5,240
Administration expenses		(13,764)	(2,924)
Operating loss	3	(7,789)	2,316
Finance income		781	24
Profit/(Loss) before tax		(7,008)	2,340
Tax		-	-
Total comprehensive (loss)/income for the year		(7,008)	2,340

Statement of financial position

	Notes	31 March 2023	31 March 2022
ASSETS		£	£
Non-current assets			
Mineral property exploration and evaluation	7	16,171,821	15,711,703
Property, plant and equipment	8	174,687	174,687
Deposit	9	124,586	123,811
		16,471,094	16,010,201
Current assets			
Other receivables	10	9,901	13,878
Cash and cash equivalents		7,261	32
		17,162	13,910
Total assets		16,488,256	16,024,111
LIABILITIES			
Current liabilities			
Trade and other payables	11	(68,378)	(107,710)
		(68,378)	(107,710)
Net current assets/(liabilities)		(51,216)	(93,800)
Non-current liabilities			
Provision for site reinstatement	12	(50,000)	(50,000)
Total liabilities		(118,378)	(157,710)
Net assets		16,369,878	15,866,401
EQUITY			
Share capital	13	1,000	1,000
Share premium		37,461	37,461
Other reserves		16,161,035	15,650,550
Retained profits		170,382	177,390
Total shareholder's equity		16,369,878	15,866,401

The financial statements were approved and authorised for release by the board of directors on 8th December 2023 and signed on its behalf by:

Jo Battershill, 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 31 March 2021	1,000	37,461	15,338,835	175,050	15,552,346
Total comprehensive income for the year:					
Profit for the year	-	-	-	2,340	2,340
Total comprehensive income for the year	-	-	-	2,340	2,340
Capital contributions	-	-	311,715	-	311,715
Total shareholder's equity at 31 March 2022	1,000	37,461	15,650,550	177,390	15,866,401
Total comprehensive income/(loss) for the year:					
Loss for the year	-	-	-	(7,008)	(7,008)
Total comprehensive loss for the year	-	-	-	(7,008)	(7,008)
Capital contributions	-	-	510,485	-	510,485
Total shareholder's equity at 31 March 2023	1,000	37,461	16,161,035	170,382	16,369,878

Notes to the financial statements for the year ended 31 March 2023

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 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 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. Nevertheless, there is a risk that adequate additional funding may not be available on a timely basis or on acceptable terms to move the Parys Mountain project through to its full potential and there is no guarantee that such funding will be available, or that there will be the necessary investment to advance the development of the project and put a mine at the Parys Mountain property into production. Given the resources currently available, there is a risk that there will not be sufficient financial resources to fund all the planned programme requirements.

New standards and interpretations not yet adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after 1 April 2022. Many are not applicable or do not have a significant impact to the company.

- Amendments to IFRS 3 Business Combinations- Reference to the Conceptual Framework;
- Amendments to IAS 16 Property, Plant and Equipment- Proceeds before intended use;
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract;
- Annual Improvements to IFRS Standards 2018-2020.

The following new standards and narrow-scope amendments have been issued by the IASB and are effective for annual reporting periods beginning on or after 1 January 2023:

- IFRS 17 Insurance Contracts
- Amendments to IAS 1 Disclosure of Accounting Policies
- Amendments to IAS 8 Definition of Accounting Estimates; and
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a single Transaction.

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

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

The following critical judgement has been made in the process of applying the accounting policies:

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.

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.

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. The carrying values of these financial assets at the 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 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.

(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 £13.7 million unclaimed and available at 31 March 2023 (2022 - £13.2 million).

	2023	2022
	£	£
Current tax	-	-
Deferred tax	-	-
Total tax	-	-

Domestic income tax is calculated at 19% (2022 - 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)/profit for the year	(7,008)	2,340
Tax at the domestic income tax rate of 19% (2022 - 19%)	(1,332)	445
Tax effect of:		
Expenses not deductible in determining taxable result	-	-
Prior year losses utilised	1,332	(445)
Current tax	-	-

7. Mineral property exploration and evaluation costs

At 31 March 2022	15,711,703
Additions - site	431,379
Additions - rentals & charges	28,739
At 31 March 2023	16,171,821
Net book value 2023	16,171,821
Net book value 2022	15,711,703

Included in the additions are mining lease expenses of £20,116 (2022 - £18,727).
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.
At each reporting date the exploration and evaluation assets are assessed to determine whether specific facts and circumstances indicate there is an indication of impairment and whether an impairment test is required. If such an

indication exists, the recoverable amount of the asset is estimated and if the carrying amount of the asset exceeds its estimated recoverable amount, the asset is impaired, and the impairment loss is measured. If impairment testing is required, the impairment testing of exploration and evaluation assets is carried out in accordance with IAS 36 Impairment of Assets as modified by IFRS 6. Any impairment loss is charged to the Statement of Income and Loss to reduce the carrying amount to its estimated recoverable amount.
In determining whether there is an impairment indicator, consideration is given to both internal factors (e.g. adverse changes in performance) and external factors (e.g., adverse changes in the business or regulatory environment). Significant judgment is required when determining whether facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. The existence and extent of proven or probable mineral reserves; retention of regulatory permits and licences; the availability of development financing; current and future metal prices; and market sentiment are all factors to be considered. There are several external factors that can have a significant impact on the recoverable amount of a mineral property, including the uncertainty of market conditions, the volatility of commodity prices and foreign exchange rates.
Following review, the directors concluded that there are no material adverse changes in facts and circumstances, or in market conditions or regulations affecting, the Parys Mountain property during the year ended 31 March 2023. The directors continued to rely on the publication in January 2021 of the independent PEA, with an expanded resource base, which demonstrated that a major mining operation can be established at Parys Mountain, with robust economics at reasonable capital and operating costs.
The property has the potential for the discovery of new or additional resources and has ongoing exploration potential and further work is recommended and planned. Metal prices have improved and the outlook for most minerals, and particularly for the copper, zinc and lead minerals at Parys Mountain, is very encouraging. Accordingly, the directors concluded that any specific facts and circumstances which might suggest there is an indication of impairment have not materially changed during the year and there are no facts or circumstances that suggest there is an indication of impairment and therefore no impairment test was required or completed.

8. Freehold property

Cost	**£**
At 31 March 2022 and 2023	174,687
Carrying amount	
At 31 March 2022 and 2023	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	123,811
Interest in year	781
Closing balance	124,592

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

	2023	2022
	£	£
Amounts receivable & prepayments	9,901	13,878

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

11. Trade and other payables

	2023	2022
	£	£
Trade payables	(43,571)	(31,617)
Accruals	(24,807)	(76,093)
Totals	(68,378)	(107,710)

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

12. Provision

	2023	2022
	£	£
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

	2023	2022
	£	£
Issued and fully paid		
1000 ordinary shares of £1 each		
At 31 March 2022 and 2023	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 are 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.
(b) Under a mining lease from Lord Anglesey dated December 2006, the members of the company's group hold the eastern part of Parys Mountain, formerly known as the Mona Mine. An annual certain rent of £13,116 is payable for the year beginning 23 March 2022; the base part of this rent increases to £20,000 when extraction of minerals at Parys Mountain commences; this rental is index-linked. A royalty of 1.8% of net smelter returns from mineral sales is also payable. The lease may be terminated at 12 months' notice and otherwise expires in 2070.
(c) The company held a 31-year lease dated December 1991 from the Crown Estate granting rights to prospect for and work gold and silver (Crown Minerals) in the areas held by the members of the company's group. Under that lease, there was an annual lease payment of £5,000 and a royalty of 4% of gross sales of gold and silver produced from the lease area. That Crown lease expired in April 2020. Negotiations and communications in respect of the granting of a new lease are continuing with the Crown Estate. It is expected that a new lease or other arrangements for dealing with the gold and silver would be subject to annual rent payments and a royalty on gold and silver sales.

Lease payments

The mining leases may be terminated by the company 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 2023 - £21,888 and for the five years between 1 April 2024 and 31 March 2028 - £121,379 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.