

24 November 2009

**Angel Mining plc**  
(“Angel” or the “Company”)

**Un-audited Half year financial information  
for the six months ended  
31 August 2009**

**CHAIRMAN’S STATEMENT**

I am pleased to be able to report my first set of interim figures since my appointment as Chairman on 21 August 2009.

The Company, recorded a profit of £528,958 for the period, thanks mainly to some unexpected currency gains, and has seen the following substantial developments during the first six months of the current year:-

- the acquisition of the Nalunaq gold mine for US\$1,500,000,
- the raising of £600,000 gross, via a placing at 2.0p per share,
- the granting of a £5,000,000 Standby Equity Distribution Agreement (“SEDA”), structured equity facility by YA Global Masters SPV, of which £37,305 gross, was drawn at 1.88p per share,
- the conversion of the US\$12,500,000 loan with Cyrus Capital Partners LP (“Cyrus”) into Non-interest Bearing Convertible Loan Notes,
- the appointment of 2 new non-executive directors, and
- the adoption of a new name, logo and website

and, since 31 August:-

- we have agreed a 12 month loan facility of US\$14,500,000 from Cyrus to fund the acquisition and re-development of Nalunaq,
- we have arranged a second draw down on the SEDA facility of £125,000 at 4.6p per share, and
- we have completed the construction of the lower cable car terminal at Black Angel.

Market conditions have also helped us along as prices for gold, zinc and lead have all increased. Compared to 1 March 2009, gold has increased by 22%, zinc by 104% and lead by 107%.

		1st March 2009	31st August 2009	20th November 2009
Gold	US\$ per ounce	942	951	1,150
Zinc	US\$ per tonne	1,103	1,855	2,255
Lead	US\$ per tonne	1,135	2,093	2,346

Our share price has reflected these changes and the imminence of gold production at Nalunaq by increasing from 1.88p, on 1 March 2009, to 4.75p on 20 November 2009.

**FINANCIAL RESULTS**

The profit for the period amounts to £528,958 compared to a loss of £2,334,036 for the same period last year. At 31 August 2009, our cash and bank balances amounted to £225,300 compared to £2,723,142 at 31 August 2008.

## **MINING OPERATIONS**

### **The Black Angel**

We have now completed erection of the structure of the lower terminal for the cable car and we plan to re-commence construction of the upper terminal in March 2010. Subject to the availability of funding, we should then be able to construct the mill inside the mine and produce metal concentrate in early 2011.

### **Nalunaq**

Since completing the acquisition of the Nalunaq gold mine, the Group has made significant progress towards bringing the mine back into production. An underground processing plant has been designed to provide a controlled environment suitable for processing ore on site to produce ingots of gold/silver known as doré bars. These will eventually be shipped to Europe to be refined and sold. The plant will have a gravity section and a cyanide leaching circuit, which should enable Angel to realise metallurgical recoveries in the vicinity of 95%. Tailings will be stored in existing mine voids.

All of the Group's activities in Greenland are regulated by the Bureau of Minerals and Petroleum ("BMP") and during the period, the Group has been working closely to achieve the necessary permitting to complete construction of the processing facilities and commence mining. Understandably, parts of the application will take longer to process than others but, so far, the BMP has been able to provide us with the permits we have needed in accordance with the development programme.

The Group has engaged North Atlantic Mining Association Limited ("NAMAL") to undertake all of the work necessary to prepare the mine for the commencement of production and processing, including:

- (i) construction of the chamber within the mine, in which the process plant will be located;
- (ii) installing and commissioning the plant; and
- (iii) various support tasks.

The agreement with NAMAL provides for them being paid part in cash and part in equity. At 31 August 2009, work had only just begun and no payment had been made in equity but since that date a payment of £350,000 has been settled through the issue of 7,000,000 shares.

The relationship between the Group, the Greenlandic Government and its people are of paramount importance and to that end the company has recently undertaken a community consultation exercise to determine ways in which we can work with and help support the local community. This has already resulted in working relationships being established with local educational facilities, suppliers of food and services and local recruitment.

The Company is fully committed to its environmental responsibilities at all of its locations. In that regard, Angel has expended considerable effort to rehabilitate the Nalunaq property and to implement procedures and protocols to minimize its environmental impact.

It is hoped that production will commence early in the New Year using the gravity circuit. Processed material will then be stored and reprocessed once the Cyanide circuit is available.

## **EXPLORATION**

### **Motzfeldt**

Discussions continue with a potential strategic partner, which may result in the sale of Greenland Resources Ltd., the wholly owned subsidiary which has the exploration licence. No exploration will be conducted on the site this year.

### **Orion Metals Ltd. (formerly Queensland Gold & Minerals Ltd.) ("Orion")**

Orion issued a convertible loan instrument on 30 July 2009 which was converted into 9,741,033 ordinary shares on 18 September 2009. These transactions have diluted the Group's interest of 3,666,666 shares to 23.72% and the investment in the company is now reported as an investment held for trading. A gain of £103,570 was generated on this reclassification.

## **FINANCE**

Since the period end, Cyrus has increased its short term loan of US\$1.25m, granted primarily for the acquisition of Nalunaq, to US\$2m and on 16 October 2009 the Company received further funding of US\$9.5m being the first tranche of a new secured loan facility of US\$12.5m. US\$535k has been paid in fees, to Cyrus, and a second tranche of US\$3m, less the value of any shares issued to NAMAL, may be advanced during the term of the loan, at the discretion of Cyrus. The loans have been consolidated into one loan bearing interest at 15% p.a. and it is repayable on or before 16 October 2010. SEDA drawings will be used to repay the loan together with cash from sales of gold produced at Nalunaq.

## **GOING CONCERN**

The Directors have prepared the half yearly financial information on a going concern basis. The ability of the Group to continue as a going concern is dependent upon the following:

- the continued support of its current debt provider (Cyrus and FBC Holdings S.à.r.l. ("FBC"));
- being able to draw down fully on the SEDA facility; and
- the ability to bring the Nalunaq gold mine into full scale production.

New finance will need to be raised for the Group to implement the planned redevelopment of the Black Angel zinc/lead mine.

This is discussed further in Note 1.a) to the financial information.

## **PEOPLE**

Paul Williams, Finance Director since 2004, has indicated his intention to leave the Board at the end of November in order that he can work full time as executive chairman of Eatonfield Group plc. Paul will continue in the role of Company Secretary while his successor is being recruited.

## **JOINT OWNERSHIP SHARE PLAN ("JSOP")**

The board have approved the adoption of a JSOP, as an alternative to a share option scheme, and it expects to issue shares for this purpose as soon as it is in an open period for directors to trade in the Company's shares. The scheme enables participants to benefit as though the scheme was an Inland Revenue approved share option scheme.

## **OUTLOOK**

Looking forward, our first priority is to become cash generative and profitable at Nalunaq and our second priority is to raise the project finance to enable us to complete the development of the Black Angel, which we plan to have in production before the end of 2010.

There is a lot to do but we are building an excellent team of talented and well experienced mining professionals who are determined to achieve these important targets.

## **REPORTING PROGRESS**

It is our intention to keep shareholders fully informed about our progress through regular news releases but also through the further development of our website and regular updates.

Frank Chapman

CHAIRMAN

24 November 2009

# Consolidated information of comprehensive income

Six months ended 31 August 2009

	<b>6 months ended 31-Aug-09</b>	6 months ended 31-Aug-08 Restated*	12 months ended 28-Feb-09
	<b>Unaudited £</b>	Unaudited £	Audited £
<b>Continuing operations</b>			
(Impairment)/reversal of impairment of property, plant and equipment	-	(428,212)	3,136,998
Gain on part disposal of holding in subsidiary	-	-	268,00
Other operating costs	<b>(820,443)</b>	(664,173)	(1,498,326)
<b>Operating (loss)/profit</b>	<b>(820,443)</b>	(1,092,385)	1,906,672
Gain on reclassification of an Associate to investment held for trading	<b>103,570</b>	-	-
Finance costs	<b>(617,589)</b>	(1,106,886)	(3,268,060)
Finance income	<b>1,863,420</b>	33,652	71,485
Share of loss of associate	-	(168,417)	(220,558)
<b>Profit/(loss) before tax</b>	<b>528,958</b>	(2,334,036)	(1,510,461)
Taxation	-	-	-
<b>Profit/(loss) for the period/year from continuing operations</b>	<b>528,958</b>	(2,334,036)	(1,510,461)
<b>Other comprehensive income for the period/year</b>			
Foreign currency translation	<b>100,274</b>	152,924	12,950
<b>Total comprehensive income for the period/year attributable to equity holders of the company</b>	<b>629,232</b>	(2,181,112)	(1,497,511)
<b>Earnings/(loss) per share</b>			
Basic earnings/(loss) per share	4	<b>0.23p</b>	(1.40)p
Diluted earnings/(loss) per share	4	<b>0.21p</b>	(0.80)p

\*For restatement see note 1c.

# Consolidated information of financial position

As at 31 August 2009

	31-Aug 2009	31-Aug 2008 Restated*	28-Feb 2009
	Unaudited £	Unaudited £	Audited £
<b>Non-current assets</b>			
Intangible assets		-	-
Property, plant and equipment	12,800,125	6,346,768	10,781,700
Investments accounted for using the equity method	-	185,301	133,160
Rehabilitation security deposit	2,866,253	-	945,974
	<b>15,666,378</b>	<b>6,532,069</b>	<b>11,860,834</b>
<b>Current assets</b>			
Inventories	110,276	113,714	40,937
Trade and other receivables	105,510	277,617	38,372
Investments held for trading	236,730	-	-
Cash and cash equivalents	225,300	2,723,142	674,083
	<b>677,816</b>	<b>3,114,473</b>	<b>753,392</b>
<b>Current liabilities</b>			
Trade and other payables	(1,009,123)	(504,146)	(378,760)
Current borrowings	(787,250)	-	(8,196,603)
	<b>(1,796,373)</b>	<b>(504,146)</b>	<b>(8,575,363)</b>
<b>Net current (liabilities)/assets</b>	<b>(1,118,557)</b>	<b>2,610,327</b>	<b>(7,821,971)</b>
<b>Total assets less current liabilities</b>	<b>14,547,821</b>	<b>9,142,396</b>	<b>4,038,863</b>
<b>Non-current liabilities</b>			
Other payables	-	(467,314)	(334,339)
Non-current borrowings	(4,669,739)	(6,339,373)	-
Non-current provisions	(2,479,362)	(250,000)	(776,028)
	<b>(7,149,101)</b>	<b>(7,056,687)</b>	<b>(1,110,367)</b>
<b>Net assets</b>	<b>7,398,720</b>	<b>2,085,709</b>	<b>2,928,496</b>
<b>Equity attributable to equity holders of the parent company</b>			
Share capital	2,473,029	2,120,163	2,120,162
Share premium	15,473,540	15,089,065	15,089,065
Translation reserve	(340)	39,360	(100,614)
Other reserve	3,103,650	-	-
Retained deficit	(13,651,159)	(15,162,879)	(14,180,117)
<b>Total equity</b>	<b>7,398,720</b>	<b>2,085,709</b>	<b>2,928,496</b>

\*For restatement see note 1c.

## Consolidated information of changes in equity

Six months ended 31 August 2009

	Ordinary share capital £	Share Premium Restated* £	Translation reserve £	Other reserve £	Retained deficit Restated* £	Total equity £
At 1 March 2008	1,413,772	12,473,896	(113,564)	-	(12,828,843)	945,261
Loss for the period	-	-	-	-	(2,334,036)	(2,334,036)
Foreign currency translation	-	-	152,924	-	-	152,924
Shares issued	706,390	2,825,560	-	-	-	3,531,951
Cost of share issue	-	(210,391)	-	-	-	(210,391)
At 31 August 2008	2,120,162	15,089,065	39,360	-	(15,162,879)	2,085,709
Profit for the period	-	-	-	-	823,575	823,575
Foreign currency translation	-	-	(139,974)	-	-	(139,974)
Share based payments	-	-	-	-	159,187	159,187
Balance at 1 March 2009	2,120,162	15,089,065	(100,614)	-	(14,180,117)	2,928,496
Profit for the period	-	-	-	-	528,958	528,958
Foreign currency translation	-	-	100,274	-	-	100,274
Shares issued	352,867	384,475	-	-	-	737,342
Issue of convertible loan	-	-	-	3,103,650	-	3,103,650
<b>Balance at 31 August 2009</b>	<b>2,473,029</b>	<b>15,473,540</b>	<b>(340)</b>	<b>3,103,650</b>	<b>(13,651,159)</b>	<b>7,398,720</b>

\*For restatement see note 1c.

# Consolidated information of cashflow

Six months ended 31 August 2009

	<b>6 months Ended 31-Aug-09</b>	6 months Ended 31-Aug-08 Restated*	12 months ended 28-Feb-09
	<b>Unaudited £</b>	Unaudited £	Audited £
Profit/(loss) before tax	<b>528,958</b>	(2,334,036)	(1,510,461)
Adjusted for:			
Depreciation of property, plant and equipment	<b>124,169</b>	267,312	65,084
Impairment/(reversal) of exploration and development costs, net	-	428,212	(3,136,998)
Share of loss of associate	-	168,417	220,558
Profit on part disposal of subsidiary	-	-	(268,000)
Profit on derecognition of associate	<b>(103,570)</b>	-	-
Finance income	<b>(1,863,420)</b>	(33,652)	(71,485)
Finance costs	<b>617,589</b>	499,298	3,268,060
Decrease in inventories	<b>183,481</b>	12,303	85,080
(Decrease)/increase in trade and other receivables	<b>(67,138)</b>	(78,529)	160,716
Increase/(decrease) in trade and other payables	<b>1,032,995</b>	(430,473)	(805,306)
Share based payments	-	-	159,187
<b>Net cash inflow/(outflow) from operating activities</b>	<b>453,064</b>	(1,501,148)	(1,833,565)
<b>Investing activities</b>			
Purchase of property, plant and equipment	<b>(1,644,988)</b>	(1,708,462)	(1,849,928)
Acquisition of assets, net	<b>(629,321)</b>	-	-
Interest received	<b>42,505</b>	33,652	71,485
Increase in rehabilitation security deposit	<b>(40,576)</b>	-	(945,974)
<b>Cash outflow from investing activities</b>	<b>(2,272,380)</b>	(1,674,810)	(2,724,417)
<b>Financing activities</b>			
Equity share capital subscription, net	<b>737,342</b>	3,321,560	3,321,559
New borrowings, net of costs	<b>697,881</b>	-	842,955
Repayments of borrowings	-	-	(833,123)
Proceeds of shares issued to minorities	-	-	268,000
Interest paid	-	(416,335)	(767,494)
<b>Cash flows from financing activities</b>	<b>1,435,223</b>	2,905,225	2,831,897
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(384,092)</b>	(270,733)	(1,726,085)
Cash and cash equivalents at start of period	<b>674,083</b>	2,233,363	2,233,363
Exchange movements	<b>(64,691)</b>	760,512	166,805
<b>Cash and cash equivalents at end of period</b>	<b>225,300</b>	2,723,142	674,083

\*For restatement see note 1c.

# Notes to the financial statements

Six months ended 31 August 2009

## General information

On 21 August 2009, the Company changed its name from Angus & Ross plc to Angel Mining plc ("Angel" or the "Company" and together with its subsidiaries "the Group"). The company is incorporated and domiciled in the United Kingdom.

The principal accounting policies applied in the preparation of the financial information are set out below.

## 1. Basis of preparation

The half-yearly financial information for the six months ended 31 August 2009 is unaudited and that for the equivalent period is also unaudited. The comparatives for the full year ended 28 February 2009 are not the Group's full statutory accounts for that year. The financial statements for the year ended 28 February 2009 contained an unqualified auditors' report in accordance with s235 of the Companies Act 1985. However, the auditor's report did contain a paragraph entitled "Emphasis of matter – Going Concern" which made reference to the accounting policy regarding going concern and the existence of a material uncertainty.

The half-yearly financial information was approved by the board on 24 November 2009.

The annual financial statements of Angel Mining plc for the year ended 28 February 2010 will be prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. Accordingly the half-yearly financial information has been prepared using accounting policies consistent with those which will be adopted by the group in the financial statements.

### a) Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement on pages 1 to 4. The financial position of the Group, its cash flows, liquidity position and borrowings and equity drawdown facility are also described in the Statement and in the notes to the financial information.

Capital market and economic conditions have significantly improved since the commencement of the financial year, as highlighted in the Chairman's Statement introduction. Commodity prices have a direct impact on the estimated future revenues and profitability of the Group.

During the period, the Company has re-negotiated the terms of the loan held with Cyrus, including the conversion of the loan to convertible interest free loan notes held by FBC an affiliate of Cyrus, with voting rights which will be converted to shares in the Company on or before 31 December 2012 at the holder's option. There are no principal repayments due on the loan and the renegotiation was committed on 21 August 2009. Also, the Company has raised £600,000 of new equity and, on 25 April 2009, entered into a Structured Equity Drawdown Agreement ("SEDA") with YA Globalmaster SPV Ltd, which provides the Company with a £5 million equity drawdown facility valid until 26 June 2011. The SEDA agreement is subject to covenants and contains a number of opt-out provisions. The Company has received confirmation of a further draw down of £125,000.

The Group acquired the assets of Nalunq gold mine on 1 July 2009 (see note 5) and on 19 October 2009 the balance of US\$500k was paid following the transfer of the mining licence by the Greenlandic authorities. As a consequence, the Company now has the liability for mine closure and it has also inherited the mine closure bond of DKK16m (£2m). Although the mine does not currently have an independently supported resource statement the directors are confident that there is sufficient mineable ore to justify the capital expenditure. Production is expected to commence in the New Year.

The Company is in transition from being a non-trading exploration company to becoming a mining company with two high potential opportunities in Greenland, however, it still requires several months of further development before it will be profitable and generate operating cashflows.

The Group has reported a profit for the period of £528,958 and, as at 31 August 2009, the Group had net current liabilities of £1,118,557. For the six months ended 31 August 2009, the Group had cash inflows from operations of £453,064. Given the above, the Directors consider that the greatest risk facing the Group is the continued support of the current lender, the Group's ability to draw down against the SEDA facility and becoming cash generative at Nalunaq are important elements impacting the future availability of cash.

The Directors believe that the Group now has sufficient funds for continuing operations and it will be able to attract additional finance for the development of the Black Angel.

For the purpose of their going concern assessment, the Directors have assumed that the Company will be able to draw down against the SEDA facility and that Nalunaq will be cash generative during the second half of 2010.

The Directors have concluded that the combination of these circumstances described above represents a degree of uncertainty which may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it

may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after making enquiries and considering the uncertainties described above, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the financial information.

#### **b) Adoption of new and revised standards**

In the current year several new standard and interpretation will be adopted. Consequently these have been applied in this half-yearly information.

IAS 1 (revised 2007) requires the preparation of a statement of comprehensive income (which includes other items of comprehensive income previously not included in the income statement) or a separate primary statement showing other items of comprehensive income. The Group has adopted the first approach, extending the previously presented income statement for the current and prior periods.

IFRS 8 requires the company to consider its segmental analysis which must now be based around the information that is made available to the management team in making their decisions.

IAS 23 (revised 2007) requires borrowing costs to be included in the cost of fixed asset items that take a substantial period of time to get ready for use or sale.

The adoption of these Interpretations has led to changes in the Group's accounting policies, see note 2.

At the date of issue of this financial information, the following Standards and Interpretations, which have not been applied in this financial information, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 2 (amended)	Share-based Payment – Vesting Conditions and Cancellations
IFRS 3 (revised 2008)	Business Combinations
IAS 27 (revised 2008)	
IAS 32 (amended)/IAS 1 (amended)	Puttable Financial Instruments and Obligations Arising on Liquidation
IFRIC 13	Customer Loyalty Programmes
IFRIC 15	Agreements for the Construction of Real Estate
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
IFRIC 17	Distributions of Non-cash Assets to Owners
IFRIC 18	Transfers of Assets from Customers
Improvements to IFRSs (May 2008)	

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial information of the Group except for:

- treatment of acquisition of subsidiaries when IFRS 3 comes into effect for business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 July 2009.

#### **c) Restatements**

Certain prior period balances have been restated to correct for errors as described below:

(i) Loss for the six months ended 31 August 2008 has been reduced as additional costs associated with the issue of shares had previously been expensed. These should have been taken against the share premium account and were corrected at the year end.

(ii) Exploration costs previously written off during the six months ended 31 August 2008 have been reanalysed as impairment of property, plant and equipment to properly present the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses).

(iii) The presentation of the consolidated information of cashflow has been amended to correctly present exchange movements, removing them from operating activities.

A summary of the adjustments made to restate the prior year half-yearly information is as follows:

#### **Consolidated information of comprehensive income**

	Exploration costs written off £	Impairment of property, plant and equipment £	Other operating costs £	Loss for the period from continuing operations £
Six months ended 31 August 2008 as previously stated	(428,212)	—	(689,171)	(2,359,034)
Share issue costs (i)	—	—	24,998	24,998
Exploration costs (ii)	428,212	(428,212)	—	—
<b>Six months ended 31 August 2008 as restated</b>	<b>—</b>	<b>(428,212)</b>	<b>(664,173)</b>	<b>(2,334,036)</b>

## Consolidated statement of financial position

	Share premium £	Retained deficit £
As at 31 August 2008 as previously stated	15,114,063	(15,187,877)
Share issue costs (i)	(24,998)	24,998
<b>As at 31 August 2008 as restated</b>	<b>(15,089,065)</b>	<b>(15,162,879)</b>

## Consolidated statement of changes in equity

	Cost of share issue £	Loss for the period £
Six months ended 31 August 2008 as previously stated	(185,393)	(2,359,034)
Share issue costs (i)	(24,998)	24,998
<b>Six months ended 31 August 2008 as restated</b>	<b>(210,391)</b>	<b>(2,334,036)</b>

## Consolidated statement of cashflow

	Net cash outflow from operating activities £	Cash outflow from investing activities £	Cash flows from financing activities £	Exchange movements £
Six months ended 31 August 2008 as previously stated	(1,193,846)	(1,246,598)	2,930,223	—
Share issue costs (i)	24,998	—	(24,998)	—
Exploration costs (ii)	428,212	(428,212)	—	—
Exchange differences	(760,512)	—	—	760,512
<b>Six months ended 31 August 2008 as restated</b>	<b>(1,501,148)</b>	<b>(1,674,810)</b>	<b>2,905,225</b>	<b>760,512</b>

## 2. Accounting policies

All accounting policies are the same as those reported in the annual financial statements for the year ended 28 February 2009, with the exception of the following items. These changes will be adopted in the annual financial statements for the year ended 28 February 2010 and have consequently been applied in this half-yearly information.

### Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognised as an expense.

This is a result of the adoption of IAS 23 (revised 2007). Previously all borrowing costs were expensed. Transitional provisions mean that restatement of previous borrowing costs is not required.

### Investments held for trading

Investments held for trading are investments where a controlling share of less than 20% is held. These financial assets are designated as held for trading and recognised at fair value through profit or loss. These investments will be divested at an appropriate time. Fair value is based upon the current market price.

### Reserves

Share premium arises on the issue of shares, being the excess consideration above par value. This is net of costs directly applicable to the issue of shares.

The translation reserve arises on consolidation where a subsidiary's functional currency differs from that of the Group's presentational currency. Exchange differences occur on reserves which are translated at historic rates.

The minority interest represents third party holdings in subsidiary operations and takes into consideration their share of results and net assets. A minority interest is not liable for net liabilities and so is not shown as holding a part of any net liabilities.

The other reserve relates to the equity value placed on share options attached to the convertible loan which was issued to FBC following the refinance of the Cyrus loan.

## 3. Share capital

	31 August 2009 £	Authorised 31 August 2008 £	28 February 2009 £
2,000,000,000 Ordinary shares of 1p each (2008: 1,000,000,000)	20,000,000	5,000,000	10,000,000
1 B Ordinary share of £1 each (2008: nil)	1	-	-
	<b>20,000,001</b>	5,000,000	10,000,000

Allotted, called up and fully

	paid Number	£
Ordinary shares of 1p each		
At 29 February 2008	141,377,203	1,413,772
Issued in period	70,639,000	706,391
At 31 August 2008	212,016,203	2,120,162
Issued in period	-	-
At 28 February 2009	212,016,203	2,120,162
Issued in period	35,286,558	352,866
<b>At 31 August 2009</b>	<b>247,302,761</b>	<b>2,473,028</b>
B Ordinary shares of £1 each		
At 29 February 2008, 31 August 2008 and 28 February 2009	-	-
Issued in period	1	1
<b>At 31 August 2009</b>	<b>1</b>	<b>1</b>

*Increase in authorised share capital*

On 21 August 2009, as a result of the conversion of the Cyrus loan, as discussed in (ii) below, the authorised share capital of the Company was increased from £10,000,000 to £20,000,001, represented by 2,000,000,000 ordinary shares of 1p each and 1 'B share' of £1.00. Details of the Rights attaching to the B share are set out below;

- (a) a holder of the B Share has the right to attend and vote at general meetings of the Company;
- (b) the B Share shall carry votes equal to the number of votes that the holder of the B Share would receive if it and/or any associates of it had converted the Loan Notes held by it or any of its associates (if any) on the record date of the meeting into Ordinary Shares in accordance with the conditions set out in the Loan Note Instrument;
- (c) the provisions of these revised articles of association, approved by shareholders on 31 August 2009, relating to votes attaching to the Ordinary Shares shall apply to the B Shares;
- (d) the B Share shall have no entitlement to dividends or a return of capital; and
- (e) the B Share is transferable only to an associate of FBC or Cyrus.

For the purposes of the above "associate" shall be as defined in s435 of the Insolvency Act 1986; "Loans Note Instrument" means the instrument executed as a deed by the Company and dated 8 May 2009 constituting the Loan Notes; and "Loan Notes" means US\$12,500,000 Convertible Loan Notes denominated in units of US\$1,000 convertible into Ordinary Shares and constituted by the Loan Note Instrument or the amount for the time being issued and outstanding.

*Share capital issues of the Company*

On 30 April 2009, the Company issued 30,000,000 new ordinary shares at a price of 2p as the result of a private placing, raising £600,000 gross. The undermentioned Directors subscribed for shares in the placing as follows:

NJH Hall	1,500,000 shares
TJ Daffern	600,000 shares
DPL Williams	500,000 shares

In settlement of a £100,000 implementation fee for the equity drawdown facility (see i below), on 1 May 2009, the Company issued 3,300,330 new ordinary shares at a price of 3.03p per share.

On 2 July 2009, as a result of the first drawdown under the Equity drawdown facility (see (iii) below), the Company issued 1,986,228 new ordinary shares for cash at a price of 1.88p per share.

*(i) Equity drawdown facility*

On 25 April 2009, the Company entered into a Structured Equity Drawdown Agreement ("SEDA") with YA Global Master SPV Ltd; the agreement provides the Company with a £5 million equity drawdown facility and is valid for a period of 2 years from 26 June 2009. The implementation fee for this facility amounted to £100,000 and was settled by the issue of ordinary shares of the Company. The agreement also contains a number of opt-out provisions. £37,305 was drawn down on 2 July 2009, at an average price of 1.88p and a further draw down of £125,000, at an average price of 4.58p has been confirmed.

*(ii) Cyrus loan*

As announced on 11 May 2009, Cyrus has agreed to refinance its US\$12.5 million loan on the basis that FBC an affiliate of Cyrus will subscribe for Convertible Interest Free Loan Notes and a B Share in exchange for the cancellation of the Cyrus Loan and the Warrants. On 21 August 2009, shareholders approved the refinancing and the agreement was concluded.

The Convertible Interest Free Loan Notes are convertible at any time, but not later than 31 December 2012, by FBC, into 577,275,643 Ordinary Shares. The Loan Notes will have the benefit of the same security as the Cyrus Loan until the Company secures bank funding necessary to put the Black Angel Mine into production in an amount and on terms satisfactory to FBC, at which time Cyrus will release its security.

The B share provides FBC with the same voting rights at general meetings of the Company as if they had exercised their conversion rights. Based on the number of shares in issue at 20 November 2009, FBC would have 68.66% of all voting rights.

#### 4. Earnings/loss per share

The basic and diluted loss per share is calculated by dividing the loss attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the year.

	6 months ended 31 August 2009			6 months ended 31 August 2008 Restated*			12 months ended 28 February 2009		
	Profit attributable to equity holders of the parent £	Weighted average number of shares	Loss per share p	Losses attributable to equity holders of the parent £	Weighted average number of shares	Loss per share p	Losses attributable to equity holders of the parent £	Weighted average number of shares	Loss per share p
Basic earnings (loss) per share	75,995	235,060,468	0.03	2,334,036	166,331,198	(1.40)	(1,510,461)	189,179,485	(0.80)
Diluted earnings per share	75,995	250,082,161	0.03	2,334,036	166,331,198	(1.40)	(1,510,461)	189,179,485	(0.80)

\* For restatement see note 1c.

In the periods where the Group has made a loss, share options were anti-dilutive and have not been included in the fully diluted loss per share calculation.

In the six months ended 31 August 2009, these share option remain anti-dilutive as the exercise prices are above that of the average share price during the period. The convertible loan issued on 21 August 2009 is dilutive, however this only impact on the weighted average number of shares from the point of issue so has minimal effect in the period.

#### 5. Acquisitions and disposals

On 30 June 2009, Angel Mining plc signed an agreement to acquire the assets of the Nalunaq gold mine for a cash consideration of \$1m. This acquisition was subject to the approval of the joint Committee of the Greenland and Danish Governments, after the receipt of such approval a further \$500,000 was payable. This approval was granted on 28 September 2009 and the further amount settled.

This acquisition has not been treated as a business combination as defined in IFRS 3 *Business Combinations* as it was judged by management that this was an acquisition of business assets rather than that of a business as defined in IFRS 3.

#### 6. Post balance sheet events

##### *Cyrus Loan*

On 15 September Cyrus increased their short term loan, granted primarily for the acquisition of Nalunaq, to US\$2m and on 16 October the Company received further funding of US\$9.5m being the first tranche of a new secured loan facility of US\$12.5m. The second tranche of US\$3m will be drawn if needed, at the discretion of Cyrus and the amount available to draw will be reduced by the amount of any equity issues made to pay NAMAL. Fees of 5% on the US\$9.5m drawing and 2% on the US\$3m drawing have been paid. The consolidated secured loan bears interest at 15% p.a. and is repayable on or before 15 October 2010. The loan will be repaid from SEDA drawings and sales of gold from Nalunaq.

##### *Acquisition of the Nalunaq gold mine*

On 28 September 2009 the BMP transferred the mining licence to Angel mining (Gold) A/S following the approval of the Joint Committee.

On 19 October 2009 the balance of US\$500k was paid to Crew Gold Corporation. As a consequence, the Company now has the liability for mine closure and it has also inherited the mine closure bond of DKK16m (US\$3.2m). Although the

mine does not currently have an independently supported resource statement the directors are confident that there is sufficient mineable ore to justify the capital expenditure. Production is expected to commence in the New Year.

*Shares issued to NAMAL*

On 3 November 2009 the Company issued 7,000,000 ordinary shares to NAMAL in settlement of work done at Nalunaq to the value of £350,000.

*SEDA draw down*

On 17 November 2009 the Company issued 2,727,791 to YA Global Master SPV Ltd. in respect of a further SEDA draw down of £125,000.

**Enquiries:**

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