

Form 51-102F1
Annual Management Discussion and Analysis
For Anglo Minerals Ltd.

For the year ended June 30, 2005

The following discussion should be read in conjunction with the Audited Consolidated Annual Financial Statements of Anglo Minerals Ltd. ("Anglo" or the "Company") for the year ended June 30, 2005.

Forward-Looking Information

Certain statements contained in this annual management discussion and analysis ("Annual MD & A") may contain words such as "could", "should", "expect", "believe", "will" and similar expressions and statements relating to matters that are no historical facts are forward-looking statements. Such forward-looking statements are subject to both known and unknown risks and uncertainties which may cause the actual results, performances or achievements of Anglo to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the receipt of required regulatory approvals, the availability of sufficient capital, the estimated cost and availability of funding for the continued exploration and development of Anglo's prospects, political and economic conditions, commodity prices and other factors.

Overall Performance

Anglo is a mineral exploration company with its common shares listed and posted for trading on the TSX Venture Exchange Inc. (the "Exchange") as a Tier 2 Issuer. During the year ending June 30, 2005 the company disposed of its interest in the Firebag Coal Project ("Firebag"), which was Anglo's primary project involving a coal and oilsands resource located near Fort McMurray, Alberta. Anglo had granted to Synenco Energy Inc. ("Synenco"), its partner in the Project, an option to acquire Anglo's interest in the Project in stages for an aggregate of \$4,975,000 payable in 5 quarterly instalments beginning in January 2005 and ending in February 2006. Synenco exercised the first tranche of the option by paying to the Company the sum of \$975,000 on January 20, 2005. On April 13, 2005 the Company received and accepted a cash payment of \$3,881,073 as a final settlement of all amounts owing under the agreement.

Subsequent to the disposition of the Firebag assets, the Company applied for and obtained two subsurface mineral exploration permits from the Province of Saskatchewan. Anglo believes that the lands covered by the permits are prospective for, among other things, potash. The Company has applied for a number of additional permits, and expects same to be issued by the Government of Saskatchewan in the ordinary course. Subsequent to year-end, one additional permit has been approved and issued.

Results of Operations

The Company does not yet generate revenue from its mineral properties. The Company's income from the continuing operations in the subject annual term resulted entirely as a result of the sale of its interests in Firebag interest income. Prior losses resulted from general and administration expenses. The Company's new potash venture has resulted in new mineral property and exploration expenses and deposits on permit applications.

Liquidity

The Company is engaged in the business of mineral exploration and development. Since inception, the efforts of Anglo have been devoted to exploration of natural resources and acquisition of mineral rights. The company has yet to determine whether these properties contain economically recoverable reserves. The recoverability of the amounts shown for mineral properties and deferred costs is dependent on the existence of economically recoverable reserves and future profitable production from the mineral properties. To date, no development projects have been completed and no production commenced. Also, no significant revenues have been earned and the company is considered to be in the development stage.

Capital Resources

As of June 30, 2005 Anglo had paid up capital and other paid in capital totaling \$2,361,793, representing 23,121,832 common shares without par value, and retained earnings of \$1,581,730 as of June 30, 2005 resulting in shareholders' equity (or net assets) of \$3,943,523 (June 30, 2004 year ending – \$534,399). Anglo's working capital surplus at year end (June 30, 2005) was \$3,537,283. Anglo has certain financial obligations and commitments relating to its exploration permits as disclosed in Note 10 to the accompanying financial statements. It intends to satisfy these obligations using cash on hand.

Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning Anglo's general and administrative expenses and resources property costs is provided in the Company's Consolidated Statement of Income and Deficit and the Consolidated Statement of Cash Flow contained in its' Consolidated Financial Statements June 30, 2005 and 2004 that is available on SEDAR Page Site accessed through www.sedar.com.

Outstanding Share Data

Anglo has unlimited authorized capital. As at June 30, 2005 there are 23,121,832 voting common shares issued and outstanding.

As at June 30, 2005, the following options and share purchase warrants are outstanding:

Expiry Date	June 30, 2005		June 30, 2004	
	Options Outstanding	Exercised Price	Options Outstanding	Weighted Average exercise Price
September 9, 2006	2,550,000	\$0.13	2,550,000	\$0.13
January 31, 2010	650,000	\$0.13		
Total	3,200,000		2,550,000	

Transactions with Related Parties

During the year, the company paid consulting fees of \$15,000 (2004-\$10,078) to the president of the Company for the period from July 1, 2004 to December 31, 2004. The company also paid management fees totaling \$36,000 (2004- \$Nil) to a company wholly owned by the president of the company. As well, during the year, a director provided the company with accounting services of \$9,814 (2004 - \$7,054). Finally, during the year, a legal practice owned by an individual who became a director in December of 2004 provided the company with legal services of \$13,868 (2004 - \$Nil).

Management is of the opinion that these transactions are in the normal course of operations and are measured at the exchanged amount which is the amount of consideration established and agreed to by the related parties.

Financial Instruments and Other Instruments

Anglo's financial instruments consist of cash, accounts receivable and accounts payable. Unless otherwise noted, it is management's opinion that Anglo is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity and capacity for prompt liquidation.

Approval

The board of directors of Anglo has approved the disclosure contained in this Annual MD & A. A copy of this MD & A will be provided to anyone who requests it.

Additional Information

Additional information relating to Anglo is on SEDAR at www.sedar.com.