

Notice of No-Auditor Review of Interim Financial Statements

Under National Instrument 51-102, "Continuous Disclosure Obligations", Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The company's external auditors, Collins Barrow Calgary LLP, have not performed a review of these financial statements.

Anglo Minerals Ltd.
Consolidated Balance Sheet
December 31, 2005

(see note 1 - Nature of entity and future operations)

	December 31, 2005 <i>(unaudited)</i>	June 30, 2005 <i>(audited)</i>
Assets		
Current assets		
Cash	\$ 4,177,923	\$ 4,562,989
Accounts receivable	13,612	10,054
Deposits	<u>95,000</u>	<u>20,000</u>
	4,286,535	4,593,043
Mineral properties and deferred costs (Schedule)	<u>758,645</u>	<u>568,839</u>
	<u>\$ 5,045,180</u>	<u>\$ 5,161,882</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 63,072	\$ 59,935
Due to an officer and director	2,988	1,521
Future income taxes	<u>894,562</u>	<u>994,304</u>
	960,622	1,055,760
Future income taxes	<u>226,411</u>	<u>162,599</u>
	<u>1,187,033</u>	<u>1,218,359</u>
Shareholders' Equity		
Share capital (note 3)	1,926,707	1,926,707
Contributed surplus	463,836	435,086
Retained earnings	<u>1,467,604</u>	<u>1,581,730</u>
	<u>3,858,147</u>	<u>3,943,523</u>
	<u>\$ 5,045,180</u>	<u>\$ 5,161,882</u>

Approved by the Board,

(signed) "Todd Montgomery" _____, Director

(signed) "Randy Ludwar" _____, Director

Anglo Minerals Ltd.

Consolidated Statement of Income and Retained Earnings

(see note 1 - Nature of entity and future operations)

(unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2005	2004	2005	2004
Revenue				
Interest income	\$ <u>30,096</u>	\$ <u>-</u>	\$ <u>56,301</u>	\$ <u>-</u>
Expenses				
Advertising and promotion	31,423	-	\$ 51,301	\$ -
Bank charges and other	127	234	184	1,076
Consulting fees	28,006	11,397	62,494	16,736
Office	14,843	9,728	15,801	10,191
Professional fees	34,415	7,968	44,735	12,189
Stock-based compensation	12,500	-	28,750	-
Transfer agent costs	<u>1,433</u>	<u>2,005</u>	<u>3,092</u>	<u>3,472</u>
	<u>122,747</u>	<u>31,332</u>	<u>206,357</u>	<u>43,664</u>
Loss before the following	(92,651)	(31,332)	(150,056)	(43,664)
Recovery of amount due from an officer and director	<u>-</u>	<u>32</u>	<u>-</u>	<u>5,472</u>
Loss before income taxes	(92,651)	(31,300)	(150,056)	(38,192)
Future income tax recovery	<u>20,442</u>	<u>-</u>	<u>35,930</u>	<u>-</u>
Net loss	(72,209)	(31,300)	(114,126)	(38,192)
Retained earnings (deficit), beginning of period	<u>1,539,813</u>	<u>(1,349,571)</u>	<u>1,581,730</u>	<u>(1,342,679)</u>
Retained earnings (deficit), end of period	\$ <u>1,467,604</u>	\$ <u>(1,380,871)</u>	\$ <u>1,467,604</u>	\$ <u>(1,380,871)</u>
Net loss per share	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>
Weighted average number of shares outstanding				
- voting	23,121,832	16,326,832	23,121,832	16,327,240
- non-voting	<u>-</u>	<u>22,950,000</u>	<u>-</u>	<u>22,950,000</u>
	<u>23,121,832</u>	<u>39,276,832</u>	<u>23,121,832</u>	<u>39,277,240</u>

Anglo Minerals Ltd.

Consolidated Statement of Cash Flows

(see note 1 - Nature of entity and future operations)
(unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2005	2004	2005	2004
Operating activities				
Net loss	\$ (72,209)	\$ (31,300)	\$ (114,126)	\$ (38,192)
Items not involving cash				
Stock-based compensation	12,500	-	28,750	-
Future income tax recovery	(20,442)	-	(35,930)	-
Recovery of amount due from an officer and director	-	(32)	-	(5,472)
	(80,151)	(31,332)	(121,306)	(43,664)
Changes in non-cash working capital balances relating to operating activities (note 4)	<u>3,978</u>	<u>17,529</u>	<u>2,577</u>	<u>17,945</u>
	<u>(76,173)</u>	<u>(13,803)</u>	<u>(118,729)</u>	<u>(25,719)</u>
Financing activities				
Advances from an officer and director	-	2,393	-	2,393
Proceeds on issuance of shares	-	25,000	-	25,000
Share issuance costs	-	(1,000)	-	(1,000)
	<u>-</u>	<u>26,393</u>	<u>-</u>	<u>26,393</u>
Investing activities				
Repayment of advances to an officer and director, net	-	32	-	5,472
Additions to mineral properties and deferred costs, net of recoveries	(116,568)	(5,000)	(189,806)	(5,000)
Changes in non-cash working capital balances relating to investing activities (note 4)	<u>(63,761)</u>	<u>-</u>	<u>(76,531)</u>	<u>-</u>
	<u>(180,329)</u>	<u>(4,968)</u>	<u>(266,337)</u>	<u>472</u>
Cash inflow (outflow)	(256,502)	7,622	(385,066)	1,146
Cash, beginning of period	<u>4,434,425</u>	<u>9,342</u>	<u>4,562,989</u>	<u>15,818</u>
Cash, end of period	<u>\$ 4,177,923</u>	<u>\$ 16,964</u>	<u>\$ 4,177,923</u>	<u>\$ 16,964</u>

Anglo Minerals Ltd.

Consolidated Schedule of Mineral Properties and Deferred Costs

(see note 1 - Nature of entity and future operations)

(unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2005	2004	2005	2004
Potash Project				
Mineral properties and exploration expenses				
Balance, beginning of period	\$ 273,652	\$ -	\$ 83,476	\$ -
Applications approved-transferred from deposits on permit applications	<u>34,141</u>	<u>-</u>	<u>224,317</u>	<u>-</u>
Balance, end of period	<u>307,793</u>	<u>-</u>	<u>307,793</u>	<u>-</u>
Deferred costs				
Balance, beginning of period	133,937	-	96,639	-
Additions	<u>94,358</u>	<u>-</u>	<u>131,656</u>	<u>-</u>
Balance, end of period	<u>228,295</u>	<u>-</u>	<u>228,295</u>	<u>-</u>
Deposits on permit applications				
Balance, beginning of period	234,488	-	388,724	-
Additions	22,210	-	58,150	-
Applications approved-transferred to mineral properties and exploration expenses	<u>(34,141)</u>	<u>-</u>	<u>(224,317)</u>	<u>-</u>
Balance, end of period	<u>222,557</u>	<u>-</u>	<u>222,557</u>	<u>-</u>
Total costs	<u>\$ 758,645</u>	<u>\$ -</u>	<u>\$ 758,645</u>	<u>\$ -</u>
Firebag Coal Project				
Mineral properties and exploration expenses				
Balance, beginning of period	\$ -	\$ 327,010	\$ -	\$ 327,010
Deferred costs				
Balance, beginning of period	-	250,437	-	250,437
Additions	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total costs	<u>\$ -</u>	<u>\$ 582,447</u>	<u>\$ -</u>	<u>\$ 582,447</u>
Total Project Costs for the Period				
Mineral properties and exploration expenses	\$ 307,793	\$ 327,010	\$ 307,793	\$ 327,010
Deferred costs	228,295	255,437	228,295	255,437
Deposits on permit applications	<u>222,557</u>	<u>-</u>	<u>222,557</u>	<u>-</u>
Total costs	<u>\$ 758,645</u>	<u>\$ 582,447</u>	<u>\$ 758,645</u>	<u>\$ 582,447</u>

Anglo Minerals Ltd.
Notes to Consolidated Financial Statements
December 31, 2005
(unaudited)

1. Nature of entity and future operations

The company is engaged in the business of mineral exploration and development. The company is devoted to the exploration of natural resources and the 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.

2. Significant accounting policies

The accounting policies of the interim consolidated financial statements are the same as those described in the company's June 30, 2005 audited consolidated financial statements. The disclosures in the interim consolidated financial statements do not conform in all respects to the requirements of Canadian generally accepted accounting principles for annual financial statements. The interim consolidated financial statements should be read in conjunction with the June 30, 2005 consolidated financial statements.

Anglo Minerals Ltd.
Notes to Consolidated Financial Statements
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3. Share capital

(a) Authorized

Unlimited number of voting common shares
 Unlimited number of non-voting common shares
 Unlimited number of preferred shares issuable in series with such rights and restrictions as the directors may determine prior to issuance

(b) Issued

	Six Months Ended December 31,			
	2005		2004	
	Number	Stated Value	Number	Stated Value
Common shares - voting				
Balance, beginning and end of period	<u>23,121,832</u>	\$ 2,051,729	<u>16,326,832</u>	\$ 1,516,997
Common shares - non-voting				
Balance, beginning and end of period	<u>-</u>	<u>-</u>	<u>22,950,000</u>	<u>472,318</u>
		<u>2,051,729</u>		<u>1,989,315</u>
Less: Share issuance costs				
Balance, beginning of period		125,022		122,237
Additions		<u>-</u>		<u>1,000</u>
Balance, end of period		<u>125,022</u>		<u>123,237</u>
		<u>\$ 1,926,707</u>		<u>\$ 1,866,078</u>

(c) Subsequent to December 31, 2005, the company entered an agreement to raise up to \$762,500 by way of a brokered private placement. The placement will be composed of up to 750,000 common shares at \$0.50 per share and up to 750,000 flow-through common shares at \$0.55 per share. As at February 17, 2006, no share capital had been issued in conjunction with this offering.

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4. Statement of cash flows

Change in non-cash working capital

	Three Months Ended December 31,		Six Months Ended December 31,	
	2005	2004	2005	2004
Operating activities				
Decrease in accounts receivable	\$ 6,962	\$ 1,812	\$ 3,047	\$ 940
Increase (decrease) in accounts payable	(4,451)	15,717	(1,937)	17,005
Increase in due to an officer and director	<u>1,467</u>	<u>-</u>	<u>1,467</u>	<u>-</u>
	<u>\$ 3,978</u>	<u>\$ 17,529</u>	<u>\$ 2,577</u>	<u>\$ 17,945</u>
Investing activities				
Increase in accounts receivable	\$ (3,995)	\$ -	\$ (6,605)	\$ -
Increase in accounts payable	13,234	-	5,074	-
Increase in deposits	<u>(73,000)</u>	<u>-</u>	<u>(75,000)</u>	<u>-</u>
	<u>\$ (63,761)</u>	<u>\$ -</u>	<u>\$ (76,531)</u>	<u>\$ -</u>

5. Stock- based compensation

- (a) The company has a stock option plan under which directors, officers, management, consultants and employees of the company are eligible to receive stock options. The aggregate number of shares to be issued upon the exercise of all options granted under the plan shall not exceed 3,200,000 shares of the company at the time of granting the options. The maximum number of shares granted to any one optionee shall not exceed 5% of outstanding common shares of the company. Options granted under the plan generally have a term of five years but may not exceed five years and vest as to 25% on each of the days which is 6, 12, 18, and 24 months after being granted. The exercise price of each option shall be determined by the directors at the time of grant but shall not be less than the price permitted by the stock exchange(s) on which the company's common shares are then listed.

The company records stock-based compensation expense upon vesting of options issued to directors, employees or consultants.

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A summary of the status of the company's stock option plan as at December 31, 2005 and 2004 is as follows:

	December 31, 2005		December 31, 2004	
	Number of Options	Weighted- Average Exercise Price	Number of Options	Weighted- Average Exercise Price
Outstanding, beginning and end of period	<u>3,200,000</u>	\$ 0.13	<u>2,550,000</u>	\$ 0.13

The following table summarizes information about stock options outstanding and exercisable at December 31, 2005:

Exercise Price	Number	Remaining Contractual Life
\$ 0.13	2,550,000	0.68 years
0.14	<u>162,500</u>	4.09
	<u><u>2,712,500</u></u>	

During the six months ended December 31, 2005, stock-based compensation costs of \$16,250 (2004 - \$NIL) have been expensed, relating to options vesting in the period, resulting in the recognition of \$16,250 (2004 - \$NIL) in contributed surplus.

- (b) During the six months ended December 31, 2005, the company entered into a one-year services contract with a consultant under which the consultant will supply investor relations services. The terms of the contract may be renegotiated from time-to-time. The consultant was granted options to purchase 250,000 common shares of the company from the company's directors and officers at an exercise price of \$0.40 per share. The options vest in increments of 25% every three months from the date of issuance and expire on the later of two years from the date of grant or 90 days from termination of the contract.

Although these options were not issued by the company, the company receives a benefit equal to the value of these payments.

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The weighted-average fair value of each of these stock options was estimated on the date of grant to be \$0.20 using the Black-Scholes option-pricing model with the following weighted-average assumptions:

Expected life (years)	2.00
Risk-free interest rate (%)	3.15
Expected volatility (%)	90
Expected dividends (\$/share)	-

A summary of the status of the stock options issued by the company's directors and officers as at December 31, 2005 and 2004 is as follows:

	December 31, 2005		December 31, 2004	
	Number of Options	Weighted- Average Exercise Price	Number of Options	Weighted- Average Exercise Price
Outstanding, beginning and end of period	<u>250,000</u>	\$ 0.40	<u>-</u>	\$ -

The following table summarizes information about stock options outstanding and exercisable at December 31, 2005:

Exercise Price	Number	Remaining Contractual Life
\$ 0.40	<u>62,500</u>	1.92 years

During the six months ended December 31, 2005, stock-based compensation costs of \$12,500 (2004 - \$NIL) have been expensed, relating to options issued by directors and officers, vesting in the period, resulting in the recognition of \$12,500 (2004 - \$NIL) in contributed surplus.

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Notes to Consolidated Financial Statements
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(unaudited)

6. Related party transactions

- (a) During the six months ended December 31, 2005, the company paid consulting fees of \$NIL (2004 - \$6,000) to the president of the company. The company also paid management fees totaling \$36,000 (2004 - \$NIL) to a company wholly owned by the president of the company. The total amount owing to the president's company of \$1,788 (2004 - \$NIL) is included in accounts payable and accrued liabilities.
- (b) During the six months ended December 31, 2005, a director provided the company with accounting services of \$3,557 (2004 - \$3,002). The total amount owing to the director of \$5,368 (2004 - \$3,626) is included in accounts payable and accrued liabilities.
- (c) During the six months ended December 31, 2005, a legal practice owned by a director provided the company with legal services of \$20,764 (2004 - \$3,977). The total amount owing to the director's legal practice of \$209 (2004 - \$4,580) is included in accounts payable and accrued liabilities.

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