

Anglo Minerals Ltd

Consolidated Financial Statements

December 31, 2006

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CONTENTS

	<u>Page</u>
Consolidated Financial Statements	
Notice of No-Auditor Review of Interim Financial Statements	1
Consolidated Balance Sheet	2
Consolidated Statement of income and Retained Earnings	3
Consolidated Statement of Cash Flows	4
Consolidated Schedule of Mineral Properties & Deferred Costs	5
Notes to the Consolidated Financial Statements	6 - 8

Notice of No-Auditor Review of Interim Financial Statements

Under National Instrument 51-102, "Continuous Disclosure Obligations" , Part 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 LLP, have not performed a review of these financial statements.

Anglo Minerals Ltd

Consolidated Balance Sheet

As At December 31, 2006

	Note	December 31, 2006 (Unaudited)	June 30, 2006 (Audited)
Assets			
Current Assets			
Cash		\$ 7,745,961	\$ 8,061,445
Accounts receivable		126,325	608,730
Income taxes recoverable and installments		185,519	-
Deposits		-	28,000
Total Current Assets		8,057,805	8,698,175
Mineral properties and deferred costs (Schedule)		886,846	786,074
Total Assets		\$ 8,944,651	\$ 9,484,249
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 37,483	\$ 381,778
Income taxes payable		-	274,767
Due to an officer and director		6,717	4,359
Future income tax liability		1,322,795	1,290,361
Total Current Liabilities		1,366,995	1,951,265
Future income tax liability		205,350	205,350
Total Liabilities		1,572,345	2,156,615
Shareholders' Equity			
Share capital	3.	4,078,804	4,078,804
Contributed surplus		1,497,786	1,497,786
Retained earnings		1,795,716	1,751,044
Total Shareholders' Equity		7,372,306	7,327,634
Total Liabilities and Shareholders' Equity		\$ 8,944,651	\$ 9,484,249

Approved on Behalf of the Board;

Signed "Todd Montgomery",

Signed "Brent Walter",

The accompanying notes are an integral part of these financial statements.

Anglo Minerals Ltd

Consolidated Statement of income and Retained Earnings

For the Quarter Ended December 31, 2006 Unaudited

	Three months ended		Six months ended	
	December 31, 2006	December 31, 2005	December 31, 2006	December 31, 2005
Revenue				
Interest income	\$ 35,444	\$ 30,096	\$ 93,939	\$ 56,301
Foreign exchange gains	243,080	-	239,740	-
	278,524	30,096	333,679	56,301
Operating expenses				
Advertising and promotion	16,845	31,423	21,206	51,301
Interest and bank charges	139	127	1,226	184
Office expenses	9,688	14,843	29,134	15,801
Professional fees	92,163	34,415	108,362	44,735
Consulting fees	50,726	28,006	75,430	62,494
Salaries and wages	10,350	-	16,250	-
Stock-based compensation	-	12,500	-	28,750
Transfer agent costs	2,193	1,433	4,965	3,092
Total operating expenses	182,104	122,747	256,573	206,357
Income (loss) before income taxes	96,420	(92,651)	77,106	(150,056)
Income taxes				
Future income taxes (recovery)	39,000	(20,442)	32,434	(35,930)
Net income (loss)	57,420	(72,209)	44,672	(114,126)
Retained earnings, beginning of period	1,738,296	1,539,813	1,751,044	1,581,730
Retained earnings, end of period	\$ 1,795,716	\$ 1,467,604	\$ 1,795,716	\$ 1,467,604
Net income (loss) Per Share:				
Basic and diluted	\$ 0.00	\$ -	\$ 0.00	\$ -
Weighted average number of shares outstanding	28,860,925	23,121,832	28,860,925	23,121,832

The accompanying notes are an integral part of these financial statements.

Anglo Minerals Ltd

Consolidated Statement of Cash Flows

For the Quarter Ended December 31, 2006 Unaudited

	Three months ended		Six months ended	
	December 31, 2006	December 31, 2005	December 31, 2006	December 31, 2005
Cash from operating activities:				
Net income (loss)	\$ 57,420	\$ (72,209)	\$ 44,672	\$ (114,126)
Items not involving cash				
Stock-based compensation	-	12,500	-	28,750
Future income tax (recovery)	39,000	(20,442)	32,434	(35,930)
	96,420	(80,151)	77,106	(121,306)
Changes in non-cash working capital balances relating to operating activities (note 4)	(402,758)	3,978	(319,818)	2,577
	(306,338)	(76,173)	(242,712)	(118,729)
Investing activities:				
Additions to mineral properties and deferred costs, net of recoveries	(48,728)	(116,568)	(100,772)	(189,806)
Changes in non-cash working capital balances relating to investing activities (note 4)	(26,072)	(63,761)	28,000	(76,531)
	(74,800)	(180,329)	(72,772)	(266,337)
Cash inflow (outflow)	(381,138)	(256,502)	(315,484)	(385,066)
Cash, beginning of period	8,127,099	4,434,425	8,061,445	4,562,989
Cash, end of period	\$ 7,745,961	\$ 4,177,923	\$ 7,745,961	\$ 4,177,923
Interest received	\$ 35,444	\$ 30,096	\$ 93,939	\$ 56,031
Income taxes paid	\$ 386,561	\$ -	\$ 460,286	\$ -

The accompanying notes are an integral part of these financial statements.

Anglo Minerals Ltd

Consolidated Schedule of Mineral Properties and Deferred Costs

December 31, 2006 Unaudited

	Three months ended December 31, 2006	Three months ended December 31, 2005	Six months ended December 31, 2006	Six months ended December 31, 2005
Potash Project				
Balance, beginning of period	\$ 107,928	\$ 273,652	\$ 125,107	\$ 83,476
Applications approved-transferred from deposits on permit application	33,440	34,141	33,440	224,317
Refund of permit fee	-	-	(17,179)	-
Balance, end of period	141,368	307,793	141,368	307,793
Deferred Costs				
Balance, beginning of period	699,374	133,937	630,151	96,639
Additions	15,288	94,358	84,511	131,656
Balance, end of period	714,662	228,295	714,662	228,295
Deposits on Permit Applications				
Balance, beginning of period	30,816	234,488	30,816	388,724
Additions	-	22,210	-	58,150
Applications approved-transferred to mineral properties and explorations expenses	-	(34,141)	-	(224,317)
Balance, end of period	30,816	222,557	30,816	222,557
Total costs	886,846	758,645	886,846	758,645
Total Project Costs				
Mineral properties and exploration expenses	141,368	307,793	141,368	307,793
Deferred costs	714,662	228,295	714,662	228,295
Deposits on permit applications	30,816	222,557	30,816	222,557
Total costs	\$ 886,846	\$ 758,645	\$ 886,846	\$ 758,645

The accompanying notes are an integral part of these financial statements.

Anglo Minerals Ltd

Notes to the Consolidated Financial Statements

December 31, 2006

Unaudited

1. Significant accounting policies

The accounting policies of the interim financial statements are the same as those described in the company's June 30, 2006 audited annual consolidated financial statements. The disclosures in the interim consolidated financial statements do not conform in all respects to the requirements of the Canadian generally accepted accounting principles for annual financial statements. These interim financial statements should be read in conjunction with June 30, 2006 consolidated financial statements.

Several new accounting standards were effective for interim and annual consolidated financial statements commencing after September 30, 2006. These include 1530, Comprehensive Income, 3251, Equity, 3855, Financial Instruments - Recognition and Measurement and 3865, Hedges. The company has determined that these do not have a material effect on its financial reporting.

2. Nature of business and basis of preparation

Anglo Minerals Ltd (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 amount 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.

3. Share capital

a. Authorized

Unlimited number of 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 determine prior to issuance

b. Issued

	December 31, 2006		June 30, 2006	
	Number	Amount	Number	Amount
Share Capital				
Beginning of period	28,860,925	\$ 4,289,247	28,860,925	\$ 4,289,247
Less: Share issuance costs	-	(210,443)	-	(210,443)
Total	28,860,925	\$ 4,078,804	28,860,925	\$ 4,078,804

Anglo Minerals Ltd

Notes to the Consolidated Financial Statements

December 31, 2006

Unaudited

4. Statement of cash flows

Changes in non-cash working capital

	Three months ended		Six months ended	
	December 31, 2006	December 31, 2005	December 31, 2006	December 31, 2005
Operating activities				
(Increase) decrease in accounts receivable	\$ (378)	\$ 6,962	\$ 482,405	\$ 3,047
(Increase) decrease in income tax recoverable and installments	(185,519)	-	(185,519)	-
Increase (decrease) in accounts payable	(18,176)	(4,451)	(344,295)	(1,937)
Increase (decrease) in income taxes payable	(201,043)	-	(274,767)	-
Increase in due to an officer and director	2,358	1,467	2,358	1,467
	(402,758)	3,978	(319,818)	2,577
Investing activities				
(Increase) decrease in accounts receivable	-	(3,995)	-	(6,605)
Increase (decrease) in accounts payable	(26,072)	13,234	-	5,074
(Increase) decrease in deposits	-	(73,000)	28,000	(75,000)
	(26,072)	(63,761)	28,000	(76,531)
Total	\$ (428,830)	\$ (59,783)	\$ (291,818)	\$ (73,954)

Anglo Minerals Ltd

Notes to the Consolidated Financial Statements

December 31, 2006

Unaudited

5. Stock-based compensation

The company has a stock option plan under which directors, officers, management, consultants and employees of the company are eligible to receive stock options. Options granted under the plan generally have a term of five years but may not exceed five years and vest immediately upon granting. 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. When stock options are exercised, the amount originally credited to contributed surplus for these options is reallocated to share capital. For the six months ended December 31, 2006 there were no options vesting in the period.

	December 31, 2006		June30, 2006	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning and end of period	2,500,000	\$ 0.56	2,500,000	\$ 0.56

The options outstanding at December 31, 2006 have a remaining contract life of 4.50 years.

Broker's options of 105,000 shares at an exercisable price of \$0.50 were issued during the year ended June 30, 2006 and are outstanding having a remaining contractual life of 0.23 years.

6. Related Party Transactions

(a) During the period, the company paid management fees of \$ 32,000 (2005 - \$ 36,000) to a corporation wholly owned by the president of the company. The total amount owing to the president's company of \$ 8,480 (2005 - \$ 1,788) is included in accounts payable and accrued liabilities.

(b) During the period, a director provided the company with accounting services of \$ 10,726 (2005 - \$ 3,557). The total amount owing to the director of \$ 2,730 (2005 - \$ 5,368) is included in accounts payable and accrued liabilities.

(c) During the period, a legal practice owned by a director provided the company with legal services of \$ 78,450 (2005 - \$ 20,764). The total amount owing to the director's legal practice of \$ 2,977 (2005 - \$ 209) 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