

# Anglo Aluminum Corp.

## World Class Bauxite Deposits

(formerly Navasota Resources Ltd.)

### FORM 51-102F1 MANAGEMENT DISCUSSION AND ANALYSIS QUARTER ENDED JANUARY 31, 2011

The following discussion and analysis, prepared as of March 23 2011 should be read together with the unaudited consolidated financial statements for the quarter ended January 31, 2011 and related notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles. All amounts are stated in Canadian dollars unless otherwise indicated. The reader should also refer to the annual audited financial statements for the years ended April 30, 2010 and April 30, 2009, and the Management Discussion and Analysis for those years.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. Additional information related to Anglo is available for view on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **Description of Business**

Anglo Aluminum Corp. (“Anglo”) (formerly Navasota Resources Ltd.) changed its name and effective January 26, 2010, its common shares commenced trading on the TSX Venture Exchange under the name ANGLO ALUMINUM CORP., under the new trading symbol “ALU”. Anglo is an exploration stage mineral property interest company engaged in the evaluation and exploration of mineral property interests. Anglo trades on the TSX Venture Exchange under the symbol “ALU”.

On February 28, 2007 Anglo signed an option agreement with La Société AMIG Mining International S.A.R.L. (“AMIG”) and its shareholders to earn and acquire up to 100% of the issued share capital of AMIG.

Effective March 26, 2009 AMIG changed its name to Société AMIG Navasota Mining International S.A.R.L. On December 18, 2009 Anglo entered into an amending agreement with Amig Navasota Mining International S.A.R.L. (“AMIG”), African Mining International S.A.R.L. (“AMSI”) and its shareholders pursuant to which Anglo has now made a payment of US\$350,000 to AMSI thereby increasing its ownership of AMIG from 45% to 51%. Anglo retains the right to earn a 100-per-cent interest in AMIG. AMIG is a Guinean corporation and its shareholders are residents of Conakry, Guinea, West Africa.

AMIG is the legal and recorded holder of one mineral exploration permit for two mining research licenses granted by the Ministry of Mines and Geology of the Republic of Guinea on May 10, 2006. The permit covered two contiguous areas aggregating 1,064 kilometres, located in the prefectures of Télemélé (Koba) and Gaoual (Koumbia) (the Project), for the exploration of bauxite. The permit was initially valid for three years and has since, in accordance with Article 30 of the mining code of the Republic of Guinea, been renewed with the permitted area being reduced by approximately 50%, resulting in a new permit comprising two licences covering 536 kilometres. The new permit was in good standing until March 26, 2011, but has now been further extended to November 4, 2012.

Under the terms of the Option Agreement, the Company was granted an option to acquire an initial 45% of the issued share capital of AMIG by incurring a minimum aggregate US\$2,000,000 in exploration expenditures on the Project (incurred) and by paying US\$350,000 (paid) to the AMIG shareholders, within a period of three years.

The Company has exercised such option and thereby acquired 45% of the issued share capital of AMIG. Pursuant to the terms of an amendment dated December 1<sup>st</sup>, 2009, the Company has exercised a further option to acquire an additional 6% of the issued share capital of AMIG by paying US \$ 350,000. The Company now owns 51% of the issued share capital of AMIG.

The Company may elect to acquire all remaining issued shares of AMIG by paying US\$15,000,000 (US\$150,000 deposit paid) and issuing 15,000,000 of its common shares to the shareholders of AMIG.

## **Management & Directors**

**JAMES T. GILLIS, DIRECTOR, PRESIDENT AND CHIEF EXECUTIVE OFFICER** – Mr. Gillis has been the President of James T. Gillis Management Co. Inc. since 1985, a private company which provides management services to public companies. He is the President and CEO of Cassidy Gold Corp. and Advance Gold Corp., and a director of Island Arc Exploration Corp., Audiotech Healthcare Corp. and Metrobridge Networks International Inc.

**CHRISTOPHER J. WILD, P.ENG., DIRECTOR, VICE PRESIDENT EXPLORATION AND CHIEF OPERATING OFFICER** – Mr. Wild is currently a director and Vice-President Exploration of Cassidy Gold Corp. and a director of Advance Gold Corp. and Rockgate Capital Corp. Mr. Wild served as chief mine geologist for both the Mount Polley Mine, east of Williams Lake, BC, and the Goldstream Mine, north of Revelstoke, BC, prior to opening his own geological consulting business. He has managed exploration projects in Africa for the past eight years.

**RUSSELL WILLIAMS, Director** – Trained as a mechanical engineer at the University of Manchester, Mr. Williams spent 30 years with Alcoa Inc., a producer of primary aluminum, fabricated aluminum and alumina, working in a wide range of roles from engineering to maintenance and human resources. In his final three years with Alcoa, Mr. Williams was based in Pittsburgh and was President of Boke Service, the managing company of Company Bauxite de Guinee (CBG), which is the Alcoa JV in Guinea, and in that role was responsible for all activity at the operations in Guinea. Prior thereto, Mr. Williams was involved in all aspects of bauxite production for the company ranging from exploration through to project development and operations. He managed the West Australian bauxite mining operations, then had oversight of all of Alcoa's global mining activity in Brasil, Jamaica and Suriname, and during this period was responsible for the initial development of the Juruti bauxite mine in Brasil which was recently commissioned.

**ANDRIYKO HERCHAK, C.A., DIRECTOR** –Mr. Herchak is the CFO of Hathor Exploration Limited, an exploration company with a major uranium discovery in the Athabasca Basin. Prior to joining Hathor, Mr. Herchak held several senior financial positions with publicly traded entities, including six years at Intrawest Corporation and with FACS Records Income Trust. Mr. Herchak is a Chartered Accountant who also worked with the international accounting firm of Deloitte & Touche and holds a Bachelor of Commerce degree from the University of British Columbia. Mr. Herchak brings solid experience in finance and business matters, public reporting and corporate governance.

**RICHARD KOSOLOFSKI, DIRECTOR** – Mr. Kosolofski is President of Mainline Roofing Co. Ltd., principle partner in Trine Investments, and owner/operator of commercial buildings throughout central interior of British Columbia.

**DEBBIE M. SILVER, CORPORATE SECRETARY AND CHIEF FINANCIAL OFFICER** – Ms. Silver was a legal assistant from 1979 until 2002, involved in corporate, mining and securities law, and has been a public company administrator since 1997. She is currently the Corporate Secretary and Chief Financial Officer of Cassidy Gold Corp., and a director of Island Arc Exploration Corp.

## Performance Summary

### Koba and Koumbia Bauxite Projects

On November 4, 2010 Anglo reported that Indicated Resources for the Koba Bauxite Project has increased 46% to 501 million tonnes at an average grade of 42.90%  $\text{Al}_2\text{O}_3$ , 2.79%  $\text{SiO}_2$ , and 27.81%  $\text{Fe}_2\text{O}_3$ . Inferred Resources of 65.3 million tonnes remain unchanged from the 2009 resource estimate. Additionally, a new Indicated Resource of 129.8 million tonnes grading 48.40%  $\text{Al}_2\text{O}_3$ , 1.90%  $\text{SiO}_2$ , and 19.80%  $\text{Fe}_2\text{O}_3$  has been estimated for the Koumbia Bauxite Project, located approximately 40 kilometres north of Koba. Koba and Koumbia are located in the prolific Boké Bauxite Belt of north-western Guinea, West Africa.

Coffey Mining of Perth, Australia (“Coffey”) updated the resource estimate using data acquired since the initial resource estimate was completed in January 2009, including recently completed auger drilling at Koumbia. The updated estimate by Coffey added to the initial resource estimate completed by Scott Wilson Roscoe Postle Associates Inc. (“SWRPA”), part of the Scott Wilson Mining Group. Both estimates conform to Canadian National Instrument 43-101, Standards for Disclosure of Mineral Projects.

Mineral resources were estimated using cut-off grades of >35%  $\text{Al}_2\text{O}_3$ , <35%  $\text{Fe}_2\text{O}_3$ , <6%  $\text{SiO}_2$ , <5%  $\text{TiO}_2$ , <0.2%  $\text{CaO}$ , <0.2%  $\text{MgO}$ , and  $\text{Al}_2\text{O}_3/\text{SiO}_2 >10$ . A minimum mining thickness of 2 metres and a maximum stripping ratio of 3:1, waste: ore were also used in the estimation process. Resources are classified as Indicated based on drill holes spaced 150 metres apart. Inferred resources are based on drill hole spaced 300 metres apart.

### Koumbia Bauxite Project

Auger drilling completed in May 2010 totalled 2869 metres in 190 holes infilling earlier drilling on the Kounsidi Plateau. All 57 aircore drill holes in that initial program in 2008 intersected between 3 metres and 17 metres of bauxite, averaging 11.46 metres. Drill holes were spaced 300 metres apart. 2010 auger drilling tightened the drill hole spacing to 150 metres. In addition, 4 auger drill holes twinned existing aircore drill holes. Bulk densities were determined from samples collected from hand-dug pits at Kounsidi.

### Koba Bauxite Project

Bauxite resources at Koba were initially estimated by SWRPA using only data available as of October 31, 2008. As a result, only 58% of the holes from Kouraidendeli, 82% from Nomo, and 0% from Sapi, Kounsitikhe, and Tenkere were included in the 2009 estimate. Since that date, additional assay data from those 5 plateaus were received and incorporated into the resource models. Coffey then updated the resource estimates for each of those 5 plateaus.

The new resource estimate utilized the entire drill hole database of 36,759 metres in 2,147 drill holes in two phases of aircore drilling over 26 bauxite plateaus. Phase 1 drilling was designed to confirm the presence of bauxite mineralization on 26 target “plateaus” identified through Aster satellite imagery analyses. This initial phase of drilling totalled 10,666 metres and consisted of 558 shallow holes at 300 and 600-metre hole spacings. Phase 2 drilling, totalling 26,093 metres in 1,589 holes, reduced the drill spacing to 150-metres on 12 plateaus previously covered by Phase 1 drilling. Phase 2 drilling allowed SWRPA and Coffey to determine the continuity of bauxite mineralization, grade and thickness variability; necessary parameters for resource modelling.

### Technical Studies Initiated

A preliminary economic assessment (PEA) is underway for both of the Koba and Koumbia Bauxite Projects in Guinea. That study will investigate the economics of establishing mining operations at Koba and Koumbia, both for direct-shipping of bauxite to offshore refineries and on-site refinery options. The PEA will utilize the updated resource estimates for Koba and Koumbia.

### **Quality Assurance / Quality Control (QA/QC)**

Coffey managed the drill programs on behalf of Anglo, and West African Drilling Services (“WADS”) provided aircore drill services. Toumnyne SARL of Guinea conducted the auger drilling on Kounsidji Plateau in spring 2010. All drill samples collected from Koba and the initial 57 drill holes at Koumbia were submitted to SGS Mineral Services (Guinea) SARL for sample preparation and transferred to SGS Canada Inc. for assay analysis by XRF. Samples collected from the auger program were sent to SGS South Africa (Pty) Ltd. for XRF. A duplicate field sample was inserted for every 20 samples. One of 5 different bauxite standard samples was inserted in every 20 sample lot. SGS also inserted duplicates, standards, and blanks for internal QA/QC.

### **Mamou-Dalaba Bauxite Project**

On November 16, 2010 Anglo announced positive results from the initial drill campaign on its 100%-owned Mamou-Dalaba Bauxite Project in Guinea, West Africa. The regionally-focused program consisted of 48 auger-type drill holes totalling 519 metres spaced at 1,200 metres along a series of bauxitic plateaus in the east-central part of the project area. Highlights include 15 metres assaying 43.79% Al<sub>2</sub>O<sub>3</sub>, 10 metres of 41.53% Al<sub>2</sub>O<sub>3</sub>, and 8 metres of 46.81% Al<sub>2</sub>O<sub>3</sub>.

This first-pass drill program was designed to test priority targets identified through analysis of ASTER satellite imagery of the area. Drill results confirm the presence of moderate to high-grade bauxite on 9 plateaus covering an area 5 kilometres by 20 kilometres. The area tested constitutes less than 20% of the permitted area.

Mr. Gillis, president and chief executive officer of Anglo Aluminum, commented: “After reviewing the assay results from this first-pass program with drill hole spacing at 1,200 metres, we are very encouraged and believe the potential of the Mamou-Dalaba property to hold large, good grade, bauxite resources is significant.”

Mamou-Dalaba consists of 4 permits totalling 1,832 km<sup>2</sup>, situated in southwestern Guinea, 100 kilometres east of the capital, Conakry. The main national highway and the old Trans Guinean Railway right of way traverse the southeast corner of the property. A proposed rail line from the Bellzone iron ore development to a port just south of Conakry would run less than 60 kilometres south of Mamou-Dalaba.

The next stage of auger drilling at Mamou-Dalaba will test other priority targets identified in the satellite imagery study with widely-spaced drill holes. Resource drilling, at 300 metre by 300 metre grid spacing, of the confirmed bauxite plateaus will be conducted in conjunction with this regional drill program. Anglo Aluminum is collaborating with consultants Coffey Mining on this next phase of drilling.

### **Quality Assurance / Quality Control (QA/QC)**

Coffey Mining managed the drill programs from their Accra, Ghana office on behalf of Anglo Aluminum. Toumnyne SARL of Guinea conducted the auger drilling at Mamou-Dalaba in June, 2010. Samples were collected from the auger drill under the supervision of Coffey geologists and sent to SGS South Africa (Pty) Ltd. for analysis by XRF methods. A duplicate field sample was inserted for every 20 samples. One of 5 different bauxite standard samples was inserted in every 20 sample lot. SGS also inserted duplicates, standards, and blanks for internal QA/QC.

### **Qualified Person**

Christopher J. Wild, P.Eng., a director of the Company and its Chief Operating Officer and Vice President Exploration, is a Qualified Person as defined by National Instrument 43-101 and has reviewed and approved the exploration information and technical disclosure in this MD&A.

### **Results of Operations**

Anglo’s focus continues to be the exploration of properties and consequently, no operating income is shown or expected.

## Summary of Quarterly Results

	Jan 31/11	Oct 31/10	Jul 31/10	Apr 30/10	Jan 31/10	Oct 31/09	Jul 31/09	Apr 30/09
Total assets	\$9,446,347	\$9,565,491	\$9,728,743	\$9,822,855	9,267,339	\$6,176,413	\$6,291,322	\$6,409,498
Mineral properties & deferred costs	\$8,756,427	\$8,419,548	\$7,926,773	\$7,356,453	6,403,043	\$5,682,641	\$5,209,379	\$5,565,492
Working capital	\$323,878	\$736,710	\$1,386,480	\$2,041,272	\$2,297,436	\$121,799	\$334,946	\$587,073
Shareholders' equity	\$8,597,415	\$8,681,376	\$8,846,379	\$8,938,859	9,018,409	\$6,126,885	\$6,248,593	\$6,362,770
Revenues	\$1,448	\$2,676	\$2,602	\$3,049	611	\$-	\$16	\$429
Net income (loss)	\$(105,961)	\$(231,170)	\$(109,988)	\$(302,612)	(689,022)	\$(165,487)	\$(167,004)	\$(230,249)
Earnings (loss) per share	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.01)

The significant changes in key financial data from February 1, 2009 to January 31, 2011 can be attributed to an increase in fundraising through private placements and to a significant increase in exploration activity during the first four quarters. The increase in activity had slowed in the immediately past four quarters but is expected to improve due to the increasing ability to raise capital through private placements.

## Liquidity

Anglo does not currently own or have an interest in any producing resource properties and has not yet derived any revenues from the sale of resource products in the last three financial years. Anglo's exploration activities have been funded through the issuance of common shares pursuant to private placements and the exercise of stock options and warrants, and Anglo expects that it will continue to be able to utilize this source of financing until it develops cash flow from its operations. There can be no assurance, however, that Anglo will be able to obtain required financing in the future on acceptable terms, or at all. In the near term, Anglo plans to continue its exploration activities on its currently held properties.

	Jan 31/11	Jan 31/10
Working Capital Surplus (Deficiency)	\$323,878	\$ 2,297,436
Net Loss	\$(105,961)	\$ (689,022)

## Capital Resources

During the quarter ended January 31, 2011 100,000 shares were issued with respect to the exercise of options to raise \$22,000. Anglo has sufficient funds to meet its anticipated general and administrative expenses for the balance of this fiscal year. Anglo may from time to time choose to raise money in the capital markets if favourable conditions are present. It is anticipated that additional financing will be required for general and administrative expenses and for further exploration programs on Anglo's properties during the next fiscal year.

## Related Party Transactions

The following related party transactions occurred during the quarters ended January 31, 2011 and January 31, 2010:

	Jan 31/11	Jan 31/10
Consulting/exploration fees paid to a company controlled by a director of Anglo	\$19,856	\$3,206
Management fees paid to a company controlled by a director of Anglo	\$22,500	\$22,500
Rent paid to a company with common management	\$3,222	\$1,889
Corporate development fees paid to a company controlled by a director Anglo	\$-	\$-

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.

## Critical Accounting Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions about future events that affect amounts reported in the financial statements. Actual results could differ from these estimates. Significant accounting estimates used in the preparation of Anglo's financial statements are:

(a) **Carrying value of mineral property interests**

The amounts shown for mineral property interests represent acquisition holding and exploration costs, and do not necessarily represent present or future recoverable values. The recoverability of these amounts is dependent upon the confirmation of economically recoverable reserves, the ability of Anglo to obtain the necessary financing to successfully complete their development and to meet the requirements from time to time, of lenders, including shareholders, who are providing this financing and upon future profitable production.

Anglo reviews the carrying values of its mineral property interests whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and undiscounted net cash flows. An impairment loss is recognized when the carrying value of those assets exceeds their fair value.

(b) **Carrying value of other capital assets**

Anglo reviews the carrying values of its other capital assets whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and undiscounted net cash flows. An impairment loss is recognized when the carry value of those assets exceeds their fair value.

(c) **Asset retirement obligations**

Anglo recognized the fair value of liabilities for asset retirement obligations in the period in which they occur and/or in which a reasonable estimate of such costs can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expenditures using a systematic and rational method and is also adjusted to reflect year-to-year changes in the liability resulting from passage of time and revisions to either timing or the amount of the original estimate of the undiscounted cash flow.

## Changes in Accounting Policies

New accounting pronouncements issued by the Canadian Institute of Chartered Accountants ("CICA") and which Anglo intends to adopt in these financial statements or, if required, adopt in the preparation of its future financial statements are:

(a) **Comprehensive Income**

Anglo has adopted new CICA Handbook Section 1530, which introduces new standards for reporting and disclosure of comprehensive income. Comprehensive income is the change in equity (net assets) of an enterprise during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. Commencing with the current fiscal year, a statement of other comprehensive income will be included with the consolidated financial statements, which will include unrealized gains and losses of financial instruments that are not required to be included in operations. There is currently no impact on these financial statements of this standard.

**(b) Financial Instruments**

Anglo has also adopted the new accounting recommendations of the CICA for the recognition, measurement and disclosure of financial instruments and hedges.

**(c) Capital disclosures**

In December 2006, the CICA issued Section 1535 of the CICA Handbook, Capital Disclosures, which applies to fiscal years beginning on or after October 1, 2007. This section establishes standards for disclosing information about an entity's capital and how it is managed. Anglo will implement these disclosures in the first quarter of the 2009 fiscal year.

**(d) Goodwill and intangible assets**

In February 2008, the CICA issued Section 3064, Goodwill and Intangible Assets, replacing Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. The new pronouncement establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The adoption of this section is not currently expected to affect Anglo.

**(e) Business combinations**

The proposed amended recommendations of the CICA for accounting for business combinations will apply to Anglo's business combinations, if any, with an acquisition date subsequent to the effective date. Whether Anglo would be materially affected by the proposed amended recommendations would depend upon the specific facts of the business combinations, if any. Generally, the proposed recommendations will shift from a parent company conceptual view of consolidation theory (which results in the parent company recording the book values attributable to non-controlling interests) to an entity conceptual view (which results in the parent company recording the fair values attributable to non-controlling interests). Adoption of this section is not expected to affect Anglo.

**(f) International Financial Reporting Standards ("IFRS")**

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February, 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of May 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended April 30, 2011. In July 2008 AcSB announced that early adoption will be allowed in 2009 subject to seeking exemptive relief. The conversion to IFRS may have a material effect on our:

- reported financial position and results of operations;
- systems of internal controls and procedures over financial reporting, including related business processes;
- information technology and data systems;
- disclosure controls and procedures;
- current financial reporting training curriculum; and
- downstream business activities such as our joint venture agreements and other contractual arrangements, compensation programs and tax planning arrangements.

The Company is currently assessing the financial reporting impact of the transition to IFRS and the changeover date. We expect to complete the detailed IFRS conversion plan by April 30, 2011. We are in the process of completing our detailed technical analysis of Canadian GAAP-IFRS accounting differences. Furthermore, IFRS accounting standards, and the interpretation thereof, are constantly evolving and

therefore are subject to change through the end of 2011. Consequently, we will continuously monitor IFRS accounting developments and update our conversion plan and public disclosure as necessary.

### Changes in Accounting Policies

Anglo has not changed its accounting policies for the quarter ended January 31, 2011.

### Off-Balance Sheet Arrangement

Anglo does not have any off-balance sheet arrangements which may affect its current or future operations or conditions.

### Financial Instruments

Anglo's financial instruments consist of cash, marketable securities, receivables, and prepaid expenses. 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 is approximately equal to their carrying values, unless otherwise noted. As at January 31, 2011 \$344,269, of cash and cash equivalents are held in Canadian dollars and \$817 of cash and cash equivalents are held in US dollars. Anglo does not use derivative instruments or foreign exchange contracts to hedge against gains or losses arising from foreign exchange fluctuations.

### Disclosure of Outstanding Share Data

	Mar 23/11	Apr 30/10
Authorized common shares without par value	unlimited	unlimited
Issued	81,705,285	81,705,285
Options Outstanding	5,149,000	7,208,928
Warrants Outstanding	-	2,870,000

### Investor Relations

Pursuant to the terms of the Marketing Consulting Agreement concluded between Stevenson & Associates IR, a Vancouver company, and Anglo, Stevenson assists Anglo with strategic planning, marketing, corporate communications, public relations and corporate finance services for a monthly fee of \$4,000. The agreement was terminated effective November 30, 2010. Management will continue to provide investor relations services directly.

### Risk factors

Exploration-stage mineral property interest companies face a variety of risks and, while unable to eliminate all of them, Anglo aims at managing and reducing such risks as much as possible. Few exploration projects successfully achieve development stage, due to factors that cannot be predicted or anticipated, and even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. Anglo closely monitors its activities and those factors that could impact them, and employs experienced consultants to assist in its risk management and to make timely adequate decisions.

Environmental laws and regulations could also impact the viability of a project. Anglo has ensured that it has complied with these regulations, but there can be changes in legislation outside Anglo's control that could also add a risk factor to a project.

Operating in a specific country has legal, political, and currency, risks that must be carefully considered to ensure their level is commensurate to Anglo's assessment of the project. Although the military takeover following the



death of the President of Guinea last December appears to have been calmly accepted, the National Council for Democracy and Development's assumption of power, and their ongoing review of all mining contracts, has increased uncertainty in the mining community.

### **Forward Looking Statements**

This discussion includes certain forward looking statements with respect to various issues including upcoming events. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although Anglo believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future results and actual results may differ materially from those in forward looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration success, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future results and actual results or developments may differ materially from those projected in the forward-looking statements. Forward looking statements are based on the beliefs, estimates and opinions of Anglo's management on the date the statements are made. Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge, and careful evaluation may fail to overcome. Exploration activities seldom result in the discovery of a commercially viable mineral resource. Exploration activities are also expensive. Anglo will therefore require additional financing to carry on its business, and such financing may not be available when it is needed. Unless otherwise required by applicable securities laws, Anglo expressly disclaims any intention and assumes no obligation to update or revise any forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change, whether as a result of new information, future events or otherwise.