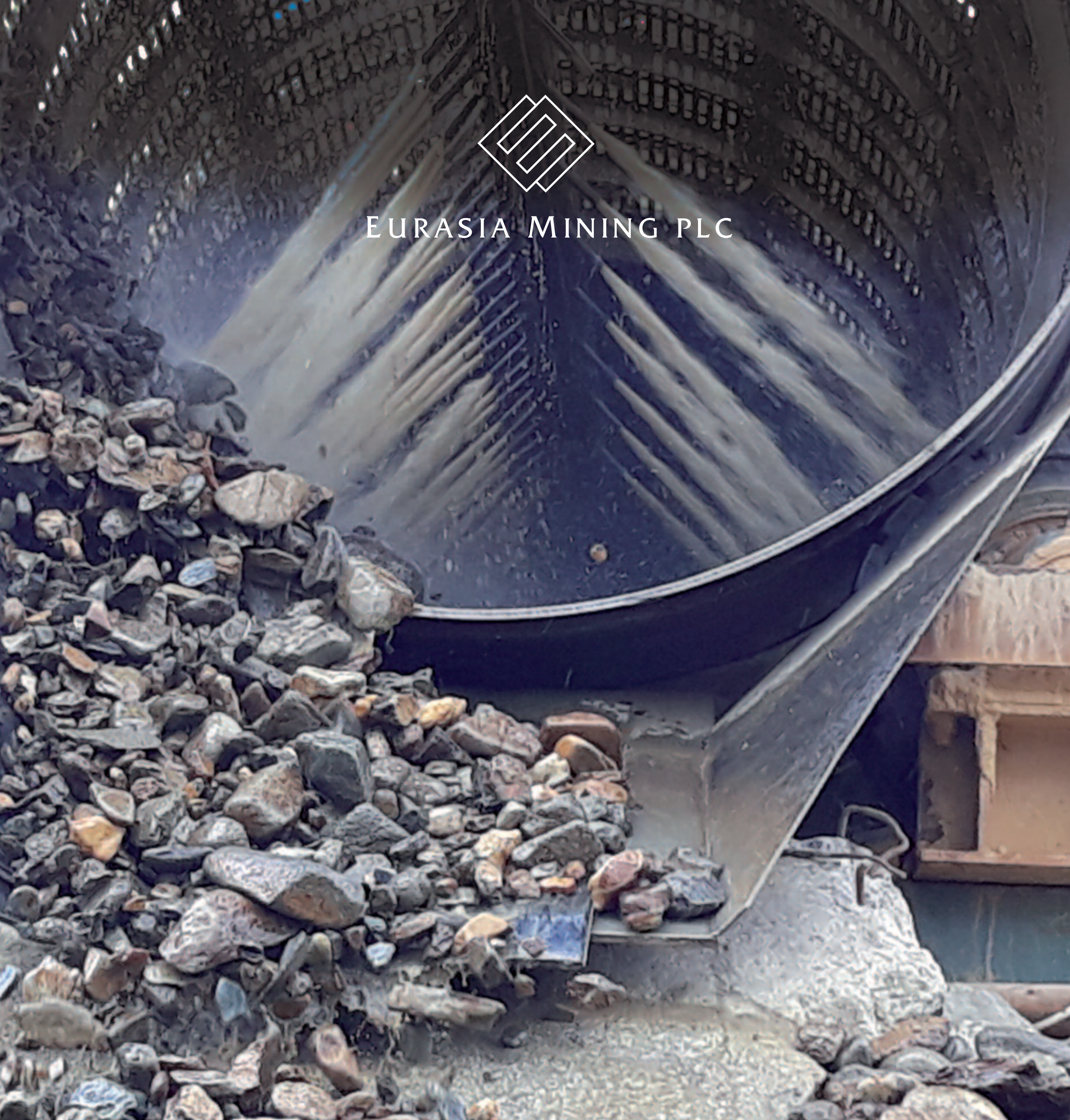


EURASIA MINING PLC

Eurasia Mining PLC
Annual Report and Accounts 2017

PGM AND GOLD PRODUCTION AND DEVELOPMENT

Front cover, material exiting the trommel, a device used at the West Kytlim mine to separate platinum bearing sands from larger rock fragments. The picture shows washed gravels exiting the trommel in June 2018

2017 Highlights

Monchetundra

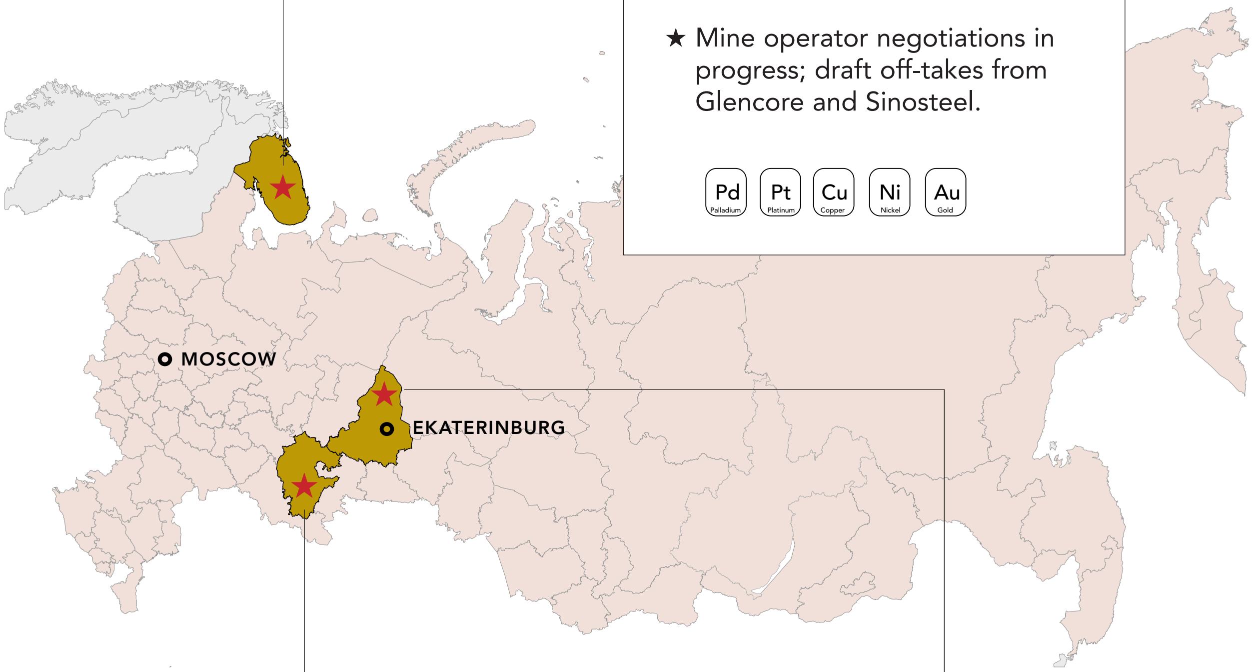
★ 2 million ounce, 80% owned, state-approved reserves + resources (Palladium + Platinum)

★ Au, Cu & Ni add significantly to revenue

★ EPCF (EPC+Finance) in place with Sinosteel

★ Mine operator negotiations in progress; draft off-takes from Glencore and Sinosteel.

Pd Palladium | Pt Platinum | Cu Copper | Ni Nickel | Au Gold



Semenovsky

★ Gold and silver tailings project in pre-production stage with feasibility approved.

Ag Silver | Au Gold

West Kytlim

★ Second largest, 75% owned, global alluvial PGM mine in production in Ural Mountains

★ Currently contracted with increases in capacity expected in 2018

★ 69.5kg raw platinum (2,250 oz) produced in first 7 weeks of operation.

Pd Palladium | Pt Platinum | Rh Rhodium | Ir Iridium | Au Gold

PLATINUM SUMMARY

AUTOMOTIVE

There is general consensus amongst industry commentators (notably SFA Oxford Platinum Standard, May 2018 [1] and World Platinum Investment Council, Platinum Quarterly May 2018 [2]) that automotive demand for platinum declined through 2017 due to continued, legislation-led disincentives to owning diesel engines. Some Original Equipment Manufactirer's have already responded to this pressure including Bosch Technologies diesel solution which can reduce NOx emissions to one tenth of the legal limit set for 2020 [3].

INDUSTRIAL

Increased industrial demand is forecast for platinum for 2018 led through increases in petroleum refining capacity, glass fabrication and chemical catalysis [4].

JEWELLERY

Increases in platinum jewellery demand are expected in 2018 in Western Europe, North America and India with Chinese demand (the largest region) remaining largely flat [4]. Platinum Guild International, an industry funded organisation, continue to promote platinum jewellery internationally [5].

INVESTMENT

Holdings in Platinum ETF's increased by 94k oz in 2017 [4] with the majority of increased demand from US investors [4]. Predicted to be firm through 2018 with strong bar and coin demand [4].

Sources

[1] http://www.sfa-oxford.com

[2] https://www.platinuminvestment.com

[3] Bosche-presse.de https://www.bosch-presse.de/pressportal/de/en/breakthrough-new-bosch-diesel-technology-provides-solution-to-nox-problem-155524.html

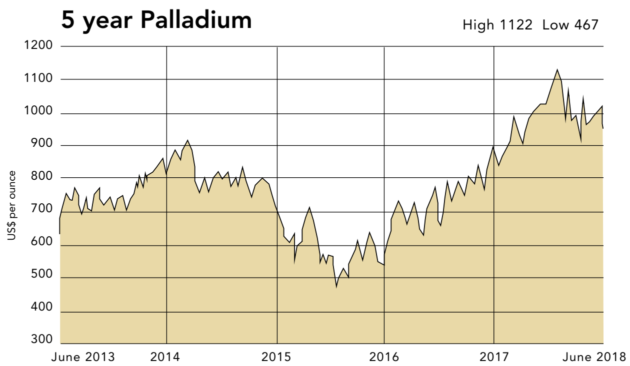
[4] SFA Oxford Platinum standard May, 2018 page 60

[5] http://www.platinumguild.com/sphome

[6] Johnson Matthey PGM Market report May 2018 – http://www.platinum.matthey.com/documents/new-item/pgm%20market%20reports/pgm_market_report_may_2018.pdf

Palladium prices

Palladium prices continue to show resistance at the $1,000 level, having pushed through $1,100 in January 2018, their premium to platinum a function of reduced supply (down 6% year on year [6]) and increased demand (up 8% year on year[6]). The market saw a deficit of 801,000oz in 2017 with a record 8.39M oz used in the automotive industry, against a 13% fall in Russian primary supplies [6].



Chairman's Statement

As Chairman of the board, I am pleased to confirm that full production is ongoing at our West Kytlim mine in the Urals. The new contractor is working very well as demonstrated in a video available through our website. At our much larger Monchetundra development project on the Kola Peninsula, the mining licence application is progressing somewhat ahead of schedule, after a provisional Rosnedra approval in early February 2018.

2017 was a hugely important year for the Company, as we stepped up to production at the West Kytlim mine. Production remained inconsistent throughout 2017, as our contractor struggled financially, and was ultimately replaced by a more experienced contractor with a stronger balance sheet. However, during 2017, a foundation of knowledge was established, while also progressing important infrastructural elements at the mine site, and this created a solid base from which to launch the 2018 mining season. A new contractor, Techstroy was appointed in March 2018 and we believe their professional attitude was demonstrated early on with the deployment of largely new diesel plant. The choice of equipment is different from that utilised through 2017 and is based on the more reliable trommel washing system with concentrate recovery using sluice boxes. We look forward to a full season's production from this washplant, with the possibility of a second being installed within the year. We also look forward to the significant revenues from the mine, which will support our team in other developments.

At the time of writing we are well ahead of expectations, with 69.5kg (2,250 oz) produced from start-up on 3 May to 22 June 2018, and the run-rate is scaling up with a record amount of 6.9kg (221 oz) standing as the maximum produced over the course of a day. Grades for the period averaged $0.81g/m^3$. The directors, our staff in London and Russia, and our partner Techstroy, believe the mine is already a great success in 2018.

At Monchetundra we are expecting the completion of the application process for a mining permit on the two million ounce PGM deposit defined by the Company. However, we are not sitting still, and plans are being made to allow us to move forward once permitting has been completed. We are optimistic that the permit will be granted over the coming months and thereafter development work can commence. We have often referred to this project as a potential 'company maker' and we believe that the surrounding region, the Kola Peninsula, will become a major centre for the production of PGMs in the coming years.

PGMs are key metals for future technologies, which make use of catalysts to facilitate and improve performance and reaction times of complex processes. The burgeoning development of electric vehicles and fuel cell technology relies on PGMs and demand will continue to grow for these metals. Eurasia has concentrated on these metals and is one of the few companies actively developing such projects, notably in Russia where there is excellent potential for all commodities due to 30 years of little or no exploration activity. We look forward to having opportunities to further develop our business there over the coming years.

Finally, once again I would like to thank the board, management and staff for strong and loyal support through several years of effort. This has culminated in the opening of the West Kytlim mine and the advancement of the Monchetundra project. We, the directors, feel that with the West Kytlim mine truly delivering, and our Monchetundra project advancing through permitting, this year and the forthcoming years will be transformational for the company. Also, I would thank shareholders for their support and look forward to delivering results for all our benefit.

Christian Schaffalitzky
Executive Chairman

WEST KYTLIM

West Kytlim is Eurasia's 75% owned and fully operational Platinum, PGM and Gold mine in the Ural Mountains, 200km north of the company's regional office in Ekaterinburg. The mine operates from spring to late autumn and is managed by Eurasia with the majority of mine operations, including excavation, transportation and gravel washing contracted for a 65%/35% split on gross revenue (with 65% attributable to the contractor to cover the operational risks and costs).

Above, two Komatsu excavators loading a fleet of four trucks at Malaya Sosnovka in May 2018.
At the washplant, visible in the background, a third excavator loads material into the trommel.

2017 Operational Summary

Operations at site were continuous to the end of November 2017; however, continuous and consistent production was not achieved. The contractor appointed for work in 2017, Region Metall, elected to use a vibrating screen as the key mechanism for gravel disintegration and washing and the system proved prone to mechanical breakdown. The washplant owned and operated by Eurasia through the exploration phase of the project was commissioned by the end of November 2017 and produced 3.8kg (122 oz) in a few days. The total amount of platinum produced by both washplants throughout the 2017 season was approximately 10kg (320 oz). Infrastructural elements at site such as a process water pond, a tailings dam and site roads were constructed early in the season, and the 2017 season was also useful in furthering knowledge on the nature of the platinum bearing gravels.
In September 2017, applications were made for exploration licences adjacent to the West Kytlim license, namely, Tipil (23.14km^2) and Malaya Kosva (9.42km^2).

2018 Operational Summary

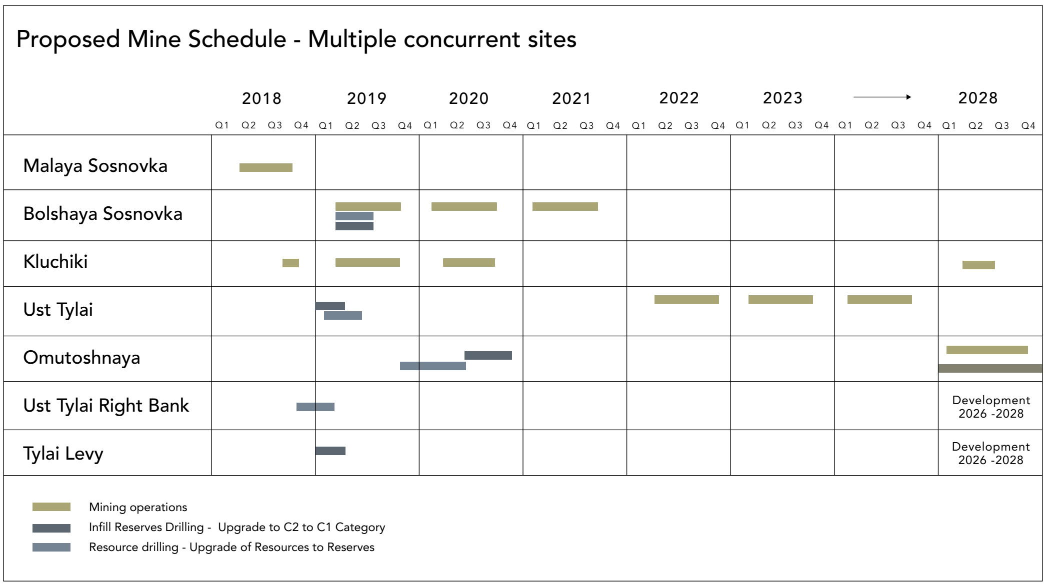
A decision was taken in January 2018 to appoint a new contractor to manage the mining and gravel washing process and the West Kytlim mine is now fully operational for the 2018 mining season. The operation was reinvigorated by the appointment of the new contractor, Techstroy, who are experienced alluvial operators, and the directors believe their experience and knowledge have been invaluable in driving the mine's performance.

The flow sheet was redesigned to include a trommel as the main tool for washing and disintegrating platinum bearing sands and gravels. A trommel is a rotating cylindrical screen driven by diesel-generated electricity. Oversize material is rejected through the trommel as finer grained material passes to a sluice arranged perpendicular to and underneath the trommel. Higher density platinum nuggets collect on the sluice mats, which are emptied once a day. This material is further upgraded to a raw platinum black sand concentrate, the mine's product, at the on-site laboratory operated by staff from Eurasia's subsidiary Kosvinsky Kamen.
A refining and sales contract is in place with the Precious Metals refinery in Ekaterinburg, and shipments of raw platinum by armed courier are now occurring on a weekly basis.

Washing commenced with an initial first fill on 3 May 2018 and more continuous operations, ramping up and increasing the run-rate.

Quantities of raw platinum produced in 2018 to date have exceeded expectations, largely due to both higher production volumes and higher than anticipated average grades. Measuring the total amount of gravel processed is a key to calculating grades in ore, and is best done on longer timescales, as it involves a volume measurement of material removed from the open pit. Our surveying team measure progress in the pit by using laser levels and GPS instruments to ascertain the total amount of gravel moved. This measurement can then be correlated with the total amount of Raw Platinum produced to arrive at an average grade.

At the time of writing the total amount of gravel washed from 3 May

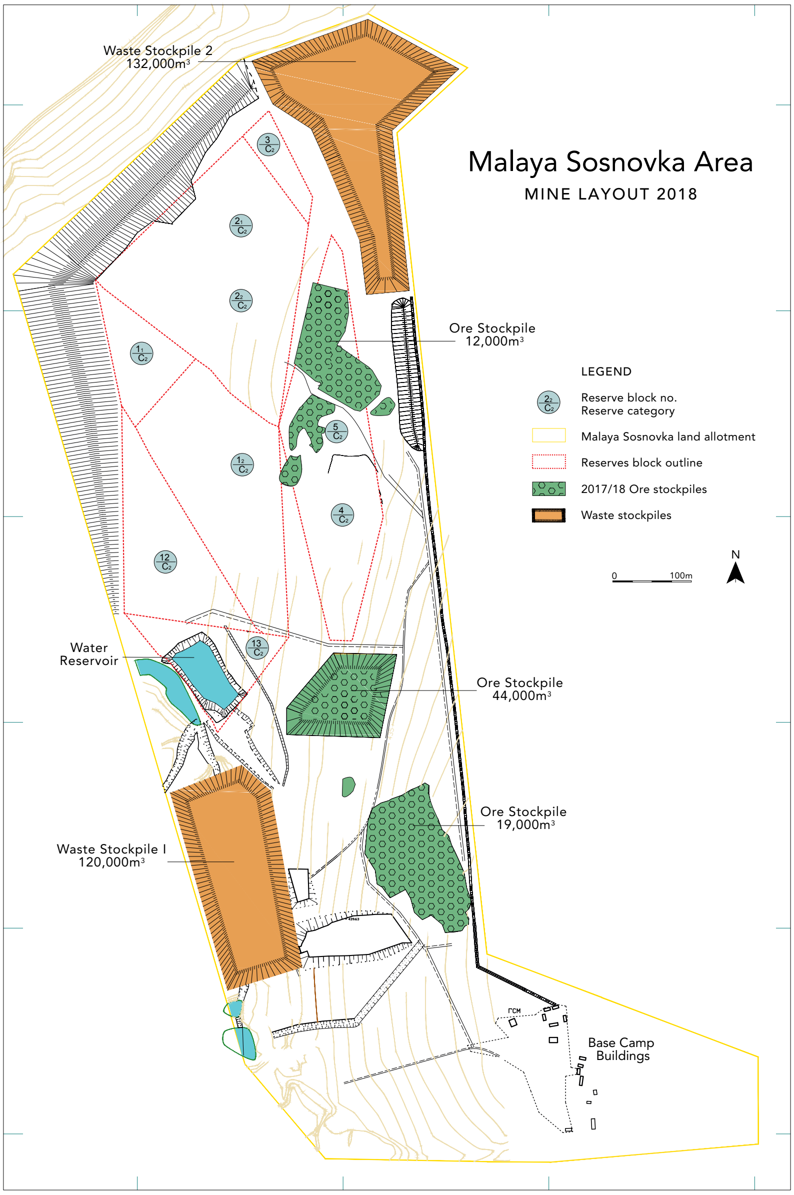


2018 to 22 June 2018 inclusive was 56,600m3, against a total amount of raw platinum produced of 69.5 kg (2,231 oz), which yields a total average grade for the period of 0.81g/m3.

Boulder content is a further strong control on plant through-put. Parts of the Malaya Sosnovka Area currently being worked are considered relatively high in boulder content and this has been a limiting factor on plant throughput, however this has been more than offset by high grades in ore. With reduced boulder content going forward the plant throughput and the run-rate will increase accordingly.

Processing of one stockpiled ore reserve is now complete, and mining has progressed to further stockpiles and later the main reserves of the Malaya Sosnovka Area. Stripping of overburden from the main reserve blocks has been contiguous with the gravel washing operation. Site preparation including stripping of forestry has also now commenced on the Kluchiki Area which is being prepared to be developed alongside Malaya Sosnovka. Kluchiki is more than twice as large as Malaya Sosnovka and is an opportunity to ramp up production to more than double current rates.

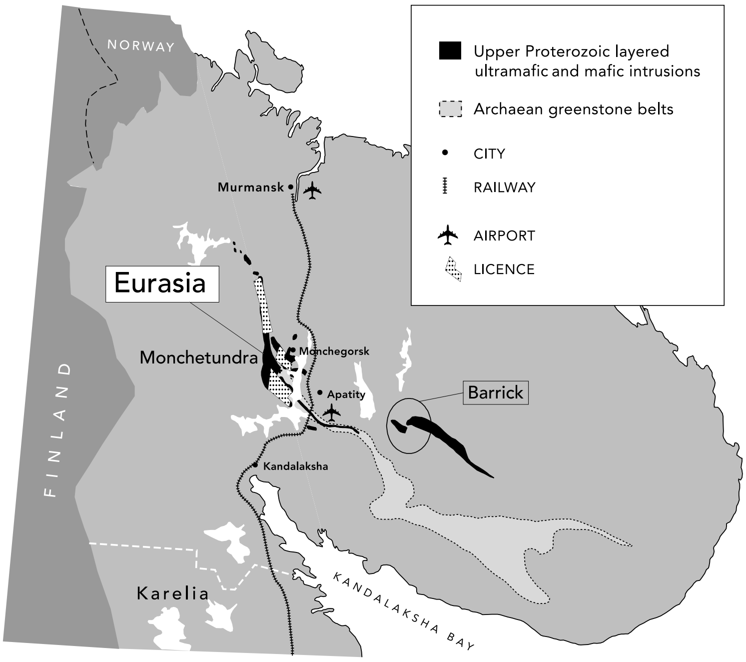
A full team of personnel are now on site including 20 to 22 persons from Eurasia's contractor Techstroy and 7 to 8 people from Eurasia's subsidiary Kosvinsky Kamen providing geological support and operating the onsite laboratory upgrading sluice concentrate to mine product.



MONCHETUNDRA

Monchetundra is Eurasia's 80% owned 2 million ounce PGM (Reserve + Resource) project near the town of Monchegorsk on Kola Peninsula. Feasibility study and reserves report have been approved and a mining permit application is well advanced and indeed proceeding ahead of expectations. Eurasia was issued a discovery certificate for the reserves and resources contained within two open pittable locations, Loipishnune and West Nittis, in July of 2017. The discovery certificate represents a major milestone for the project as it guarantees mining rights to the holder. A mining permit application proceeded directly on receipt of the discovery certificate and later achieved provisional approval from Rosnedra, the Russian ministry for subsoil use. This provisional approval was achieved just 3 months after submission of the mining license application, at which point the application was forwarded by Rosnedra to the Ministry of Defence (MOD) and Federal Securities Service (FSB) for their approval. These agencies later approved the application in June 2018. The Federal Anti-Monopoly Service also approved the application before forwarding to the MOD and FSB.

Above, tundra vegetation typical of the mine area at West Nittis and Loipishnune with the Moncheozoro lake in the background



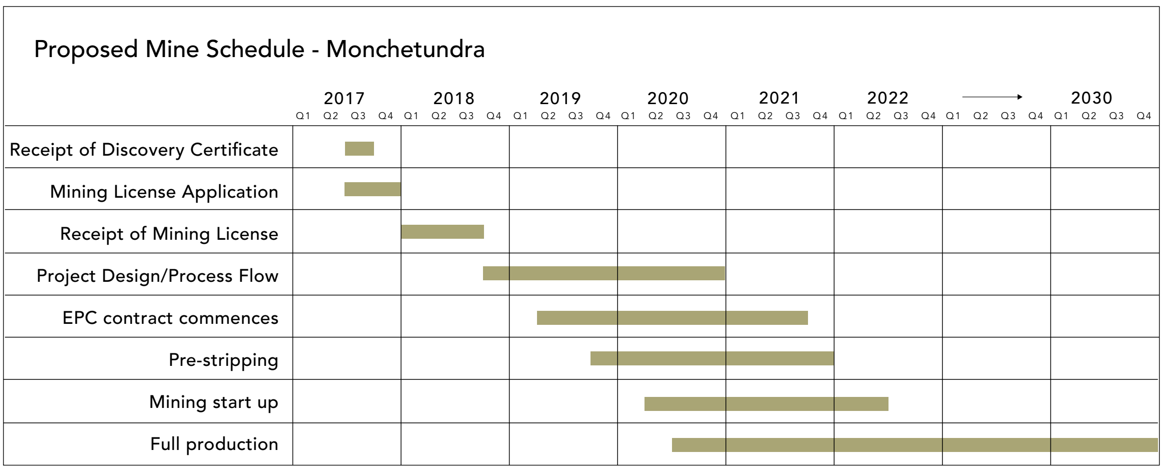
At the time of writing the Company believes that the mining application is in good standing with no major obstacles to overcome. The application now moves to the Ministry of Economic Development and the Ministry of the Natural Resources before being forwarded to government ministry level for a final sign off by the office of Prime Minister Dmitry Medvedev.

Currently state approved reserves and resources within the Monchetundra Project comprise Russian standard C1 and C2 categories of 55.9 tonnes (about 2 million ounces) palladium equivalent (predominantly palladium) at two open-pittable locations, West Nittis and Loipishnune. These open pits also contain significant gold and base metal credits including 28,124 tonnes of copper, 30,410 tonnes of nickel and 2 tonnes of gold.

Engineering Procurement Construction and Financing (EPCF) Contract

An EPCF contract to develop the mine at Monchetundra is already in place with Sinosteel, a state owned Chinese engineering group focused on mining, which was agreed in October of 2016. The contract provides for Sinosteel to undertake the mine and processing plant construction and commissioning on a turnkey, commercial arms-length basis. 85 per cent (or US$149,600,000) of the contract value has been arranged as debt-based by Sinosteel – this element of plant construction costs will remain on the Sinosteel balance sheet until such time as the plant is operating at full capacity (about 130,000oz of PGM per annum) and to designed specification.

Discussions continue with other third-party service providers regarding the running of the mine at Monchetundra. The Company hopes to emulate the contract mining arrangement utilised at West Kytlim by contracting the mining operation to a reputable international specialist company with experience in Russia, while maintaining control of the project, for a percentage of gross revenue.



SEMENOVSKY

Eurasia continues to maintain close working relations with the owners of the Semenovsky Tailings Project. Both parties agree that commercial arrangements regarding the projects development can be arranged at short notice should a suitable funding mechanism become available. The Directors are reluctant to dilute the equity of the Company further in pursuit of the projects development but continue to believe that the project represents a viable opportunity for commodity diversification, and fits well with the company's strategy to focus on near term cash generating projects, while also progressing the much larger scale Monchetundra Project. Due to present uncertainty with project development £44,495 of the Group investment in to Semenovsky joint operations were written off in 2017.

BLOCKCHAIN TECHNOLOGY DEVELOPMENTS

Eurasia continues to pay close attention to developments in the Blockchain space, particularly with regard to the impact of this emerging technology on the resource industry. Instability in cryptocurrency prices has long been regarded as inhibiting their wider application. It is recognised that a potential solution to this problem lies in creating a cryptocurrency backed by precious metal. Several solutions and products have emerged in the much larger gold market, and Eurasia continues to pursue the goal to be the first to offer a Platinum backed cryptocurrency. We are currently working in close partnership with Bankex an established fin tech company which successfully raised about $70m in late 2017. Eurasia are currently working on establishing a Blockchain partner within the Company structure, to further pursue these goals and feel that developing a Platinum backed cryptocurrency has the potential to stimulate significant Platinum investment demand.

Christian Schaffalitzky
Executive Chairman

Eurasia Mining Plc ("Eurasia" or the "Company") is a public limited company incorporated and domiciled in Great Britain with its registered office and principal place of business at 2nd Floor, 85-87 Borough High Street, London SE1 1NH. The Company's shares are quoted on AIM, a market operated by the London Stock Exchange Group plc.

The principal activities of the Company and its subsidiaries (the "Group") are related to production of platinum group metals (the "PGM"), gold and other minerals.

The Group currently has two key operations in Russia – (1) West Kytlim, which is an operating platinum group metals and gold mine in the Central Urals and (2) the Monchetundra Project on the Kola Peninsula in Russia, at which the company has feasibility study and state approved reserves and resources in PGM and base metals, and at which a mining licence application is underway. At the same time the Group is continuing to assess the potential of resource projects in various commodities in other regions in Russia and other countries of the former Soviet Union.

At West Kytlim, the Group made several PGM discoveries of resources suitable for commercial mining and secured a mining licence in 2015. The Group carried out a pilot mining operation and ran a commercial operation in 2017, which was limited by the subcontractor's capacity to perform undertaken commitments. A new subcontractor has been appointed and production resumed in May 2018.

On the Kola Peninsula the Group discovered PGM mineralisation in the Monchetundra area and following the exploration work completed in 2016 the Group initiated the procedure of obtaining a mining licence.

More details on both projects are contained in the Operations update.

The Group also maintains an active interest in non-core, innovative mining solutions including the Kamushanovsky Uranium Project in Kyrgyzstan.

The Company's aim is to deliver value to its shareholders by leveraging the significant experience of its directors and management team to advance our licences and to acquire new projects.

Key performance indicators

At this stage of the Group's business activities the Directors believe it appropriate to limit the Key Performance Indicators (KPIs) used to monitor progress in the delivery of the Group's strategic objectives, to assess actual performance against targets and to aid management of the business, other than the monitoring of licences and stages of exploration and development.

The Board monitors relevant KPIs which it considers appropriate for a company at Eurasia's stage of development. The KPIs for the Group are as follows:

Financial KPIs
Results for the year – the Group has made a loss of £2,139,130 for the year ended 31 December 2017 (2016: a profit of £994,240). The loss of 2017 resulted from higher administration costs at subsidiaries level, which previously would have been capitalised as part of the project costs and higher financing expenses. The high cost of financing is caused by complexity of accounting for convertible loans the Group entered into in the course of 2017, and result in the effective interest charge to profit and loss being significantly higher compare to the conventional debt financing.

Shareholder return – the performance of the share price. The Company's shares are quoted on AIM and the shares have traded at 0.2-0.738p (2016: 0.43-1.3p) during the year under review.

Exploration expenditure – funding and development costs.
The group has incurred £175,737 (2016: £225,708) of development costs at West Kytlim, which were required to carry out additional drilling works under the programme of upgrading resources to reserves.

The availability of sufficient cash to facilitate continued investment and funding of exploration programmes and project development is essential. The Group monitors the availability of sufficient cash to fund work. In May 2017 the Group raised gross funds of £1.6 million, including a $1,250,000 convertible loan facility entered into YA II PN Ltd and arranged through Riverfort Global Capital Ltd, a £250,000 debt facility entered into with Sanderson Capital Partners, and a further $500,000 loan agreement with company non-executive director Dmitry Suschov. £181,135 was also raised through an equity placing in December 2017. At 31 December 2017 the Group had a cash balance of £89,819 (2016: £154,674) which allowed it to continue its Monchetundra project development, and to prepare for the 2018 Mining season at West Kytlim. It was intended that the majority of debt funding entered into in 2017 would be repaid from revenue generated from the 2017 mining operation at West Kytlim, however this revenue stream did not materialise. In May 2018, the Company appointed a new lead broker, First Equity Ltd, and successfully raised a further £500,000, $400,000 of which was immediately used to significantly reduce YA II PN Ltd outstanding loan, with the remainder used for working capital purposes in the lead up to production at the West Kytlim mine.

The company is assessing other means of bringing cash reserves to the required level, including increasing West Kytlim mine revenues. This was demonstrated in the appointment of a new contractor to the mining operation in early 2018. For more details see the operations update herewith.

Non financial KPIs
Environment management – the Group has environmental policies in place. Performance against environmental policies is continuously monitored. The Company did minimum fieldwork in 2017, due to West Kytlim subcontractor's non-performance, which would not have any environmental impact. The Directors consider that this has served to minimize any negative impact of current exploration activities on the environment.

Health and Safety – the Group has occupational health and safety policies and procedures in place ensuring that all efforts are made to minimise adverse personal and corporate outcomes, through best practice training, implementation and monitoring.

Operational – the number of additional exploration licences and exploration successes. There has been limited exploration activity in the year, and the Directors are encouraged by the prospectivity of the Group's exploration licenses and by the exploration results obtained to date. During the year the Group has applied for a mining licence for a platinum mine at Monchetundra area in the Kola Peninsula region in Russia.

The Directors consider that performance against all KPIs in 2017 was acceptable except for the mining operations at West Kytlim due to subcontractor's non-performance that was successfully rectified in 2018 by changing the contractor and with the production run-rate hitting the record of 6.9kg (221 oz) per 1 day.

Principal risks and uncertainties

The risks inherent in an exploration business are kept under constant review by the Board and the Executive Committee. The risks affecting the Group and the Company are set out respectively in the Directors' report and Notes 2 and 27 to the financial statements and the principal operating risks affecting the Group are detailed below:

Exploration and project development risks
Inherent risks associated with the failure to discover or develop an economically recoverable ore reserve, to conclude a definitive feasibility study, and to obtain the necessary consents and approvals for the conduct of exploration and mining.

The Group engages in close discussion with respective government departments to have a better understanding of the requirements and to make sure all requirements are implemented and duly reported to boost the prospects of the grant of permits and licences. The Group made significant progress successfully applying for the Monchetundra mining permit.

Run of the mine risks
The Group relies on the contractor to perform mining operations for a share of revenue. Contractor performance including noncompliance with agreed mining and production schedules, machinery break down and others risks have significant impact on the Group's performance. The Directors believe these risks have been considerably mitigated by the appointment of a new contractor to the West Kytlim Mine in January 2018 operating brand new Komatsu equipment and brand new processing plant.

Political risk
The Group's assets are located in Russia, in view of sanctions imposed to certain individuals and companies in Russia from 2014 until present time, legal and economic inconsistencies may arise. There has been no impact on the Group's activity, but the Group closely monitors all regulatory requirements and changes to the laws, rules and regulation taking steps whenever necessary to comply with regulation.

Environmental issues
The Group's operations are subject to environmental regulation, including environmental impact assessments and permitting. Russian environmental legislation comprises numerous federal and regional regulations, which are not fully harmonised and may not be consistently interpreted. The Group makes an assessment of the environmental impact at the time it applies for permits and licences, which are subject to such assessment.

There is no immediate risk to the Group's operation arising from environmental issues, but the Group monitors environmental regulation, to assess potential impact.

The regulatory environment
The Group's activities are subject to extensive federal and regional laws and regulations governing various matters, including licensing, production, taxes, mine safety, labour standards, occupational health and safety and environmental protections. Amendments to current laws and regulations governing operations and activities of mining companies or more stringent implementation or interpretation of these laws and regulations can have a material adverse impact on the Group and/or delay or prevent the development or expansion of the Group's properties in Russia. The Group closely monitors all regulatory requirements and changes to the laws, rules and regulation taking steps whenever necessary to comply with regulation.

Commodity risk
A potential fall in commodity prices could lead to it becoming uneconomic for the Group to mine its assets. The Group closely monitors the markets for the platinum group metals, changes in demand and supply and effect they have on the metal prices with a view to taking necessary measures in response to such changes, this may include stockpiling when prices are low, price hedging when prices rise above expectation, and commodity diversification. Also it is important to note the Group's cost of production is at the lower end of the global cost curve as opposed to South Africa that produces 70% of global platinum production. A quote from Bloomberg of 16 April 2018 states: «"Ramaphoria" boosted the rand and revived investor sentiment on South Africa. But deep underground in the country's platinum mines, there's very little cause for optimism. Producers in South Africa, which accounts for about 70 percent of the world's mined platinum, are closing shafts and cutting thousands of jobs as a stronger rand combines with stagnating prices for the metal in squeezing profit margins». With commodity prices being below the cost of the majority of the production in South Africa for several years, further declines seem unlikely.

Loss of key personnel risk
The loss of the key personnel consists of the departure (voluntary or otherwise) of an important employee, which will, in all likelihood, results in a financial loss or increased expense to a small business. The expenses may be of a temporary or a permanent nature. These increased expenses relate to the search and hiring of a new employee, training costs for the new hire, possible "signing" bonus and higher remuneration packages. These types of risks cannot be avoided. While the Group can take measures to motivate and retain existing employees, it has limited powers in dealing with departures by natural or legislative reasons. However, the Group is using outsourcing to professional contractors to mitigate this risk.

Financing risk
This is the risk of running out of working and investment capital. The Group has been relying primarily on the issue of share capital and other financial arrangements, which due to the risk factor require high returns to the creditors at the Group's expense. The Group maintains tight financial and budgetary control to keep its operations cost effective. Forward planning helps ensure it is adequately funded to reach its objectives. Launch of full scale platinum and gold production in 2018 is also of a great help to mitigate the financial risk.

By order of the Board

Alexandr Agaev
Secretary
28 June 2018

Directors' Biographies

CHRISTIAN SCHAFFALITZKY

Christian Schaffalitzky, BA(Mod), FIMMM, PGeo, CEng, age 64, is Managing Director. With over 40 years experience in minerals exploration, Christian Schaffalitzky was a founder of Ivernia West PLC, where he led the exploration, discovery and development of the Lisheen world class zinc deposit in Ireland. More recently, he was Managing Director of Ennex International PLC, an Irish quoted mineral exploration company, focused on zinc development projects. He has also been engaged in precious and base metals minerals exploration and development in Russia and the former Soviet Union. He is Chairman of Kibo Mining plc and on the board of two other listed companies.

GARY FITZGERALD

Gary Fitzgerald, age 64, is a Non-Executive Director. He was previously a Director of Framlington Investment Management Limited and has over 30 years experience in investment management. He has diverse experience of emerging markets including the launch of the first fund for investing in Russia in the early 1990's.

DMITRY SUSCHOV

Dmitry Suschov, age 40, is a Non-Executive Director and also a major shareholder of Eurasia. Dmitry is a commodities trading veteran (primarily various grades of metallurgical and thermal coals) and has successfully built a major Pulverized Coal Injection (PCI) franchise throughout Asia, Europe and America with an annual turnover of up to $100 million, thus accumulating around 2.5% of the global PCI market share. He is also an investment banker with extensive experience in the Russian resources industry and has previously worked with IG Capital, MDM Bank, PricewaterhouseCoopers and Ernst&Young as mining & metals leader in corporate finance for Russia and CIS.

Directors' report

Directors

The Directors who served during the period were:

Michael Martineau *Non-Executive Chairman*
(resigned on 1 July 2017)

Christian Schaffalitzky *Executive Chairman*
(Managing Director until 1 July 2017)

Gary FitzGerald *Non-Executive Director*

Dmitry Suschov *Non-Executive Director*

Company Secretary

Michael de Villiers (resigned 5 October 2017)

Alexandr Agaev (appointed 5 October 2017)

Directors' interests

Share interests

The active Directors of the Company held the following beneficial interests (including interests held by spouses and minor children) in the ordinary shares of the Company:

	31 Dec 2017 No. of shares	31 Dec 2016 No. of shares
M. Martineau (resigned on 1 July 2017)	-	17,831,403
C. Schaffalitzky	68,475,270	49,696,674
G. FitzGerald	20,394,101	18,608,387
D. Suschov	435,357,129	284,877,066
Total	524,226,500	371,013,530

Share options

No share options were held by the Directors of the Company at 31 December 2017 (31 December 2016 – nil).

No share options were exercised during 2017 (2016 – nil).

Share capital

Issued capital of the Company as at 31 December 2017 was:

	Number of shares	Nominal value £
Fully paid ordinary shares at 0.1 pence	1,847,847,150	1,847,847
Deferred shares 4.9 pence	143,377,203	7,025,483

Section 561 of the Companies Act 2006 (the "Act") provides that any shares being issued for cash must in general be issued to all existing shareholders pro-rata to their holding. However, where Directors had a general authority to allot shares, they may be authorised by the Articles or by a special resolution to allot shares pursuant to the authority as if the statutory pre-emption rights did not exist.

At the General Meeting, held on 30 June 2017, the Board was given authority for the purposes of section 551 of the Act to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £1,000,000, such authority to expire on the date of the next Annual General Meeting.

The Board has utilised authority to allot shares and issue warrants as follows:

Date shares issued	Transaction	No of shares issued/ warrants granted	Nominal value £
18 Aug 2017	Issue of ordinary shares under term of financing arrangements	8,900,820	8,901
09 Sep 2017	Issue of ordinary shares under term of financing arrangements	10,868,449	10,868
20 Nov 2017	Issue of ordinary shares by way of placing	27,262,814	27,263
20 Nov 2017	Issue of ordinary shares by way of placing	37,428,550	37,429
11 Dec 2017	Issue of ordinary shares under terms of a loan conversion	144,076,124	144,076
11 Dec 2017	Issue of ordinary shares under term of financing arrangements	76,259,904	76,260
12 Dec 2017	Extra warrants to those granted in May 2017	28,447,285	28,447
28 Feb 2018	Issue of ordinary shares under term of financing arrangements	10,522,058	10,522
10 May 2018	Issue of ordinary shares by way of placing	172,166,666	172,167
10 May 2018	Warrants granted to the subscribers to the shares	166,666,666	166,667
Total		682,599,336	682,600

The Board has not utilised authority to purchase the Company's own shares.

Risk Management

The Directors consider that assessing and monitoring the inherent risks in the exploration business, as well as other financial risks, is crucial for the success of the Group. Risk assessment is essential in the Group's planning processes. The Board regularly reviews the performance of projects against plans and forecasts. Further detail on management of financial risks which includes foreign currency, interest rate, credit, liquidity and capital risks are set out in note 27.

Going Concern

As outlined above, the Group was successful in raising proceeds of £1.6 million in May 2017 as a convertible loan facility maturing in May 2018. At 31 December 2017 the Group's net current liabilities amounted to £861,629 (2016: £148,524). At the same time the Group had a cash balance of £89,819 (2016: £154,674). A further gross £181,135 was raised through an equity placing in December 2017 and £500,000 through an equity placing in May 2018.

By end of May 2018 on completion of the first three weeks of mining operations at West Kytlim it became apparent to the Group, that platinum revenues from the mine may exceed expectations. The Group now expects revenues from the 2018 mining operations to contribute significantly to borrowing commitments and to run the Group companies; however the Group also expects to have to secure further funding in order to be able to continue to expand its mining operations. The Group's largest creditor, YA II PN Ltd, has demonstrated a willingness to work with the Company

in restructuring their loan facility, in December of 2017, and again in May 2018. The outstanding amount of £351,000 on this facility has been rearranged to fall due on 18th September 2018. The Sanderson Capital Partners facility, principal amount of £250,000, has also been re-structured and now falls due at 30th September 2018.

In June 2018 the Group entered into a loan agreement with a company controlled by a non-executive director D. Suschov, to borrow up to $1 million from June 2018. Once drawn down, the loan bears interest at 9% per annum payable quarterly. The loan is repayable in full in five years from the first drawdown date.

In addition, a £0.5m debt facility remains in place with Darwin Ltd which can be utilised at a short notice.

Since going into production at West Kytlim, the Group has received considerable industry interest, especially locally. However the Board believes this asset should continue to be developed by the Company while the excellent relationship between the contractor and local management team demonstrates much higher rates of return than anticipated. A more thorough reassessment of the project's value will be undertaken in due course in light of actual production information and grades in ore. Furthermore, a discussion on potential capital expansion including the addition of a second wash-plant funded by our partner Techstroy is taking place now.

The Group has implemented tighter controls to minimise its cash outflows by reducing its fixed costs and overheads and by subletting part of the office premises. The Directors took personal steps in conserving the Group's cash by taking the Company shares in lieu of payment for their remuneration and costs.

The Directors have concluded that the combination of these circumstances represents a reasonable expectation that the Group has 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 annual report and accounts.

By order of the Board

Alexandr Agaev
Secretary

28 June 2018

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report and the Directors' report.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS, as adopted by the European Union, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that so far as each Director is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Corporate Governance

The Board of Directors
The Directors are responsible for the Group's system of internal control and for reviewing its effectiveness. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives. Any such system of internal financial control can only provide reasonable but not absolute assurance against material misstatement or loss.

Full Board meetings are held quarterly to review Group strategy, direction and financial performance. The executive Directors meet regularly to review operational reports from all the Group's areas of operations. The process is used to identify major business risks and evaluate their financial implications and ensure an appropriate control environment. Certain control over expenditure is delegated to on site project managers subject to Board control by means of monthly budgetary reports. Internal financial control procedures include:

- preparation and regular review of operating budgets and forecasts
- prior approval of all capital expenditure
- review and debate of treasury policy
- unrestricted access of non-executive Directors to all members of senior management.

The Board, in conjunction with members of the Audit Committee, has reviewed the effectiveness of the system of internal control for the period from 1 January 2017 to the date of this report.

Audit Committee
The Chairman of the Audit Committee is Gary FitzGerald. The Audit Committee may examine any matters relating to the financial affairs of the Group and the Group's audits. This includes reviews of the annual financial statements and announcements, internal control procedures, accounting procedures, accounting policies, the appointment, independence, objectivity, terms of reference and fees of external auditors and such other related functions as the Board may require.

The membership of the Audit Committee comprises the executive Chairman Christian Schaffalitzky and a non-executive Director, Gary FitzGerald. The external auditors have direct access to the members of the Committee, without the presence of the executive Directors, for independent discussions.

The membership of the Audit Committee comprises two non-executive Directors, Michael Martineau and Gary FitzGerald. The external auditors have direct access to the members of the Committee, without the presence of the executive Directors, for independent discussions.

Remuneration Committee
The Chairman of the Remuneration Committee is Gary FitzGerald. The committee comprises two non-executive Directors, Gary FitzGerald and Dmitry Suschov. It determines the terms and conditions of employment and annual remuneration of the Executive Directors. It consults with the Executive Chairman, takes into consideration external data and comparative third party remuneration and has access to professional advice outside the Company.

The key policy objectives of the Remuneration Committee in respect of the Company's executive Directors and other senior executives are:

a) to ensure that individuals are fairly rewarded for their personal contribution to the Company's overall performance, and
b) to act as an independent committee ensuring that due regard is given to the interests of the Company's Shareholders and to the financial and commercial health of the Company.

Remuneration of executive Directors normally comprises basic salary; under circumstances it may include discretionary bonuses, participation in the Company's share option scheme and other benefits. The Company's remuneration policy with regard to options is to maintain an amount of not more than 10% of the issued share capital in options for the Company's management and employees which may include the issue of new options in line with any new share issues.

Total Directors' emoluments are disclosed in notes 8 and 23 to the financial statements and the Directors' options are disclosed above. During 2017 no options were granted to the Directors (2016: nil).

Dividends and profit retention
No dividend is proposed in respect of the year (2016: £nil) and the retained loss for the year attributable to the equity holders of the parent of £2,119,657 (2016 profit of £740,265) has been taken to reserves.

Research and future development
The Group's activities during the year continued to be concentrated principally on mineral exploration programmes and the improvement of mining techniques and metallurgical processes. While developing its core projects disclosed in the Operations update the Group will continue studying and searching for new "near production" projects in the geographical areas it gained its experience in.

Auditors
Grant Thornton UK LLP are willing to continue in office and a resolution proposing their re-appointment as auditors of the Company and a resolution authorising the Directors to agree their remuneration will be put to shareholders at the Annual General Meeting.

By order of the Board

Alexandr Agaev
Secretary

28 June 2018

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EURASIA MINING PLC

Opinion

Our opinion on the group financial statements is unmodified

We have audited the financial statements of Eurasia Mining Plc for the year ended 31 December 2017 which comprise the consolidated statement of profit or loss and other comprehensive income, the consolidated and parent company statements of financial position, the consolidated and parent company statements of cash flow, the consolidated and parent company statements of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2017 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Overview of our audit approach

- Overall group materiality: £119,000 which represents 2% of the group's preliminary total assets;
- Key audit matters identified are the recoverability of mining assets along with the accounting for convertible loan notes; and
- We performed full scope audit procedures on Eurasia Mining Plc; targeted audit procedures on Urals Alluvial Platinum Limited, ZAO Terskaya Mining Company, ZAO Kosvinsky Kamen: and analytical audit procedures on Eurasia Mining (UK) Limited, Eurasia Resources Ltd, ZAO Eurasia Mining Service and ZAO Yuksporskaya Mining Company.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters - Group	How the matter was addressed in the audit – Group
Recoverability of Mining assets The Group has mining assets in the production stage and exploration stage. There is the risk that long term cash flows will not be sufficient to realise the value attributed to capitalised expenditure on development of sites to date, £4,339,633 held in property, plant and equipment for the producing mine and £840,793 held in intangible assets for the mine in the exploration phase. This could result in the impairment of the assets. We therefore identified recovery of mining and exploration assets as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Challenging management's assertions relating to indicators of impairment for the mining assets. • We corroborated management's considerations on assets where there was no indicator for impairment, by obtaining mining license applications, reserve & resource reports and agreeing to Group announcements. • For the mining assets where indicators were present, we examined the fair value less costs to dispose calculation performed by management: • We performed arithmetical checks on the calculation. • We challenged the appropriateness of managements' key assumptions which included – Discount rate, recovery rate and ore quantity used in the model • We used valuation specialists as part of the audit team to evaluate and challenge the discount rate used in calculating the discounted cash flows • We assessed cash flows to current production reports, which were considered more relevant than historical 2017 production rates due to the issues incurred in that year • We agreed the amounts of Ore production, recovery and quantity to third party reserve reports and into the cash flow forecast The group's accounting policy on recoverability of mining assets is shown in note 4 to the financial statements and related disclosures are included in notes 11 and 12. Sensitivities have been disclosed in note 5.2.4. *Key observations* Our testing did not identify any material misstatements in the recoverability of assets.

Key Audit Matters - Group	How the matter was addressed in the audit – Parent and Group
Accounting for convertible loan notes – valuation The parent company, Eurasia Mining plc, entered into loan facilities with options to convert all or part of the loan, both principal and interest, into shares. Some of their loans were also issued with warrants. Management did not use an independent valuation expert for the conversion valuation derivatives and developed an internally generated model to mimic the Monte Carlo methodology. Due to the judgements involved in valuing the warrants and conversion options this could result in the incorrect accounting treatment of embedded derivatives which could impact the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of financial position. We therefore identified convertible loan notes as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Agreeing the loans to underlying agreements and agreeing management views on embedded derivatives through to contracts. • Challenging management as to the use of the relevant valuation models to ensure it was relevant to the situation. • Recalculating management's Black Scholes model used to value the warrants and conversion options for loans with a fixed conversion rate and verifying the inputs used. • Using specialist valuation experts as part of the audit team to assess the appropriateness of internally generated Monte Carlo models used by management for valuation purposes of the convertible loan with the variable conversion rate. • Developing our own estimate of fair value of convertible instruments and comparing to those performed by management • Ensure the financial statements have adequate disclosures to enable the reader of the financial statements to understand the transaction. The group's accounting policy on debt is shown in note 4 to the financial statements and related disclosures are included in note19. *Key observations* We have assessed that the values produced by the internal models for the conversion options and warrants are not materially misstated. The loans, conversion options and warrants have been appropriately recognised in the financial statements and adequately disclosed.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

Materiality was determined as follows:

MATERIALITY MEASURE	GROUP	PARENT
Financial statements as a whole	We determined materiality for the audit of the group financial statements as a whole to be £119,000, which is 2% of the group’s preliminary total assets. This benchmark is considered the most appropriate because the entity holds investments and mineral assets only. Mining operations have only just commenced in 2016 and there has been insignificant mining revenues earned, therefore the key metric and focus area for this entity is their assets.	We determined materiality for the audit of the parent company to be £107,000, which is based on 2% of total assets. This benchmark is considered the most appropriate as the entity is an exploration entity meaning a significant amount of assets, coupled with minimal revenue. We capped the parent company materiality to 90% of the group materiality, rounded to the nearest £’000, as parent materiality cannot be greater than group.
Performance materiality used to drive the extent of our testing	We used a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality for the audit of the group financial statements.	We used a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality for the audit of the company financial statements.
Communication of misstatements to the audit committee	We determined the threshold at which we will communicate misstatements to the audit committee to be £6,000. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	We determined the threshold at which we will communicate misstatements to the audit committee to be £5,400. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the group's business, its environment and risk profile and in particular included:

- Evaluation by the group audit team of identified components to assess the significance of that component and to determine the planned audit response based on a measure of materiality. Significance was determined by considering each as a percentage of the group's total assets, revenues and profit before taxation;

- We performed full scope audit procedures on Eurasia Mining Plc; targeted audit procedures on Urals Alluvial Platinum Limited, ZAO Terskaya Mining Company, ZAO Kosvinsky Kamen: and analytical audit procedures on Eurasia Mining (UK) Limited, Eurasia Resources Ltd, ZAO Eurasia Mining Service and ZAO Yuksporskaya Mining Company.

- As part of the planning process, assessing the group’s internal processes and control environment. Eurasia Mining Plc has centralised processes and controls over the key areas of our audit focus. Group management are responsible for all judgements and significant risk areas. A centralised finance team performs all accounting processes and we tailored our audit response accordingly with all audit work being undertaken by the group audit team.

- The total percentage coverage of full scope or targeted procedures over group revenue was 100% and loss before tax was 99%

- The total percentage coverage of full scope or targeted procedures over total assets was 92%

- Our audit approach was fully substantive in nature and consistent with the 2016 approach.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 3 to 15, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 13 to 15 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of group financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Christopher Raab
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

28 June 2018

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2017

	Note	**Year to 31 December 2017 £**	Year to 31 December 2016 £
Sales		**183,998**	139,862
Cost of sales		**(217,540)**	(130,688)
Gross (loss)/ profit		**(33,542)**	9,174
Administrative costs		**(1,022,664)**	(654,263)
Finance cost		**(1,113,318)**	(224,814)
Other gains and losses	9	**30,394**	1,864,143
(Loss)/profit before tax		**(2,139,130)**	994,240
Income tax expense	10	-	-
(Loss)/profit for the period		**(2,139,130)**	994,240
Other comprehensive income:			
Items that will not be reclassified subsequently to profit and loss:			
NCI share of foreign exchange differences on translation of foreign operations		**(13,768)**	(132,190)
Items that will be reclassified subsequently to profit and loss:			
Parent's share of foreign exchange differences on translation of foreign operations		**(79,996)**	(248,650)
Other comprehensive income for the period, net of tax		**(93,764)**	(380,840)
Total comprehensive (loss)/ profit for the period		**(2,232,894)**	613,400
(Loss)/profit for the period attributable to:			
Equity holders of the parent		**(2,119,657)**	740,265
Non-controlling interest	13	**(19,473)**	253,975
		(2,139,130)	994,240
Total comprehensive (loss)/profit for the period attributable to:			
Equity holders of the parent		**(2,199,653)**	491,615
Non-controlling interest	13	**(33,241)**	121,785
		(2,232,894)	613,400
(Loss)/profit per share attributable to equity holders of the parent:			
Basic (loss)/profit (pence per share)	22	**(0.14)**	0.05
Diluted (loss)/profit (pence per share)	22	**(0.09)**	0.05

In accordance with section 408(3) of the Companies Act 2006, Eurasia Mining plc is exempt from the requirement to present its own statement of profit or loss. The amount of loss for the financial year recorded within the financial statements of Eurasia Mining plc is £1,480,763 (2016: loss of £655,352).

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

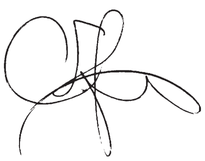
Consolidated statement of financial position

Eurasia Mining plc
Company No. 3010091

As at 31 December 2017

	Note	**31 December 2017 £**	31 December 2016 £
ASSETS			
Non-current assets			
Property, plant and equipment	*11*	**4,370,475**	4,402,272
Assets in the course of construction	*11*	**37,814**	39,216
Intangible assets	*12*	**840,793**	813,135
Investments in joint operations	*13*	-	44,131
Other financial assets	*14*	**445,596**	489,312
Total non-current assets		**5,694,678**	5,788,066
Current assets			
Inventories		**5,605**	23,844
Trade and other receivables	*15*	**93,387**	149,146
Cash and cash equivalents		**89,819**	154,674
Total current assets		**188,811**	327,664
Total assets		**5,883,489**	6,115,730
EQUITY			
Issued capital	*16*	**26,623,034**	25,577,993
Other reserves	*18*	**3,403,368**	3,281,842
Accumulated losses		**(24,484,719)**	(22,544,900)
Equity attributable to equity holders of the parent		**5,541,683**	6,314,935
Non-controlling interest	*13*	**(708,634)**	(675,393)
Total equity		**4,833,049**	5,639,542
LIABILITIES			
Current liabilities			
Borrowings	*19*	**588,810**	318,314
Trade and other payables	*20*	**236,630**	157,874
Other financial liabilities	*21*	**225,000**	-
Total current liabilities		**1,050,440**	476,188
Total liabilities		**1,050,440**	476,188
Total equity and liabilities		**5,883,489**	6,115,730

These financial statements were approved by the board on 28 June 2018 and were signed on its behalf by:



C. Schaffalitzky
Executive Chairman

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

Company statement of financial position

Eurasia Mining plc
Company No. 3010091

As at 31 December 2017

	Note	**31 December 2017**	31 December 2016 restated	31 December 2015 restated
		£	£	£
ASSETS				
Non-current assets				
Property, plant and equipment	*11*	**44**	238	705
Investments in subsidiaries	*13*	**1,277,489**	1,277,489	1,277,489
Investments in joint operations	*13*	-	44,131	-
Total non-current assets		**1,277,533**	1,321,858	1,278,194
Current assets				
Trade and other receivables	*15*	**46,703**	80,040	70,921
Other financial assets	*14*	**6,306,204**	5,765,654	4,915,081
Cash and cash equivalents	*27*	**61,500**	116,428	83,444
Total current assets		**6,414,407**	5,962,122	5,069,446
Total assets		**7,691,940**	7,283,980	6,347,640
EQUITY				
Issued capital	*16*	**26,623,034**	25,577,993	24,185,436
Other reserves	*18*	**3,744,216**	3,542,694	3,542,694
Accumulated losses		**(23,763,393)**	(22,462,468)	(21,807,116)
Total equity		**6,603,857**	6,658,219	5,921,014
LIABILITIES				
Current liabilities				
Borrowings	*19*	**539,156**	318,314	-
Trade and other payables	*20*	**323,927**	307,447	426,626
Other financial liabilities	*21*	**225,000**	-	-
Total current liabilities		**1,088,083**	625,761	426,626
Total liabilities		**1,088,083**	625,761	426,626
Total equity and liabilities		**7,691,940**	7,283,980	6,347,640

These financial statements were approved by the board on 28 June 2018 and were signed on its behalf by:

C. Schaffalitzky
Executive Chairman

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

Consolidated statement of changes in equity

For the year ended 31 December 2017

	Share capital £	Share premium £	Deferred shares £	Capital redemption and other reserves £	Foreign currency translation reserve £	Accumulated losses £	Total attributable to owners of parent £	Non-controlling interest £	Total £
Balance at 1 January 2016	1,269,043	15,890,910	7,025,483	3,542,694	(12,202)	(23,285,165)	4,430,763	(797,178)	3,633,585
Issue of ordinary share capital for cash	145,350	723,207	-	-	-	-	868,557	-	868,557
Shares issued in lieu of loan note interest	90,458	458,542	-	-	-	-	549,000	-	549,000
Issue of shares for professional services	4,937	20,063	-	-	-	-	25,000	-	25,000
Share issue cost	-	(50,000)	-	-	-	-	(50,000)	-	(50,000)
Transactions with owners	240,745	1,151,812	-	-	-	-	1,392,557	-	1,392,557
Profit for the period	-	-	-	-	-	740,265	740,265	253,975	994,240
Exchange differences on translation of foreign operations	-	-	-	-	(248,650)	-	(248,650)	(132,190)	(380,840)
Total comprehensive income	-	-	-	-	(248,650)	740,265	491,615	121,785	613,400
Balance at 31 December 2016	**1,509,788**	**17,042,722**	**7,025,483**	**3,542,694**	**(260,852)**	**(22,544,900)**	**6,314,935**	**(675,393)**	**5,639,542**
Balance at 1 January 2017	**1,509,788**	**17,042,722**	**7,025,483**	**3,542,694**	**(260,852)**	**(22,544,900)**	**6,314,935**	**(675,393)**	**5,639,542**
Issue of ordinary share capital for cash	140,951	248,471	-	-	-	-	389,422	-	389,422
Shares issued in lieu of loan note interest	197,108	458,511	-	-	-	-	655,619	-	655,619
Recognition of warrants issued with convertible loan notes	-	-	-	307,075	-	-	307,075	-	307,075
De-recognition of warrants due to restructure of convertible loan notes	-	-	-	(179,838)	-	179,838	-	-	-
Recognition of equity element of convertible loan notes	-	-	-	74,285	-	-	74,285	-	74,285
Transactions with owners	**338,059**	**706,982**	-	**201,522**	-	**179,838**	**1,426,401**	-	**1,426,401**
Loss for the period	-	-	-	-	-	(2,119,657)	(2,119,657)	(19,473)	(2,139,130)
Exchange differences on translation of foreign operations	-	-	-	-	(79,996)	-	(79,996)	(13,768)	(93,764)
Total comprehensive income	-	-	-	-	(79,996)	(2,119,657)	(2,199,653)	(33,241)	(2,232,894)
Balance at 31 December 2017	**1,847,847**	**17,749,704**	**7,025,483**	**3,744,216**	**(340,848)**	**(24,484,719)**	**5,541,683**	**(708,634)**	**4,833,049**

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

Company statement of changes in equity

For the year ended 31 December 2017

	Share capital £	Share premium £	Deferred shares £	Other reserves £	Retained loss £	Total £
Balance at 1 January 2016	**1,269,043**	**15,890,910**	**7,025,483**	**3,542,694**	**(21,807,116)**	**5,921,014**
Issue of ordinary share capital for cash	145,350	723,207	-	-	-	868,557
Shares issued in lieu of loan note interest	90,458	458,542	-	-	-	549,000
Issue of shares for professional services	4,937	20,063	-	-	-	25,000
Share issue cost	-	(50,000)	-	-	-	(50,000)
Transactions with owners	240,745	1,151,812	-	-	-	1,392,557
Profit and total comprehensive income	-	-	-	-	(655,352)	(655,352)
Balance at 31 December 2016	**1,509,788**	**17,042,722**	**7,025,483**	**3,542,694**	**(22,462,468)**	**6,658,219**
Balance at 1 January 2017	**1,509,788**	**17,042,722**	**7,025,483**	**3,542,694**	**(22,462,468)**	**6,658,219**
Issue of ordinary share capital for cash	140,951	248,471	-	-	-	389,422
Shares issued under terms of the loan agreements	197,108	458,511	-	-	-	655,619
Recognition of warrants issued with convertible loan notes	-	-	-	307,075	-	307,075
De-recognition of warrants due to restructure of convertible loan notes	-	-	-	(179,838)	179,838	-
Recognition of equity element of convertible loan notes	-	-	-	74,285	-	74,285
Transactions with owners	338,059	706,982	-	201,522	179,838	1,426,401
Loss and total comprehensive income	-	-	-	-	(1,480,763)	(1,480,763)
Balance at 31 December 2017	**1,847,847**	**17,749,704**	**7,025,483**	**3,744,216**	**(23,763,393)**	**6,603,857**

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

Consolidated statement of cash flows

For the year ended 31 December 2017

	Note	**Year to 31 December 2017 £**	Year to 31 December 2016 £
Cash flows from operating activities			
(Loss)/profit for the period		**(2,139,130)**	994,240
Adjustments for:			
Depreciation of non-current assets	11	**15,413**	17,635
Finance costs recognised in profit or loss	19	**1,113,318**	224,814
Impairment loss recognised on trade and other receivables		-	95,215
Loss on disposal of investment in joint operations	9	**44,495**	-
Gain on valuation of derivative financial instrument	9	**(76,863)**	-
Gain on a loan settlement	9	**(167,088)**	-
Net foreign exchange loss/(gain)	9	**169,062**	(1,959,358)
Expense recognised in consolidated statement of profit or loss in respect of equity-settled share-based payment		-	25,000
		(1,040,793)	(602,454)
Movement in working capital			
Decrease/(increase)/ in inventories		**17,387**	(23,530)
Decrease in trade and other receivables		**52,567**	46,371
Increase/(decrease)/ in trade and other payables		**81,117**	(203,036)
Cash outflow from operations		**(889,722)**	(782,649)
Income tax paid		-	-
Net cash used in operating activities		**(889,722)**	(782,649)
Cash flows from investing activities			
Contributed to joint operations		**(364)**	(44,131)
Purchase of property, plant and equipment	11	**(179,873)**	(3,578)
Invested into assets under construction	11	-	(39,216)
Payment for intangible assets	12	**(69,290)**	(620,416)
Net cash used in investing activities		**(249,527)**	(707,341)
Cash flows from financing activities			
Proceeds from issue of equity shares	16	**389,422**	818,557
Proceeds from borrowings	19	**1,664,157**	892,500
Repayment of borrowings	19	**(960,550)**	(250,000)
Net cash proceeds from financing activities		**1,093,029**	1,461,057
Net decrease in cash and cash equivalents		**(46,220)**	(28,933)
Effects of exchange rate changes on the balance of cash held in foreign currencies		**(18,635)**	78,682
Cash and cash equivalents at beginning of period		**154,674**	104,925
Cash and cash equivalents at end of period		**89,819**	154,674

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

Company statement of cash flows

For the year ended 31 December 2017

	Note	**Year to 31 December 2017 £**	Year to 31 December 2016 £
Cash flows from operating activities			
(Loss)/profit for the period		**(1,480,763)**	(655,352)
Adjustments for:			
Depreciation of non-current assets		**194**	467
Finance costs recognised in profit or loss	*19*	**1,113,234**	224,814
Gain on valuation of derivative financial instrument	*9*	**(76,863)**	-
Gain on debt settlement	*9*	**(167,088)**	-
Loss on disposal of investment in joint operations	*9*	**44,495**	-
Net foreign exchange (gain)/loss	*9*	**(32,047)**	1,818
Expense recognised in statement of profit or loss in respect of equity-settled share-based payment		**-**	25,000
		(598,838)	(403,253)
Movement in working capital			
(Decrease)/increase in trade and other receivables		**33,337**	(9,119)
Increase /(decrease) in trade and other payables		**10,480**	(121,762)
Cash outflow from operations		**(549,021)**	(534,134)
Income tax paid		**-**	-
Net cash used in operating activities		**(549,021)**	(534,134)
Cash flows from investing activities			
Contributed to joint operations		**(364)**	(44,131)
Amounts advanced to related party		**(540,550)**	(850,573)
Net cash used in investing activities		**(540,914)**	(894,704)
Cash flows from financing activities			
Proceeds from issue of equity shares	*16*	**389,422**	818,557
Proceeds from borrowings	*19*	**1,610,663**	892,500
Repayment of borrowings	*19*	**(956,630)**	(250,000)
Net cash proceeds from financing activities		**1,043,455**	1,461,057
Net decrease in cash and cash equivalents		**(46,480)**	32,219
Effects of exchange rate changes on the balance of cash held in foreign currencies		**(8,448)**	765
Cash and cash equivalents at beginning of period		**116,428**	83,444
Cash and cash equivalents at end of period		**61,500**	116,428

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

Notes to the consolidated financial statements

For the year ended 31 December 2017

1 General information

Eurasia Mining Plc (the "**Company**") is a public limited company incorporated and domiciled in Great Britain with its registered office and principal place of business at 2nd Floor, 85-87 Borough High Street, London SE1 1NH. The Company's shares are listed on the AIM Market of the London Stock Exchange plc. The principal activities of the Company and its subsidiaries (the "Group") are related to the exploration for and development of platinum group metals, gold and other minerals in Russia.

Eurasia Mining Plc's consolidated financial statements are presented in Pounds Sterling (£), which is also the functional currency of the parent company.

2 Going concern

As outlined above, the Group was successful in raising proceeds of £1.6 million in May 2017 as a convertible loan facility maturing in May 2018. At 31 December 2017 the Group's net current liabilities amounted to £861,629 (2016: £148,524). At the same time the Group had a cash balance of £89,819 (2016: £154,674). A further gross £181,135 was raised through an equity placing in December 2017 and £500,000 through an equity placing in May 2018.

By end of May 2018 on completion of the first three weeks of mining operations at West Kytlim it became apparent to the Group, that platinum revenues from the mine may exceed expectation. The Group now expects revenues from the 2018 mining operations to contribute significantly to borrowing commitments and to run the Group companies; however the Group also expects to have to secure further funding in order to be able to continue to expand its mining operations. The Group's largest creditor, YA II PN Ltd, has demonstrated a willingness to work with the company in restructuring their loan facility, in December of 2017, and again in May 2018. The outstanding amount of £351,000 on this facility has been rearranged to fall due on 18th September 2018. The Sanderson Capital Partners facility, principal amount of £250,000, has also been re-structured and now falls due at 30th September 2018.

In June 2018 the Group entered into a loan agreement with a company controlled by a non-executive director D. Suschov, to borrow up to $1 million from June 2018. Once drawn down, the loan bears interest at 9% per annum payable quarterly. The loan is repayable in full in five years from the first drawdown date.

In addition, a £0.5m debt facility remains in place with Darwin Ltd which can be utilised at a short notice.

Since going into production at West Kytlim, the Group has received considerable industry interest, especially locally. However the Board believes this asset should continue to be developed by the Company while the excellent relationship between the contractor and local management team demonstrates much higher rates of return than anticipated. A more thorough reassessment of the project's value will be undertaken in due course in light of actual production information and grades in ore. Furthermore, a discussion on potential capital expansion including the addition of a second wash-plant funded by our partner Techstroy is taking place now.

The Group has implemented tighter controls to minimise its cash outflows by reducing its fixed costs and overheads and by subletting part of the office premises. The Directors took personal steps in conserving the Group's cash by taking the Company shares in lieu of payment for their remuneration and costs.

The Directors have concluded that the combination of these circumstances represents a reasonable expectation that the Group has 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 annual report and accounts.

3 Changes in accounting policies

3.1 New and revised relevant standards that are effective for annual periods commencing on or after 1 January 2017

Amendments to IAS 7 Disclosure Initiative
(effective 1 January 2017)
The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses (effective 1 January 2017)
The amendments clarify the following:

1. Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;

2. When an entity assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, and the tax law restricts the utilisation of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;

3. The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this; and

4. In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The adoption of these Standards and Interpretations has had no material impact on the financial statements of the Group

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

IFRS 9 Financial Instruments (effective 1 January 2018)
IFRS 9 represents the completion of its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

IFRS 15 Revenue from contracts with customers (effective 1 January 2018)
The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

IFRS 16 Leases (effective 1 January 2019)
IASB released IFRS 16 'Leases', which will require lessees to account for leases 'on-balance sheet' by recognising a 'right-of-use' asset and a lease liability.

IFRS 16 also:

- changes the definition of a lease;
- sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and option periods;
- provides exemptions for short-term leases and leases of low value assets;
- changes the accounting for sale and leaseback arrangements;
- largely retains IAS 17's approach to lessor accounting;
- introduces new disclosure requirements.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (effective 1 January 2018)
The amendments clarify the following:

1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.

2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

3. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:

- the original liability is derecognised;
- the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and
- any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective on or after the date to be determined)
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

4 Summary of significant accounting policies

4.1 Basis of preparation

The consolidated financial statements of the Group and the Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as adopted by the EU.

These financial statements have been prepared under the historical cost convention. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these consolidated financial statements.

4.2 Presentation of financial statements

The consolidated financial statements are presented in accordance with IAS 1 Presentation of Financial Statements.

The Group has elected to present the "Consolidated Statement of Profit or Loss" in one statement.

4.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company has all of the following:

- Power over investee;
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect the amount of investor's returns.

The results of subsidiaries acquired or disposed of are included in the Consolidated Statement of Profit or Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling party's share of changes in equity since the date of the combination.

4.4 Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (ie gain on a bargain purchase) is recognised as a profit or loss immediately.

In a business combination achieved in stages, the Group re-measure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate.

4.5 Interests in joint arrangements

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint controls are similar to those necessary to determine control over subsidiaries.

The Group reports its interests in jointly controlled entities using the equity method of accounting, except when the investment is classified as held for sale.

Under the equity method, investments in joint ventures are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment in the value of individual investments. Losses of a joint venture in excess of the Group's interest in that joint venture are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill.

The goodwill, if any is included within the carrying amount of the investment and is assessed annually for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as a profit or loss.

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

4.6 Foreign currencies

Functional and presentation currency
The individual financial statements of each group entity are prepared in the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in GBP, which is the functional and the presentation currency of the Company.

Transaction and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Group companies
The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each Statement of Profit or Loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

4.7 Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

All equity-settled share-based payments are ultimately recognised as an expense in the profit or loss with a corresponding credit to "Share-based payments reserve".

Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting or if the share options vest but are not exercised.

When share options lapse or are forfeited the respective amount recognised in the Share-based payment reserve is reversed and credited to accumulated profit and loss reserve.

4.8 Revenue

Goods sold
Revenue is measured at the fair value of the consideration received or receivable (excluding VAT), net of returns, trade discounts and volume rebates.

Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

The timing of the transfers of risks and rewards varies depending on the individual terms of the sales agreement. For sales of the platinum group and other metals, the transfer usually occurs upon receipt by the customer.

Services
Revenue comprises of project management services to external customers (excluding VAT). Consideration receivable from customers is only recorded as revenue to the extent that the Company has performed its contractual obligations in respect of that consideration.

4.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax
Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill, initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

4.10 Property, plant and equipment

Mining assets
Mining assets are stated at cost less accumulated depreciation. Mining assets include the cost of acquiring and developing mining assets and mineral rights, buildings, vehicles, plant and machinery and other equipment located on mine sites and used in the mining operations.

Mining assets, where economic benefits from the asset are consumed in a pattern which is linked to the production level, are depreciated using a unit of production method based on the volume of ore reserves. This results in a depreciation charge proportional to the depletion of reserves. Where the mining plan anticipates future capital expenditure to support the mining activity over the life of the mine, the depreciable amount is adjusted for such estimated future expenditure.

Other assets
Freehold properties held for administrative purposes, are stated in the statement of financial position at cost.

Fixtures and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives are as follows:

Property	30 years
Office equipment	3 years
Furniture and fittings	5 years

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4.11 Intangible assets

Exploration and evaluation of mineral resources
Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and/or
- compiling prefeasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure arises from a detailed assessment of deposits that have been identified as having economic potential. Such capitalised evaluation expenditure is reviewed for impairment at each statement of financial position date. The review is based on a status report regarding the Group's intentions for development of the undeveloped property. Subsequent recovery of the resulting carrying value depends on successful development of the area of interest or sale of the project. If a project does not prove viable, all irrecoverable costs associated with the project net of any related impairment provisions are written off.

4.12 Impairment testing intangible assets and property, plant and equipment

At each statement of financial position date, the Group reviews the carrying amounts of the assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

In assessing whether an impairment is required, the carrying value of the asset is compared with its recoverable amount. The recoverable amount is the higher of the fair value less costs of disposal (FVLCD) and value in use (VIU). The FVLCD is estimated based on future discounted cash flows expected to be generated from the continued use of the asset, including any expansion prospects and eventual disposal, using market based commodity prices, exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements based on the latest Life of mine plans. These cash flows were discounted using a real post-tax discount rate that reflect the current market assessments of time value of money.

Value in use is determined as the present value of the estimated cash flows expected to arse from continued use in its current form and eventual disposal. Value in use cannot take into consideration future development. The assumptions used in the calculation are often different than those used in a FVLCD and therefore is likely to yield a different result.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

A reversal of an impairment loss of the assets is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.13 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

4.14 Financial instruments

Financial assets and liabilities are recognised on the group's statement of financial position when the group has become a party to the contractual provisions of the instrument.

Financial assets

Loans and receivables
Trade receivables, loans, cash and cash equivalents, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured initially fair value plus transaction costs and subsequently at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and on deposit with banks.

Impairment of financial assets
Financial assets are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses recognised in the Statement of Profit or Loss on equity instruments are not reversed through the Statement of Profit or Loss. Impairment losses recognised previously on debt securities are reversed through the Statement of Profit or Loss when the increase can be related objectively to an event occurring after the impairment loss was recognised in the Statement of Profit or Loss.

Revision in timing of cash flows
Where there is a change in the planned timing of repayment of loans or receivables the carrying amount of these financial assets or liabilities are adjusted to reflect the revised estimated cash flows. The present value of the estimated future cash flows is computed by reference to the effective interest rate of the item, the adjustment is recognised in profit or loss as income or expense.

Financial liabilities and equity instruments issued by the Group

Classification as debt or equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual liabilities of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities, and are presented as such in the consolidated statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the Statement of Profit or Loss. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any features meeting the definition of a financial liability then such capital is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Embedded derivatives
Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at fair value through profit and loss.

4.15 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Group that make the operating decisions.

4.16 Prior year restatement

In prior years, the intercompany loans receivable have been classified as non-current assets. As these loans are repayable on demand, the prior period accounts have been restated to reflect these amounts as current assets. This only impacts the Parent company financial statements.

5 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Investments in subsidiaries

The Company has a holding of 48.33% in the BVI registered company Energy Resources Asia Limited (the "ERA").

Directors consider the ERA to be a subsidiary of the Company despite holding less than 50% of the voting power of the entity based on the fact that the Company has the ability to use its power over the investee to affect the amount of the investor's returns.

5.2 Key sources of estimation uncertainty

The following are the key assumptions / uncertainties at the statement of financial position date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5.2.1 Share-based payments

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Group has made estimates as to the volatility of its own shares, the probable life of options granted and the time of exercise of those options. The model used by the Group is the Black-Scholes valuation model.

5.2.2 Valuation of derivative embedded into convertible loan note

The estimation of embedded derivative (conversion options embedded into US dollar denominated loan) - requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Group has made estimates as to the volatility of its own shares, the probable life of options granted and the time of exercise of those options. The Group used the Monte Carlo valuation model to fair value the options.

5.2.3 Recoverability of other financial assets

The majority of other financial assets represent loans provided to subsidiary and joint venture, which are associated with funding of mineral exploration and development projects. The recoverability of such loans is dependent upon the discovery of economically recoverable reserves, obtaining of regulatory approval for the extraction of such reserves, the ability of the Company to maintain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition thereof.

5.2.4 Impairment review of the mining assets

The impairment assessment of the mining asset was based on lower of a book value and the value in use. Projected cash flows from 2018 to 2029 were used to assess the value in use. The chosen period is consistent with the quantity of the approved reserves and resources and available for mining operations. No impairment has been recognised.

Assumptions used:
- Gross revenues from the West Kytlim mine is split with the contractor on a 65/35 basis in favour of the contractor.
- Pt grade 0.35g/tonne
- Process recovery 88%
- Platinum/Gold price $930/oz / $1,330/oz
- Post-tax discount rate 13.4%

Management has performed a sensitivity analysis on the key variable, such as platinum and production levels and the model is robust up to 16% on platinum price and 3.4 % on production level.

5.2.5 Non-recognition of an environmental liability provision

No provision for an environmental liability in respect of the West Kytlim running mine has been recognised yet as at the current stage of the operations the subcontractor has assumed commitment to rehabilitate the mining sites to their original state.

No contaminant is used in an alluvial operation; therefore environmental liability is limited to restoring of the landscape and planting of trees, which management has estimated to be immaterial at this time.

6 Segmental information

During the year under review management identified the group as one operating segment being investing in exploration for and development of platinum group metals, gold and other minerals in Russia. This one segment is monitored and strategic decisions are made based upon it and other non-financial data collated from the on-going exploration activities.

The company is developing two key assets, West Kytlim and Monchetundra, their geography outlined in the following table. Further non-core interests include the Semenovsky Project in the Republic of Bashkiria in the Southern Ural Mountains, Southwest Russia, and the Kamushanovsky Uranium Project in northern Kyrgyzstan.

	West Kytlim	**Monchetundra**
Geographical location	Urals Mountains, Russia	Kola Peninsula, Russia
Activity	Operating mine and revenue generating unit	Exploration project undergoing application for the mining licence
2017	£	£
Non-current assets	4,023,018	803,703
Revenue	177,022	-
2016	£	£
Non-current assets	4,001,272	760,534
Revenue	139,862	-

7 Employees

Average number of staff (excluding non-executive directors) employed throughout the year was as follows:

	2017	2016
By the Company	**2**	4
By the Group	**23**	19

8 Profit/(loss) for the year

Profit/(loss) for the year has been arrived at after charging:

	Year to 31 December 2017		Year to 31 December 2016	
	Group	**Company**	Group	Company
	£	**£**	£	£
Staff benefits expense:				
Wages, salaries and directors fees (note 23)	**421,950**	**189,287**	250,644	180,724
Social security costs	**73,631**	**3,266**	24,848	7,476
Other short term benefits	**18,951**	**18,500**	18,500	18,500
	514,532	**211,053**	293,992	206,700
Audit fees payable to the company's auditor for the audit of the Group's annual accounts	**36,000**	**36,000**	33,553	33,553
	36,000	**36,000**	33,553	33,553

8 Profit/(loss) for the year (continued)

Wages and salaries and social security cost charged to profit and loss in 2017 are higher than in previous period and mostly attributable to charges by subsidiary. Reason for the increase is that in prior periods all these charges were capitalised as an intangible asset. In late 2016 West Kytlim project was transferred from exploration to active mining mode and since that time expenses including wages and salaries had no longer been qualified for capitalisation and had been charged to the cost of sales and the administration costs accounts in profit and loss.

9 Other gains and losses

	Year to 31 December 2017		Year to 31 December 2016	
	Group	**Company**	Group	Company
	£	**£**	£	£
Loss on disposal of investment in joint operations	**(44,495)**	**(44,495)**	-	-
Change in fair value of derivative instrument	**76,863**	**76,863**	-	-
Gain on debt settlement	**167,088**	**167,088**	-	-
VAT written off	-	-	(95,215)	-
Net foreign exchange (loss)/profit	**(169,062)**	**32,047**	1,959,358	(1,818)
	32,081	**231,503**	1,864,143	(1,818)

10 Income taxes

	Year to 31 December 2017		Year to 31 December 2016	
	Group	**Company**	Group	Company
	£	**£**	£	£
(Loss)/profit before tax	**(2,139,130)**	**(1,480,763)**	994,240	(655,352)
Current tax at 19% (2016: 20%)	**(407,752)**	**(281,345)**	198,848	(131,070)
Adjusted for the effect of:				
Expenses not deductible for tax purposes	-	-	-	-
Profits not subject to tax	-	-	-	-
Tax losses utilised/(carried forward)	**(407,752)**	**(281,345)**	198,848	(131,070)
Tax liability	-	-	-	-

There was no tax payable for the year ended 31 December 2017 (2016: £nil) due to the Group and the Company having taxable losses.

The Group's business operations currently comprise mining projects in Russia, which are either at an exploration stage or in an active production stage. The Group has tax losses of £19,290,391 (2016: £18,878,752) carried forward on which no deferred tax asset is recognised. These losses may affect the future tax position by way of offset against profits as and when mining projects reach a full scale production.

The deferred asset arising from the accumulated tax losses has not been recognised due to insufficient evidence of timing of suitable taxable profits against which it can be recovered.

11 Property, plant and equipment

a) Group property, plant and equipment	Mining asset	Property £	Plant and machinery £	Office fixture and fittings £	**Total £**
Cost					
Balance at 31 December 2015	-	22,648	58,574	51,538	**132,760**
Additions	-	-	2,888	690	**3,578**
Transfer from intangible assets	4,388,797	-	-	-	**4,388,797**
Exchange differences	-	2,707	25,765	5,112	**33,584**
Balance at 31 December 2016	4,388,797	25,355	87,227	57,340	**4,558,719**
Additions	175,737	-	4,136	-	**179,873**
Disposals	-	-	-	(953)	**(953)**
Exchange differences	(196,371)	(317)	(3,117)	(624)	**(200,429)**
Balance at 31 December 2017	4,368,163	25,038	88,246	55,763	**4,537,210**
Depreciation					
Balance at 31 December 2015	-	(408)	(57,831)	(50,146)	**(108,385)**
Depreciation expense	(15,712)	(117)	(1,207)	(599)	**(17,635)**
Exchange differences	-	(180)	(25,438)	(4,809)	**(30,427)**
Balance at 31 December 2016	(15,712)	(705)	(84,476)	(55,554)	**(156,447)**
Disposals		-	-	953	**953**
Depreciation expense	(13,379)	(114)	(1,502)	(418)	**(15,413)**
Exchange differences	561	26	3,018	567	**4,172**
Balance at 31 December 2017	(28,530)	(793)	(82,960)	(54,452)	**(166,735)**
Carrying amount:					
at 31 December 2017	4,339,633	24,245	5,286	1,311	**4,370,475**
at 31 December 2016	4,373,085	24,650	2,751	1,786	**4,402,272**

(b) Assets in the course of construction	**2017 £**	2016 £
Cost		
Balance at 1 January	**39,216**	-
Exchange differences	**(1,402)**	39,216
Balance at 31 December	**37,814**	39,216

Assets in the course of construction represent the group investment in the powerline to deliver electricity to the West Kytlim mining site. At 31 December 2017 the power line had not been commissioned yet.

(c) Company's office fixture and fittings	**2017 £**	2016 £
Cost		
Balance at 1 January	**39,918**	39,918
Additions	-	-
Disposal	-	-
Balance at 31 December	**39,918**	39,918
Depreciation		
Balance at 1 January	**(39,680)**	(39,213)
Depreciation expense	**(194)**	(467)
Disposals	-	-
Balance at 31 December	**(39,874)**	(39,680)
Carrying amount	**44**	238

The Group's and Company's property, plant and equipment are free from any mortgage or charge.

12 Intangible assets

In 2017 intangible assets represented only capitalised costs associated with the Group's exploration, evaluation and development of mineral resources.

	2017	2016
	£	£
Cost		
Balance at 1 January	**813,135**	3,200,726
Additions	**69,290**	620,416
Transferred to mining asset	-	(4,388,797)
Exchange differences	**(41,632)**	1,380,790
Balance at 31 December	**840,793**	813,135

At 31 December 2017 and 31 December 2016 the intangible assets were represented by the cost capitalised in respect of Monchetundra project.

The Company did not directly own any intangible assets at 31 December 2017 (2016 – nil)

13 Subsidiaries

Details of the Company's subsidiaries at 31 December 2017 are as follows:

Name of subsidiary	Place of incorporation	Proportion of ordinary shares held	Principal activity
Urals Alluvial Platinum Limited	Cyprus	100%	Holding Company
ZAO Eurasia Mining Service	Russia	100%	Holding Company
ZAO Kosvinsky Kamen	Russia	75%	Mineral Evaluation
ZAO Terskaya Mining Company	Russia	80%	Mineral Evaluation
ZAO Yuksporskaya Mining Company	Russia	100%	Mineral Evaluation
Eurasia Mining (UK) Limited	UK	100%	Holding Company
Energy Resources Asia limited*	BVI	48.33%	Holding Company

* In 2011 the Group signed the Memorandum of Understanding (the "MOU") to acquire an interest in the Kamushanovsky uranium project in Kyrgyzstan. To facilitate the MOU, the Group has nominated Energy Resources Asia Limited (the "ERA"), a British Virgin Islands registered company. During 2011 the Group raised $486,000 (£299,960) net of expenses on the market to fund acquisition and during the same period the Group invested $602,000 (£389,392) towards the acquisition of an interest in the company holding the Kamushanovsky licence. Following this investment work has continued on completing a feasibility study for the mining of this project. The legal holder of the Kamushanovsky licence is negotiating a sale of all or part of the deposit and it is expected that the investment made by the Group will be refunded to the Group at profit.

The Directors consider ERA to be a subsidiary of the Company despite holding only 48.33% of the voting power of the entity based on the fact that the Company has the ability to use its power over the investee to affect the amount of the Company's returns.

The Company's investments in subsidiaries presented on the basis of direct equity interest and represent the following:

	2017	2016
	£	£
Investment in subsidiaries (i)	**1,277,489**	1,277,489
Investment in joint operations (ii)	-	44,131
	1,277,489	1,321,620

(i) Investment in subsidiaries represents the Company investments made into its 100% subsidiary Urals Alluvial Platinum Limited (the "UAP"), which in turn controls other subsidiaries within the Group.

(ii) Investments in joint operations to develop Semenovsky project were written off in 2017 due to uncertain status of the project, which requires additional funding and/or a partner capable to bring such funding. Unless funding situation is resolved or a suitable partner identified the project has no value to the Company, and as such, has been impaired during the year.

13 Subsidiaries (continued)

Subsidiaries with material non-controlling interests ("NCI")	**2017**	2016
Summary of non-controlling interest	**£**	£
As at 1 January	**(675,393)**	(797,178)
NCI arising on the acquisition of subsidiary		
(Loss)/profit attributable to NCI	**(19,473)**	253,975
Exchange differences	**(13,768)**	(132,190)
As at 31 December	**(708,634)**	(675,393)

Non-controlling interest on subsidiary basis	**£**	£
Energy Resources Asia Limited	**305,219**	326,194
ZAO Kosvinsky Kamen	**(430,353)**	(436,518)
ZAO Terskaya Mining Company	**(583,500)**	(565,069)
	(708,634)	(675,393)

Energy Resources Asia Limited	**£**	£
Non-current assets	**445,596**	489,312
Current assets	-	-
Total assets	**445,596**	489,312
Current liabilities	**(3,228)**	(3,545)
Total liabilities	**(3,228)**	(3,545)
Net assets	**442,368**	485,767
Equity attributable to owners of the parent	**137,149**	159,573
Non-controlling interests	**305,219**	326,194
Loss for the year attributable to owners of the parent	-	-
Loss for the year attributable to NCI	-	-
Loss for the year	-	-
Total comprehensive income for the year attributable to owners of the parent	**(22,424)**	42,375
Total comprehensive income for the year attributable to NCI	**(20,975)**	39,636
Total comprehensive income for the year	**(43,399)**	82,011

ZAO Kosvinsky Kamen	**£**	£
Non-current assets	**4,023,018**	4,001,272
Current assets	**75,501**	71,104
Total assets	**4,098,519**	4,072,376
Non-current liabilities	**(5,682,491)**	(5,824,503)
Current liabilities	**(122,770)**	(15,602)
Total liabilities	**(5,805,261)**	(5,840,105)
Net assets	**(1,706,742)**	(1,767,729)
Equity attributable to owners of the parent	**(1,276,389)**	(1,331,211)
Non-controlling interests	**(430,353)**	(436,518)
(Loss)/profit for the year attributable to owners of the parent	**(1,709)**	682,134
(Loss)/profit for the year attributable to NCI	**(570)**	227,378
(Loss)/profit for the year	**(2,279)**	909,512
Total comprehensive income for the year attributable to owners of the parent	**59,710**	85,093
Total comprehensive income for the year attributable to NCI	**6,165**	58,092
Total comprehensive income for the year	**65,875**	143,185

13 Subsidiaries (continued)

ZAO Terskaya Mining Company	**2017** **£**	2016 £
Non-current assets	**803,703**	760,534
Current assets	**7,510**	58,534
Total assets	**811,213**	819,068
Non-current liabilities	**(797,793)**	708,917
Current liabilities	**(81,215)**	86,091
Total liabilities	**(879,008)**	795,008
Net assets	**(67,795)**	24,060
Equity attributable to owners of the parent	**515,705**	589,129
Non-controlling interests	**(583,500)**	(565,069)
(Loss)/profit for the year attributable to owners of the parent	**(75,613)**	106,388
(Loss)/profit for the year attributable to NCI	**(18,903)**	26,597
(Loss)/profit for the year	**(94,516)**	132,985
Total comprehensive income for the year attributable to owners of the parent	**(78,749)**	193,378
Total comprehensive income for the year attributable to NCI	**(18,431)**	24,057
Total comprehensive income for the year	**(97,180)**	217,435

14 Other financial assets

	2017		2016	
	Group **£**	**Company** **£**	Group £	Company £
Non-current				
Advanced to acquire interest in uranium project	**445,596**	-	489,312	-
Current				
Loans to subsidiaries	-	**6,306,204**	-	5,765,654
	445,596	**6,306,204**	489,312	5,765,654

The monies advanced to the subsidiary enterprises by the Company are repayable on demand. As such these amounts represent a net investment in the other members of the Group and are recognised at their full value as there are no indications of impairment.

In prior years the Group advanced $602,000 with the intention to acquire an interest in the Kyrgyzstan company holding the Kamushanovsky uranium exploration licences (note 13). This amount is equivalent to £445,696 using the prevailing rate of exchange at the year-end (2016: £489,312).

The maximum exposure to credit risk at the reporting date is the carrying value of each class of assets mentioned above.

Recoverability of the loans is dependent on the borrower's ability to (i) transform them into cash generating units through discovery of economically recoverable reserves and their development into profitable production or (ii) to complete a sale of all or part of the deposit.

Notes to the consolidated financial statements continued

For the year ended 31 December 2017

15 Trade and other receivables

	2017		2016	
	Group £	**Company £**	Group £	Company £
Trade receivables	**254**	-	-	-
Prepayments	**22,917**	**21,238**	44,130	41,724
Other receivables	**70,216**	**11,124**	105,016	21,073
Due from subsidiaries	-	**14,341**	-	17,243
	93,387	**46,703**	149,146	80,040

The fair value of trade and other receivables is not materially different to the carrying values presented. None of the receivables are secured or past due.

16 Issued capital

	2017	2016
Issued and fully paid ordinary shares with a nominal value of 0.1p		
Number	**1,847,847,150**	1,509,787,583
Nominal value(£)	**1,847,847**	1,509,788
Issued and fully paid deferred shares with a nominal value of 4.9p		
Number	**143,377,203**	143,377,203
Nominal value (£)	**7,025,483**	7,025,483
Share premium		
Value (£)	**17,749,704**	17,042,782
Total issued capital (£)	**26,623,034**	25,578,053

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Deferred shares have attached to them the following rights and restrictions:

- they do not entitle the holders to receive any dividends and distributions;
- they do not entitle the holders to receive notice or to attend or vote at General Meetings of the Company;
- on return of capital on a winding up the holders of the deferred shares are only entitled to receive the amount paid up on such shares after the holders of the ordinary shares have received the sum of 0.1p for each ordinary share held by them and do not have any other right to participate in the assets of the Company.

Issue of ordinary share capital in 2017:	Price in pence per share	Number	Nominal value £
As at 1 January 2017		,509,787,583	1,509,788
03 February 2017	0.575	15,652,174	15,652
21 February 2017	0.55	2,727,273	2,727
29 March 2017	0.525	2,857,143	2,857
26 April 2017	0.5	1,500,000	1,500
19 May 2017	0.475	10,526,316	10,526
18 August 2017	0.3974	8,900,820	8,901
09 September 2017	0.3619	10,868,449	10,869
20 November 2017	0.28	64,691,364	64,691
11 December 2017	0.28	220,336,028	220,336
		338,059,567	338,059
As at 31 December 2017		**1,847,847,150**	**1,847,847**

17 Share based payments

Share options and warrants outstanding at the end of the year have the following expiry date and exercise prices:

Expiry date	Exercise price in pence per share	**Number of options as at 31 December 2017**	Number of options as at 31 December 2016
Share options			
21 December 2017 (expired)	7.00	-	250,000
		-	**250,000**
Weighted average exercise price		-	7.00
Warrants			
11 July 2017 (expired)	1.50	-	500,000
12 November 2018	0.57	**950,000**	950,000
15 May 2020	0.34	**109,196,618**	-
15 May 2020	1.00	**20,000,000**	-
15 May 2020	1.00	**10,000,000**	-
		140,146,618	1,450,000
Weighted average exercise price		**0.49**	0.89
Total contingently issuable shares at 31 December		**140,146,618**	1,700,000

All listed options and warrants were exercisable as at 31 December 2017 and 2016 respectively.

Share options
No share options had been granted by the Group in 2017 (2016: nil).

The last 250,000 options lapsed on 21 December 2017.

There were no outstanding share options at 31 December 2017 (31 December 2016: 250,000 options exercisable at 7p).

Warrants
139,196,618 warrants were granted by the Group in 2017 (2016: nil).

Movement in number of warrants outstanding and their related weighted average exercise prices are as follows:

(Price expressed in pence per share)	**2017**		2016	
	Average exercise price	**No. of warrants**	Average exercise price	No. of warrants
Warrants				
At 1 January	**0.89**	**1,450,000**	0.89	1,450,000
Granted*	**0.48**	**139,196,618**	-	-
Expired	**1.50**	**(500,000)**	-	-
At 31 December	**0.49**	**140,146,618**	0.89	1,450,000

139,196,618 warrants represent net amount of warrants granted. Such in May 2017 80,749,333 warrants with the exercise price of 0.6p per warrant were granted under the terms of the loan agreement with YA II PN Ltd (note 19). In December 2017 loan was restructured and original warrants were cancelled and replaced with 109,196.618 warrants with the exercise price of 0.34p per warrant. Issue and cancellation of 80,749,333 warrants were excluded from the statement above.

All listed warrants were exercisable as at 31 December 2017 and 2016 respectively.

For the year ended 31 December 2017

18 Other reserves

	2017		2016	
	Group	**Company**	Group	Company
	£	**£**	£	£
Capital redemption reserve	**3,539,906**	**3,539,906**	3,539,906	3,539,906
Foreign currency translation reserve:				
At 1 January	**(260,852)**	-	(12,202)	-
Recognised in the period	**(79,996)**	-	(248,650)	-
At 31 December	**(340,848)**	-	(260,852)	-
Share-based payments reserve:				
At 1 January	**2,788**	**2,788**	2,788	2,788
Recognised in the period	**307,075**	**307,075**	-	-
De-recognised in the period	**(179,838)**	**(179,838)**	-	-
At 31 December	**130,025**	**130,025**	2,788	2,788
Equity component of convertible loan notes:				
At 1 January	-	-	-	-
Recognised in the period	**74,285**	**74,285**	-	-
At 31 December	**74,285**	**74,285**	-	-
	3,403,368	**3,744,216**	3,281,842	3,542,694

The capital redemption reserve was created as a result of a share capital restructure in earlier years.

The foreign currency translation reserve represents exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into GBP.

The share-based payments reserve represents (i) reserve arisen on the grant of share options to employees under the employee share option plan and (ii) reserve arisen on the grant of warrants under terms of professional service agreements and/or issued under terms of financing arrangements.

The equity component of convertible loan notes reserve represents a value of the lenders option to convert loan note into shares in accordance with the terms of the convertible loan agreement.

19 Borrowings

	2017		2016	
	Group	**Company**	Group	Company
	£	**£**	£	£
Convertible loan notes	**539,156**	**539,156**	-	-
Unsecured loan	**49,654**	-	318,314	318,314
	588,810	**539,156**	318,314	318,314

19 Borrowings (continued)

i) On 17 May 2017 the Company repaid £750,000 of the then existing £1,000,000 loan entered into with Sanderson Capital Partners Limited in December 2016. The balance of £250,000 was rolled over into the new convertible loan facility entered into with Sanderson Capital Partners Limited on 10 May 2017. Under the terms of the agreement the total fees of 20% of the principal amount was payable to the lender at the inception. Fees payment was satisfied by the issue of shares. No interest to be accrued on the principal. The loan maturity date is 10 May 2018.

The lender has an option to convert any part of the loan into the Company's shares at 0.475p per share.

Carrying value of the liability component of loan at 31 December 2017 was £194,772, and the equity component was £74,285.

ii) On 15 May 2017 the Company entered into a loan agreement with YA II PN Ltd to borrow US$1,250,000. An implementation fee of US$112,900 was deducted from the principal amount on transfer of funds. Interest applies on the loan at the rate of 14%. The loan was repayable in 10 instalments with the final due on 15 May 2018.

As per the agreement the lender could elect, at its discretion, to convert all or part of the loan, including accrued interest, into shares in the Company, at a price being the lower of 0.60p per share and 90% of the Company's lowest daily volume weighted average price (the "VWAP") during the five days prior to conversion.

In addition, the agreement includes the issue of the warrants to the lender at 50% cover of the principal amount, and at a 20% premium to the VWAP in the 30 days preceding the agreement. Consequently the Company issued 80,749,333 warrants at an exercise price of 0.6p per warrant. The warrants issued had a subscription period of three years.

In addition, the agreement includes the issue of the warrants to the lender at 50% cover of the principal amount, and at a 20% premium to the VWAP in the 30 days preceding the agreement. Consequently the Company issued 80,749,333 warrants at an exercise price of 0.6p per warrant. The warrants issued had a subscription period of three years.

In December 2017 the repayment schedule for the then outstanding amount of the loan was revised and the final maturity date was changed to 15 September 2018.

Following the revision the lender may elect, at its discretion, to convert all or part of the loan, including accrued interest, into shares in the Company, at a price being the lower of 0.34p per share and 90% of the Company's lowest daily VWAP during the five days prior to conversion.

The company also incurred a restructure fee of $99,500 being 10% of the then outstanding principal, payable at maturity date.

In addition the previously issued warrants were cancelled and replaced with 109,196,618 warrants at a 20% premium to the VWAP in the 30 days preceding the agreement, which priced at 0.34p. The subscription period of new warrants remained unchanged. It was determined that the restructuring of the loan meet the definition of a significant modification. As a result, the original loan was treated as extinguished, with the new loan being recorded in its place. As a result a gain on extinguishment was recorded in the P&L of £245,912.

Carrying value of the loan at 31 December 2017 was £344,385.

iii) On 24 May 2017 the Company entered into a loan agreement with Deloan Investments Limited, a company controlled by Dmitry Suschov, a non-executive director of the Company for a convertible loan of up to US$500,000. The loan was convertible at any time into Ordinary Shares in the Company, at a price of 0.475p per Ordinary Share.

Under the terms of the agreement interest accrues on the loan at a rate of 15% which is to be satisfied by either cash payments or shares in the Company at a price of 0.475p per ordinary share.

10,000,000 warrants at 1p were issued to the lender under terms of the loan agreement.

By agreement the loan and accrued interest were converted into 144,076,124 shares at 0.28p per share on 11 December 2017.

iv) On 3 February 2017 the Group entered into unsecured loan facility to borrow up to 57 million Russian Rubles (RR) at 14% per annum, from Region Metal, the subcontractor and the West Kytlim mine operator. The Group had drawn RR 4.18 million and repaid RR0.3 million in 2017. As the subcontractor's arrangements had been discontinued the Group has no intention to utilise any more funds from this facility.

The loan maturity date is 31 December 2019.

19 Borrowings (continued)

	2017		2016	
Combined movement of the loans:	**Group £**	**Company £**	Group £	Company £
Balance at 1 January	**318,314**	**318,314**	-	-
Loan proceeds	**1,751,070**	**1,697,576**	900,000	900,000
Arrangement fees	**(136,913)**	**(136,913)**	(7,500)	(7,500)
Fair value of warrants attached	**(216,177)**	**(216,177)**	-	-
Fair value of embedded conversion options	**(576,245)**	**(576,245)**	-	-
Interest accrued	**1,113,318**	**1,113,234**	224,814	224,814
Payments made in shares	**(605,618)**	**(605,618)**	(549,000)	(549,000)
Payments made in cash	**(960,550)**	**(956,630)**	(250,000)	(250,000)
Gain on loans restructure	**(156,842)**	**(156,842)**	-	-
Cost of redeeming of a loan	**118,080**	**118,080**	-	-
Exchange differences	**(40,500)**	**(40,496)**	-	-
Less:				
Equity component of convertible loan notes	**(74,285)**	**(74,285)**	-	-
Add back:				
Loan arrangement fees allocated to warrants and embedded conversion options	**55,158**	**55,158**	-	-
Balance at 31 December	**588,810**	**539,156**	318,314	318,314

20 Trade and other payables

	2017		2016	
	Group £	**Company £**	Group £	Company £
Trade payables	**109,425**	-	-	-
Accruals	**74,832**	**61,620**	65,832	60,467
Social security and other taxes	**19,862**	**3,825**	12,375	5,064
Other payables	**32,511**	**59,899**	79,667	43,333
Due to related party	-	**198,583**	-	198,583
	236,630	**323,927**	157,874	307,447

The fair value of trade and other payables is not materially different to the carrying values presented. The above listed payables were all unsecured.

21 Other financial liabilities

	2017		2016	
	Group £	**Company £**	Group £	Company £
Embedded conversion options into a convertible loan note denominated in US dollars (note 28)	**225,000**	**225,000**	-	-
	225,000	**225,000**	-	-

Embedded conversion options represents the fair value of the conversion options attached to $1,250,000 convertible loan note (notes 19 and 28).

22 Profit per share

Basic profit/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2017 £	2016 £
(Loss)/profit attributable to equity holders of the company	**(2,119,657)**	740,265
Weighted average number of ordinary shares in issue	**1,562,952,662**	1,382,366,350
Basic profit/(loss) per share (pence)	**(0.14)**	0.05

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	2017 £	2016 £
(Loss)/profit attributable to equity holders of the company	**(2,119,657)**	740,265
Reversal of interest expense on qualifying convertible debt	**494,236**	
(Loss)/profit used to determine diluted earnings per share	**1,625,421**	740,265
Weighted average number of ordinary shares in issue	**1,562,952,662**	1,382,366,350
Adjusted for:		
Assumed conversion of qualifying convertible debt	**343,718,934**	
Share options and warrants		1,700,000
Weighted average number of ordinary shares for diluted earnings per share	**1,906,671,596**	1,384,066,350
Diluted (loss)/profit per share (pence)	**(0.09)**	0.05

23 Related party transactions

Transactions with subsidiaries

In the normal course of business, the Company provides funding to its subsidiaries for reinvestment into exploration projects and manages funds received from partners in joint venture.

	2017 £	2016 £
Receivables from subsidiaries	**14,341**	17,243
Loans provided to subsidiaries	**6,306,204**	5,765,654
Payables to subsidiaries	**(198,583)**	(198,583)
Service charges to subsidiary	**120,000**	120,000

The amounts owed by subsidiaries are unsecured and receivable on demand but are not expected to be fully received within the next twelve months but when the project reaches such an advanced stage of development that it can be repaid out of the proceeds of either the project's cash flow or through the direct or indirect disposal to a third party of an interest in the project.

Transactions with key management personnel

The Group considers that the key management personnel are the Directors of the Company.

The following amounts were paid and/or accrued to the Directors of the Company who held office at 31 December 2017:

	2017 £	2016 £
Short-term benefits	**151,537**	153,512
	153,537	153,512

The remuneration of the Directors is determined by the remuneration committee having regard to the performance of individuals and market trends. No pension contribution has been made for the Directors in 2017 (2016: nil).

23 Related party transactions (continued)

An analysis of remuneration for each director of the company in the current financial year:

Name	Position	Salaries and allowances £	Directors fees £
M. Martineau	Ex non-Executive Chairman	-	18,025
C. Schaffalitzky	Executive Chairman	103,512	-
G. FitzGerald	Non-Executive Director	-	15,000
D. Suschov	Non-Executive Director	-	15,000
		103,512	48,025

Amounts of the Directors remuneration and allowances accrued and remaining unpaid/(overpaid) at 31 December 2017:

Name	Position	**2017** **£**	2016 £
M. Martineau	Non-Executive Chairman	-	11,341
C. Schaffalitzky	Executive Chairman	**21,668**	(247)
G. FitzGerald	Non-Executive Director	**6,150**	1,990
D. Suschov	Non-Executive Director	-	3,595
		27,818	16,679

Director's loan

On 24 May 2017 the Company entered into a loan agreement with Deloan Investments Limited, a company controlled by Dmitry Suschov, a non-executive director of the Company for a convertible loan of up to US$500,000. The loan was convertible at any time into Ordinary Shares in the Company, at a price of 0.475p per Ordinary Share.

Under the terms of the agreement interest accrues on the loan at a rate of 15% which is to be satisfied by either cash payments or shares in the Company at a price of 0.475p per ordinary share.

By agreement the loan and accrued interest were converted into 144,076,124 shares at 0.28p per share on 11 December 2017.

24 Operating lease arrangements

Operating leases relate to the office premises with lease terms up to one year. The Group does not have an option to purchase the leased asset at the expiry of the lease period.

	2017		2016	
	Group **£**	**Company** **£**	Group £	Company £
Payments recognised as an expense:				
Minimum lease payments	40,863	10,625	14,701	9,625
Non-cancellable operating lease commitments:				
No longer than one year	40,863	27,250	33,457	27,250
Longer than one year and not longer than five years	9,083	9,083	36,333	36,333
Longer than five years	-	-	-	
	49,946	36,333	69,790	63,583

The minimum lease payment was adjusted for the office premises sub-lease receipts received by the Company in 2017.

The operating lease commitments represent full commitment by the Company under office lease arrangements. The expected sub-lease receipts are not included and hence do not reduce the amount of the Company's commitments.

25 Commitments

The Group has no material commitments.

26 Contingent liabilities and contingent assets

The Group has no material contingent liabilities and assets (2016 - £nil).

27 Risk management objectives and policies

Financial risk management objectives

The Group's operations are limited at present to investing in entities that undertake mineral exploration. All investments in exploration are capitalised on project basis, which are funded by shareholders funds, fixed rate borrowings and contributions from the partners in joint ventures. The Group's activities expose it to a variety of financial risks including currency, fair value and liquidity risk. The Group seeks to minimise the effect of these risks on a daily basis, though due to its limited activities the Group has not applied policy of using any financial instruments to hedge these risks exposures.

Risk management is carried out by the Company under close board supervision.

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollars and Russian Roubles. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group's policy is not to enter into currency hedging transactions.

The following significant exchange rates have been applied during the year:

GBP	Average rate		Reporting date spot rate	
	2017	2016	**2017**	2016
USD	**1.289**	1.364	**1.351**	1.230
RUB	**75.230**	92.132	**78.140**	75.347

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD and RUB, as indicated below, against GBP at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss before taxes by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Strengthening		Weakening	
	Equity	Profit or loss	Equity	Profit or loss
	£	£	£	£
31 December 2017				
USD (5% movement)	70,509	(26,661)	(63,791)	24,120
RUB (5% movement)	(89,286)	(6,142)	80,785	5,557
31 December 2016				
USD (5% movement)	106,294	38,858	(96,169)	(35,158)
RUB (5% movement)	(87,336)	54,278	79,012	(49,109)

Interest rate risk

As the Group has no significant interest-bearing assets, the group's operating cash flows are substantially independent of changes in market interest rates.

The Group has significant interest bearing loans disclosed in the note 19. All loans are at a fixed rate of interest.

Fair values

In the opinion of the Directors, there is no significant difference between the fair values of the Group's and the Company's assets and liabilities and their carrying values.

27 Risk management objectives and policies (continued)

Credit risk

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the consolidated statement of financial position date, as summarised below:

	2017		2016	
	Group	**Company**	Group	Company
	£	**£**	£	£
Non-current loans and advances	**445,596**	-	489,312	5,765,654
Current loans and advances	-	**6,306,204**	-	-
Trade and other receivables	**93,387**	**46,703**	149,146	80,040
Cash and cash equivalents	**89,819**	**61,500**	154,674	116,428
	628,802	**6,414,407**	793,132	5,962,122

The Group's risk on cash at bank is mitigated by holding of the majority of funds at "A" rated bank.

No significant amounts are held at banks rated less than "B". Cash is held either on current account or on short-term deposit at floating rate. Interest is determined by the relevant prevailing base rate. The fair value of cash and cash equivalents at 31 December 2017 are not materially different from its carrying value.

Recoverability of the loans is dependent on the borrower's ability to transform them into cash generating units through discovery of economically recoverable reserves and their development into profitable production.

The Company continuously monitors defaults by the counterparties, identified either individually or by group, and incorporates this information into its credit risk control. Management considers that all of the above financial assets that are not impaired are of good credit quality.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, borrowing facilities, cash and cash equivalent by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities.

	Current		Non-current	
	within 6 months	6 to 12 months	1 to 5 years	later than 5 years
	£	£	£	£
2017				
Borrowings	588,810	-	-	-
Trade and other payables	236,630	-	-	-
	825,440	-	-	-
2016				
Borrowings	318,314	-	-	-
Trade and other payables	157,874	-	-	-
	476,188	-	-	-

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities.

	Current		Non-current	
	within 6 months	6 to 12 months	1 to 5 years	later than 5 years
	£	£	£	£
2017				
Borrowings	539,156	-	-	-
Trade and other payables	125,344	198,583	-	-
	664,500	198,583	-	-
2016				
Borrowings	318,314	-	-	-
Trade and other payables	105,864	198,583	-	-
	424,178	198,583	-	-

27 Risk management objectives and policies (continued)

The tables above have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

The contractual maturities reflect the gross cash flows, which may differ to the carrying values of the liabilities at the consolidated statement of financial position date.

Capital risk
At present the Group's capital management objective is to ensure the Group's ability to continue as a going concern.

Capital is monitored on the basis of its carrying amount and summarised as follows:

	2017		2016	
	Group £	**Company £**	Group £	Company £
Total borrowings	**588,810**	**539,156**	318,314	318,314
Less cash and cash equivalents	**(89,819)**	**(61,500)**	(154,674)	(116,428)
Net debt	**498,991**	**477,656**	163,640	201,886
Total equity	**5,541,683**	**6,603,857**	6,314,935	6,658,219
Total capital	**6,040,674**	**7,081,513**	6,478,575	6,860,105
Gearing	**8%**	**7%**	3%	3%

Capital structure is managed depending on economic conditions and risk characteristics of underlying assets. In order to maintain or adjust capital structure, the Group may issue new shares and debt financial instruments or sell assets to reduce debt.

28 Fair value measurement

Fair value measurement of financial instruments
Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at each period end:

	2017		2016	
Level 2	**Group £**	**Company £**	Group £	Company £
Embedded conversion options into a convertible loan note denominated in US dollars	**225,000**	**225,000**	-	-
Total liability	**225,000**	**225,000**	-	-

Measurement of fair value of financial instruments
Management performs valuations of financial items for financial reporting purposes, including Level 2 fair values. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market based information.

The valuation techniques used for instruments categorised in Level 2 are described below.

Embedded conversion options (Level 2)
The Group entered into debt agreements to borrow $1,250,000 and $500,000 by issue the convertible loan notes that had embedded conversion options that met the criteria for derivative instruments. See note 19. These options have been fair valued using observable inputs such as volatility, risk fee rates and the Group's share price using a Monte Carlo pricing model. The effects of non-observable inputs are not significant for these options.

29 Events after the consolidated statement of financial position date

Subsequent to the reporting date the following transactions took place:

a. On 24 January 2018 the Group sold 7% of its shareholding in ZAO Kosvinsky Kamen. As a result of this transaction proportion of ordinary shares held by the Group was reduced from 75% to 68%.

b. Issue of shares:

Date	Transaction	No of shares issued	Nominal value £
28 February 2018	Issue of ordinary shares under term of financing arrangements	10,522,058	10,522
10 May 2018*	Issue of ordinary shares by way of placing	172,166,666	172,167
10 May 2018	Warrants granted to subscribers to shares	166,666,666	166,667
Total		349,355,390	349,356

* Net proceed from the issue amounted to £463,420.

c. In May 2018 the group made $400,000 payment to YA II PN Ltd to reduce the outstanding loan amount.

d. In June 2018 it was agreed to defer repayment of £250,000 of loan provided by Sanderson Capital Partners Limited to 30 September 2018 at a fee of £20,000 and the issue of 10,000,000 shares.

e. In June 2018 the Group entered into a loan agreement with a company controlled by a non-executive director D. Suschov, to borrow up to $1 million from June 2018. Loan bears interest at 9% per annum payable quarterly. The loan is repayable in full in five years from the first drawdown date.

PLEASE NOTE THAT THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, PLEASE CONSULT AN INDEPENDENT ADVISER IMMEDIATELY.

If you have sold or transferred or otherwise intend to sell or transfer all of your holding of ordinary shares in the Company prior to the record date (as described in Note 4) for the Annual General Meeting of the Company on 24 July 2018 at 11am, you should send this document, together with the accompanying Form of Proxy, to the (intended) purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was or is to be effected for transmission to the (intended) purchaser or transferee.

EURASIA MINING PLC

Company No. 3010091

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Eurasia Mining Plc (the "Company") will be held at The East India Club, 16 St James's Square, London SW1Y 4LH on 24 July 2018 at 11am for the following purposes.

Ordinary Resolutions

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. To receive and consider the audited accounts for the period ended 31 December 2017 together with the Directors' and the auditors' reports thereon.
2. To re-appoint Grant Thornton UK LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
3. To authorise the Directors to determine the remuneration of the auditors of the Company.
4. To re-appoint as a Director Dmitry Suschov, who is required under the Articles of Association of the Company to retire by rotation and who is eligible for re-election.
5. That, in accordance with section 551 of the Companies Act 2006, the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £1,000,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the end of the next Annual General Meeting of the Company to be held after the date on which this resolution is passed, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the 2006 Act.

Special Resolution

To consider and, if thought fit, pass the following resolution as a special resolution:

6. THAT, subject to the passing of resolution 5, the Directors be given the general power to allot equity securities (as defined by section 560 of the 2006 Act) for cash, either pursuant to the authority conferred by resolution 6 or by way of a sale of treasury shares, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:
   a. the allotment of equity securities in connection with an offer by way of a rights issue to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

b. the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal amount of £1,000,000.

The power granted by this resolution will expire on the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as section 561(1) of the 2006 Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

The authority conferred by this resolution shall expire at the conclusion of the Company's next annual general meeting save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase ordinary shares which will or may be executed wholly or partly after the expiry of such authority.

Dated 28 June 2018

BY ORDER OF THE BOARD

A. Agaev
Secretary

Notes

1. A member of the Company entitled to attend and vote at the meeting convened by this Notice may appoint one or more proxies to attend and vote on a poll in his stead. A proxy need not be a member of the Company.
2. To be valid, the enclosed Form of Proxy must be completed and lodged together with the Power of Attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, at the office of the Company's Registrars, Link Asset Services, Pxs1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not less than forty eight hours before the time appointed for holding the meeting.
3. Completion of the Form of Proxy does not preclude a member from attending and voting at the meeting if they so wish.
4. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only shareholders registered in the register of members of the Company as at 11am on 22 July 2018 (being 48 hours prior to the time fixed for the meeting), or, if the meeting is adjourned such time being not more than 48 hours prior to the time fixed for the adjourned meeting, shall be entitled to attend and vote, whether in person or by proxy, at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.
5. By attending the meeting, members agree to receive any communication at the meeting.
6. Biographical details of the Director who is being proposed for re-election by shareholders are set out in the Directors Biographies.
7. The total number of ordinary shares of 0.1p in issue as at 29 June 2018, the last practicable day before printing this document was 2,030,535,874, ordinary shares and the total level of voting rights was 2,030,535,874, none of which were attached to shares held in treasury by the Company.
8. Any corporation, which is a member, can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 24 July 2018 at 11am and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Link Asset Services (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
11. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. Copies of the service contracts and letters of appointment of each of the Directors will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays and public holidays excluded) and at the place of the Annual General Meeting from at least 15 minutes prior to and until the conclusion of the Annual General Meeting.
13. Copies of the Articles of Association will be available for inspection at the Company's registered office during usual business hours until the date of the Annual General Meeting.

EURASIA MINING PLC

FORM OF PROXY

PLEASE COMPLETE IN BLOCK CAPITALS

I/We ....

of ....

(Please insert full name(s) and address(es) in block letters - see Note 1 below)

being (a) member(s) / a person nominated by (a) member(s) of the above-named Company to exercise the right to appoint a proxy, pursuant to Articles of Association of the Company, hereby appoint the Chairman of the meeting or

....

of ....

(See Note 3 below)

as my/our proxy or proxies to vote for me/us and on my/our behalf at the annual general meeting of the Company to be held on 24 July 2018 at 11am and at any adjournment of that meeting and to vote at that meeting as indicated below. Please indicate how you wish your proxy or proxies to vote by inserting "X" in the box below. Where no "X" is inserted, and on any other resolutions proposed at the meeting, your proxy will vote or abstain from voting as he/she thinks fit.

RESOLUTIONS	FOR	AGAINST	VOTE WITHHELD
1. To approve Accounts for the year ended 31 December 2017			
2. To re-appoint Grant Thornton LLP as auditors of the Company			
3. To authorise the Directors to determine the remuneration of the auditors of the Company			
4. To re-appoint Mr. Dmitry Suschov as a Director			
5. To authorise the Directors to allot relevant securities pursuant to section 551 of the Companies Act 2006			
6. To authorise the Directors to allot equity securities pursuant to section 571 of the Companies Act 2006			

Please tick here if this proxy appointment is one of multiple appointments being made ☐

Signed .... Dated ....

Full name and address ....

....

PLEASE COMPLETE IN BLOCK CAPITALS

NOTES

1. To appoint as a proxy a person other than the Chairman of the meeting insert the full name in the space provided. A proxy need not be a member of the Company. You can also appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you. The following options are available:

(a) To appoint the **Chairman** as your **sole proxy** in respect of all your shares, simply fill in any voting instructions in the appropriate box and sign and date the Form of Proxy

(b) To appoint a **person other than the Chairman as your sole proxy** in respect of all your shares, delete the words 'the Chairman of the meeting (or)' and insert the name of your proxy in the spaces provided. Then fill in any voting instructions in the appropriate box and sign and date the Form of Proxy

(c) To appoint **more than one proxy**, you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. If you wish to appoint the Chairman as one of your multiple proxies, simply write 'the Chairman of the Meeting'. All forms must be signed and should be returned together in the same envelope

2. Unless otherwise indicated the proxy will vote as he thinks fit or, at his discretion, abstain from voting.

3. The Form of Proxy below must arrive not later than 48 hours before the time set for the meeting at to Asset Services, Pxs1, 4 Beckenham Road, Beckenham, Kent BR3 ZF during usual business hours accompanied by any Power of attorney under which it is executed (if applicable)

4. A corporation must execute the Form of Proxy under either its common seal or the hand of a duly authorised officer or attorney.

5. The Form of Proxy is for use in respect of the shareholder account specified above only and should not be amended or submitted in respect of a different account.

6. The 'Vote Withheld' option is to enable you to abstain on any particular resolution. Such a vote is not a vote in law and will not be counted in the votes 'For' and 'Against' a resolution.

7. Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.

8. Completion and return of the Form of Proxy will not preclude you from attending and voting in person at the Meeting should you subsequently decide to do so

9. If you prefer, you may return the proxy form to the Registrar in an envelope addressed to FREEPOST Link Asset Services, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF.

TEAR ALONG PERFORATION

Company Information

Directors
C. Schaffalitzky *(Executive Chairman)*
G. FitzGerald *(Non-Executive Director)*
D. Suschov *(Non-Executive Director)*

Company Secretary
Alexandr Agaev

Head Office and Registered Office
2nd Floor, 85-87 Borough High Street
London SE1 1NH

Telephone: +44 (0) 20 7932 0418
E-mail: info@eurasiamining.co.uk
www.eurasiamining.co.uk

Russian Office
194 Lunacharsky Street
Ekaterinburg
Russia
Telephone: +7 3432 615187
Facsimile: +7 3432 615924

Company Number 3010091

ADVISERS

Registrars
Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Auditors
Grant Thornton UK LLP
30 Finsbury Square
London EC2A 1AG

Bankers
Barclays Bank plc
Town Gate House
Church Street East
Woking, Surrey
GU21 6AE

Solicitors
Gowling WLG (UK) LLP
4 More London Riverside
London SE1 2AU

Nominated Adviser and Stockbrokers
WH Ireland Limited
24 Martin Lane
London EC4R 0DR

and

11 St. James's Square
Manchester M2 6WH

First Equity Ltd
Salisbury House
London Wall
London EC2M 5QQ

EURASIA MINING PLC

2nd Floor, 85-87 Borough High Street
London SE1 1NH

Telephone: +44 (0)20 7932 0418
E-mail: info@eurasiamining.co.uk
www.eurasiamining.co.uk