EURASIA MINING PLC

Company number 03010091

Annual report and accounts
to year end 31 December 2019

Eurasia Mining Plc.
(Company number 03010091)
Annual report
31 December 2019

Contents

The market for Platinum Group Minerals ('PGM')

Eurasia is operationally lower risk in an industry facing supply headwinds

- **Palladium already faced existing structural supply challenges pre-COVID-19- Persistent market deficits widened to 950,000oz in 2019[7&8].**
- **Now, COVID-19 has exacerbated this situation; South Africa in particular faces significant supply challenges resulting in a predicted 20% decline in South African PGM Output[7].**
  - **Labour intensive, deep mines using lift shafts**
  - **Hard to employ social distancing**
  - **Even more power uncertainty**
- **Offsets near-term demand headwinds and creates potential for permanent output drop**
- **Lower risk, open pit operations like Eurasia's are well positioned to benefit in this environment**

Global average 2019 PGM Autocatalyst demand continued to increase in 2019, due to a 14% increase in global average PGM loadings, led by a more than 20% increase in vehicle loadings in China[7].

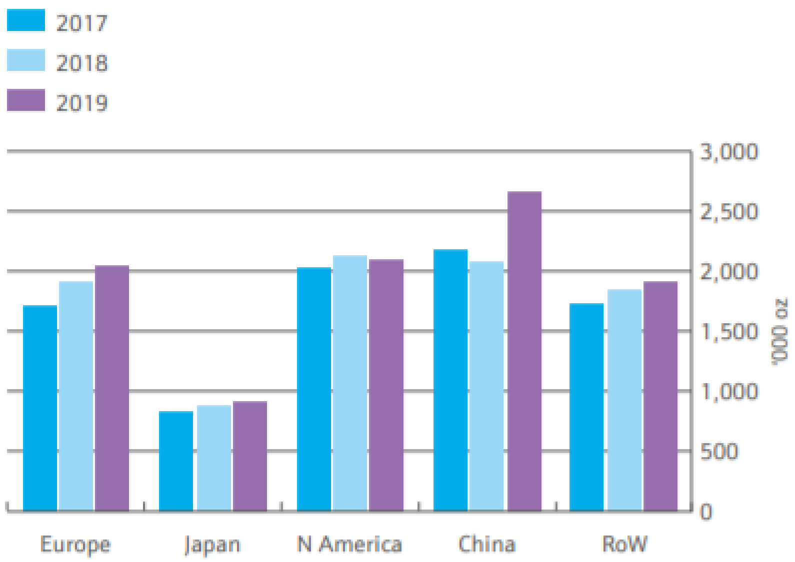


Figure 17 Autocatalyst demand for palladium (gross)

Eurasia's PGM revenues from the West Kytlim mine (see the operational summary) are strengthened by sales of Palladium, Rhodium, Iridium and Gold. The now fully permitted flag ship Monchetundra project is being developed towards mining as a palladium led project with major credits in nickel and copper. Platinum prices ranged from $820/ ounce in January to $943/ounce[1] by year end 2019, to later break through the $1,000/ounce barrier in early 2020. Some gains were eroded in April 2020 as a result of the Coronavirus pandemic. A recovery to the current $800 ounce (June 2020) is based on predicted robust demand and disrupted supply resulting from the impact of the Coronavirus pandemic on South African production[2]. Platinum continues to be seen as an important metal in controlling greenhouse gas emissions from vehicle exhausts with ever tighter emissions controls being implemented.

Palladium continued the price rally which began in 2017 and 2018 commencing 2019 trading at US$/oz:1,287 and continuing to close the year at US$/oz:1,889[3]. Palladium traded above US$:2,600 in February 2020 before correcting in line with all precious metals in April 2020. The metal is in a structural deficit, with secure long-term fundamentals[4]. The undersupply for the metal is seen as a contributing factor in its recovery to $1,840/ ounce at the time of writing.

Recent Rhodium prices tell a similar story, commencing 2019 at US$/oz:2,300 to finish the year at US$/oz:5,580[3]. Rhodium traded above US$/oz:11,000 in February 2020 before correcting to US$/oz:5,800 (June 2020).

The outlook for 2020 is for a deepening market deficit, with further strong gains expected in autocatalyst demand[4] especially out of China driven by fast recovery from COVID-19 related lockdown and higher loadings of both palladium and rhodium per vehicle.

Monchetundra: The Last unconsolidated palladium play

There are very few shovel ready palladium projects known internationally - for geological reasons, and due to underinvestment in exploration while the metal traded in the c.$200-$500/ounce range from 2000 to 2010[5]. Recent consolidations in the palladium sector, including Impala Platinum Holdings acquisition of North American Palladium in October 2019 for ~$0.8 billion(based on a 5.0 Moz resource), as well as the May 2017 acquisition of Stillwater by Sibanye for $2.2 billion have reduced the number of pure palladium plays to single digit numbers, most of which are early stage exploration projects.

Palladium is a rare metal relative to other precious metals (circa production of 10M oz per year, against gold production of greater than 100M oz[6]). The Market had been expected to be pushed further into deficit based on strong automotive demand particularly from the compressed phase-in schedule for China-6[2,] a key component of the 2019 Palladium price surge. Post COVID-19, Some reduction in automotive demand due to the COVID-19 Pandemic is likely, however the market is forecasted to be in deficit particularly because of South Africa, where supply is expected to be reduced by 20%[7].

1 Kitco.com metal prices at 04 Jan 2019 and 27 Dec 2019

2 https://platinuminvestment.com/files/186857/WPIC_Platinum_Quarterly_Q1_2020.pdf

3 Kitco.com metal prices at 04 Jan 2019 and 27 Dec 2019

4 https://m.miningweekly.com/article/pgm-demand-prices-likely-to-remain-high-this-year-2020-02-12

5 https://www.mining-journal.com/pgms/news/1381978/how-to-ride-the-palladium-rocket

6 https://www.mining.com/gold-price-falls-2019-low-record-global-production-forecast/

7 https://matthey.com/en/news/2020/pgm-market-report-may-2020

8 https://www.kitco.com/news/2020-02-12/Palladium-deficit-expected-to-widen-in-2020-Johnson-Matthey.html

Chairman's statement

In writing to you at this time, I am conscious that some of you and your families have been affected in different ways by the COVID-19 pandemic. We have endeavoured in this challenging time to look after our employees and maintain our momentum, and we now stand out as a PGM company in production with a palladium dominated resource, which is 100% open pit, i.e. low cost and better protected from COVID-19.

On the ground, we also gained full control of our mining operations at West Kytlim, while in parallel, we established Monchetundra as a world class palladium open pit project to rank with its peers globally. It was a year of important progress in building our foundations.

Palladium market fundamentals remain strong, and in a structural deficit worsened by the supply crunch caused by PGM underground mine closures. With palladium demand picking up, especially in China (the largest consumer) primarily driven by the initiative to reduce emissions, palladium supply is tight. The platinum price remains steady with improvement from its long-term low in 2019. Due to the low operating cost environment at our West Kytlim mine, platinum production continued during this period.

Our team responded immediately to the challenges presented by COVID-19 with measures including: longer rosters to reduce travel, social distancing at meal times and in accommodation, increased personal protective equipment, and awareness interviews and medical screening to protect our workers. We are confident these measures are sufficient to safely ensure production going forward.

This year we are operating our own equipment, employing a team of machine operators directly and with 100% of revenue attributable to the Company. This is the first step in building production in the coming years. In order to facilitate this growth, we have worked hard to accelerate the permitting of the mine areas with the responsible bodies and this is well in hand. Additional licences are expected to follow and we look forward to building out production further.

2019 proved to be the year when Monchetundra came to the fore as the Company’s flagship project, driven by a significant increase in the resource at the project and palladium sector consolidations. We continue to advance development work for the construction of a mine for the two open pit palladium deposits. In parallel, we have applied for a large licence surrounding the deposits under the exclusive right granted to mining licence holders. This application, referred to as the ‘Flanks’ is well advanced having cleared all ministry approvals, and is now awaiting sign off by SevZapNedra.

While the Chairman’s letter is often one of reflecting on the previous year’s business, our focus has been on the future and this has included building relationships with advisers and investors. We have been working hard to establish the value of our projects to ensure that we will achieve value for all our stakeholders.

On 27 May 2020, we have also appointed SP Angel as our new Nomad and Joint Broker and we look forward to working with them in this next period of exciting developments for the Company. On the Board, the promised strengthening of your leadership is well underway including appointments of two new Directors: James Nieuwenhuys (CEO of South African Lesego Platinum and former COO of Polyus, one of largest miners in Russia and head of Polyus in China) in November 2019 and in May 2020, Iain Rawlinson, an experienced M&A professional. Both gentlemen bring excellent experience and I am delighted to welcome them and look forward to implementing our strategy.

Finally, I want to pay tribute to our employees who have worked tirelessly through the year, and thank you the shareholders once again, for your support and patience. Without your support, none of our work would have been successful.

Christian Schaffalitzky
Executive Chairman

Operations update

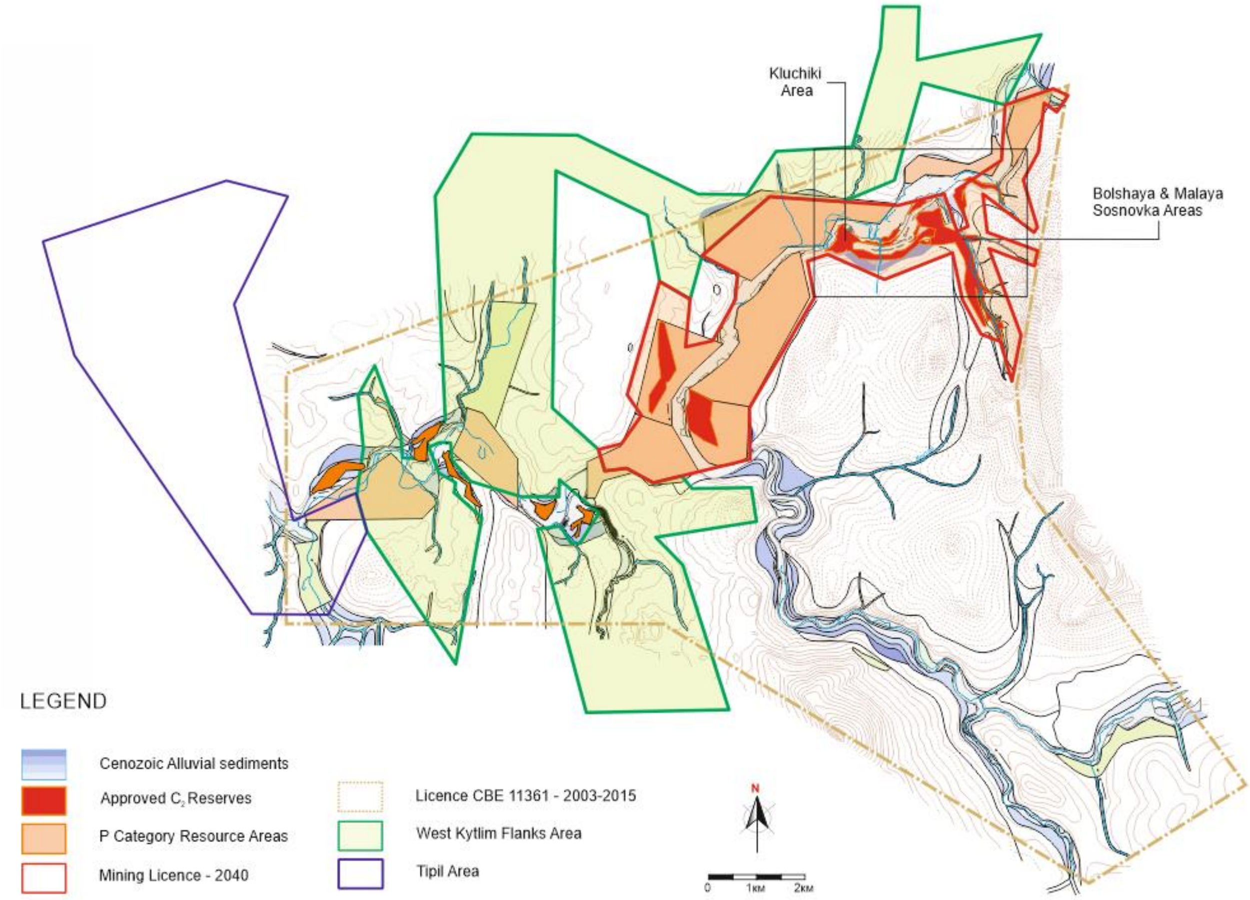
Eurasia Mining plc is a palladium, platinum, rhodium, iridium and gold producing and development company. Eurasia operates the established West Kytlim Mine in the Ural Mountains, and also its flagship and palladium dominant Monchetundra Project near Monchegorsk on the Kola Peninsula. Both projects are based on the Company's exploration discoveries (then in Joint Venture with Anglo American Platinum) and have been successfully advanced through the exploration phase to the issue of production licenses and subsequent further brownfield exploration applications adjacent to both mining licenses. The Company demonstrates a consistent approach to achieving operational success by bringing quality projects from exploration through to production. West Kytlim is now in the third year of production. An EPCF (Engineering, Procurement, Construction and Finance) agreement with Chinese group Sinosteel is in place to advance the much larger Monchetundra project through to production, while other commercial options regarding the project's development are considered.

WEST KYTLIM

An established low-cost and cash generative asset with capacity expansion upside.

Asset overview:

Ownership:	68%
Operating Partner:	Owner operated
Region:	Sverdlovskaya Oblast
Mine type:	Open pit soft rock PGM
Licensing:	Production license to 2040.
Status:	First industrial production 2018, ramping up to nameplate capacity
Product/Offtake:	PGM concentrate (Platinum, Palladium, Rhodium, Iridium), and Gold
Infrastructure:	Sealed road 80km, gravel road 24km
Mine life:	>20 years
Target production:	64koz at full capacity
Exploration upside:	Expanding mineable reserve base via application for adjacent licences; all drilling completed on mining right



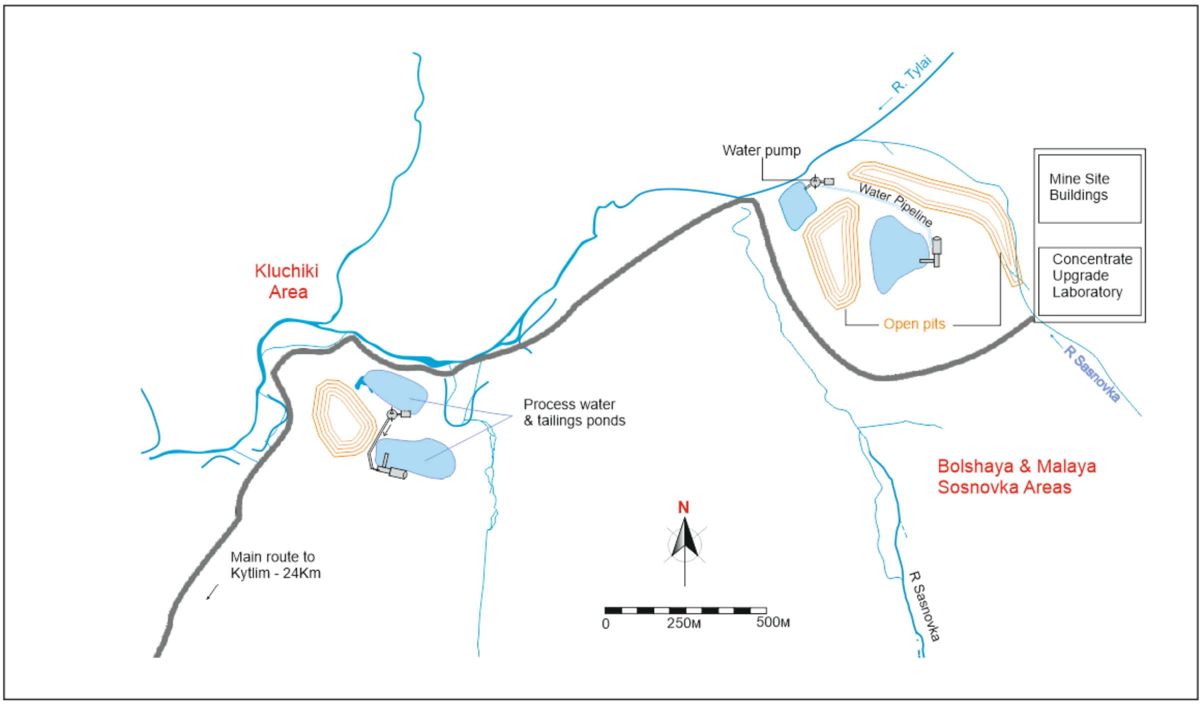
West Kytlim Mining License and surrounding Flanks and Tipil licences.

2019 Summary

A contract for mining operations at West Kytlim was agreed in January 2019 with Uralmetmash (formerly Techstroy) to focus on the Kluchiki area where work had concluded at the end of the 2018 mining season. Early preparatory work and ore stockpiling commenced in January ahead of gravel washing later in spring on a 70/30 gross mine revenue basis.

A feasibility study and revised reserves report for the Kluchiki work area was approved in mid-September 2019 allowing development of further reserves at that location. Also in September 2019, following non-performance by the contactor, the Company decided to purchase the washplant and its peripherals from mine revenue and to continue mining on an owner operator (100% of revenue) basis for the remainder of the 2019 season. All ore bodies approved by authorities for production at the Kluchiki work area during 2019 (prior to approval of the Kluchiki revised reserves report) were mined with total production of 66kg (2,122 oz) of raw platinum (2018 165Kg). Production was then halted pending further permits. The total amount of metals produced was reduced year on year, due to delays by the contractor, that contributed to the Company's decision to operate the mine independently from 2020.

To allow for much higher and more consistent production volumes, a combined resource drilling and statutory reporting schedule was agreed within the Company, building on work carried out in previous years, and focussed on the Bolshaya Sosnovka, Kluchiki and Tylai areas within the mining license. This was aimed at ensuring sufficient approved mineable gravels for sustained increases in production volumes at multiple operating sites. As part of this process an additional 1,834m of resource drilling was completed at the Bolshaya Sosnovka and Tylai areas during 2019.



West Kytlim Mine sites- Malaya Sosnovka (2018/19) and Kluchiki areas (2019/20).

2020 Summary to date

- New Leased machinery fleet delivered to site and operational since February 2020.
- Feasibility study commissioned to approve all resources on the license to mineable status and allow increases in production volumes without further exploration drilling.
- Crew shelters for the accommodation of 56 people were added to existing temporary buildings at the mine site to allow for protection from COVID-19 with additional response measures introduced including:
  - Longer rosters to reduce travel
  - Purchase of Express Test kits
  - Wearing of face masks is mandatory
  - Awareness interviews with employees
  - Medical screening before dispatch and upon roster change
  - Coordinated meal times to ensure social distancing maintained

Single Feasibility study targeting upgrade of all resources to mineable categories

Due to reserve and operational data generated over several seasons of mining, the Company has been able to strengthen its geological data set considerably. As a result, the drilling already undertaken is considered sufficient to categorise all resources on the mining license as mineable (as per Russian mining standard (GOST)), without further drilling. This was a major development for the project and Company arising from discussions with leading industry personnel and heads of federal level resource industry governing bodies in early 2020. The Company has now commissioned a single Feasibility Study for the entire mining license area, replacing all exploration and reporting work streams with a single commissioned report. This feasibility study, to be approved by federal rather than regional licensing authorities comes at a fraction of the cost compared with the site by site approach, with further resource drilling, pursued previously. The study can allow much greater flexibility in mine planning, development of multiple sites in parallel, and significant increases in production volumes over shorter time scales.

Further exploration license applications

Tipil License – Additional 24.5Km^2 west of the current mining license
Project Flanks – Additional 50.7km^2 surrounds the current mining license and includes strike extensions to identified reserves and resources. MOD approval received in May 2020.

Eurasia is committed to developing West Kytlim at a scale optimised to maximise value to its shareholders, while continuing to assess the potential for further similar PGM deposits adjacent to the project and in the locality. The Company manages the application process closely and has developed in house expertise in Russian subsoil licensing and license applications. The Tipil and Flanks licence applications were supported by proprietary in-house exploration data and extrapolation of resource and exploration work to areas adjacent the current mining concession.

MONCHETUNDRA

A fully funded development project; with 15moz palladium dominated PGM resource, it is one of the largest assets globally not owned by a PGM major.

Asset overview:

Ownership:	80%
Operating Partners:	Sinosteel, Central Kola Expedition
Region:	Murmanskaya Oblast, Russian Kola Peninsula bordering Finland.
Mine type:	Open pit.
Licensing:	Mining license to 2038. Financed via Sinosteel EPCF.
Status:	Preparation for production.
Product/Offtake:	PGM and base metals concentrate (Palladium dominant, Platinum, Gold, Nickel and Copper).
Infrastructure:	Road, Rail, Sea Hub, Power and labour. Close to Finish border
Mine life:	>20 years
Target production:	1,000koz at full capacity
Exploration upside:	Expanding mineable reserve base via acquisition of adjacent licences.

2019 Summary

- Detailed Project Design Report submitted and approved
- Flanks application lodged.

The Monchetundra Project is Eurasia's flagship project and comprises palladium-led reserves and resources with platinum, gold, copper and nickel credits in two open pittable deposits near the town of Monchegorsk on Kola Peninsula, Northwest Russia. Final approvals for the Monchetundra mining permit were received in November 2018, thus successfully concluding the process of converting Eurasia's second major discovery credit to a mining license. A Detailed Project Design Report was contracted to Central Kola Expedition and approved by Murmansk Nedra in October 2019. The report sets out the statutory work required to complete a detailed Feasibility Study (Russian standard equivalent of a Definitive Feasibility Study) and a revised reserves statement building on the existing Feasibility Study and state approved reserves.

2020 progress to date

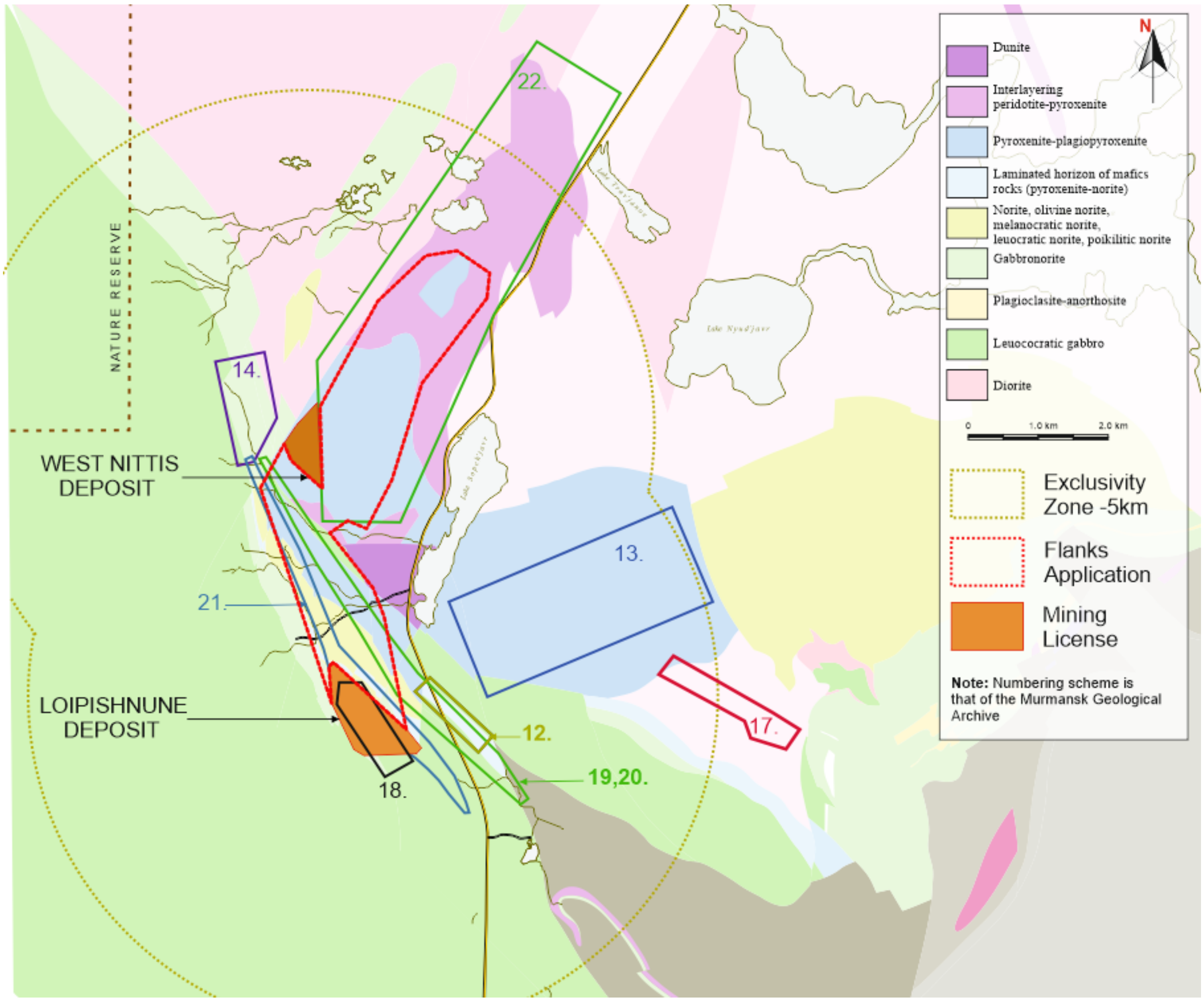
Flanks application

According to federal subsoil licensing guidelines, the holder of a mining license has the exclusive right to apply for exploration licenses adjacent to state approved resources/reserves and this application shall be uncontested within a 5km radius of an approved resource. The Monchegorsk Complex and Monchetundra Massif, which host the West Nittis and Loipishnune deposits are known to contain type examples of the majority of the layered intrusion- and contact-hosted PGM deposit types recognised globally[1]. An application for an exploration area surrounding the Monchetundra project deposits, referred to as the Flanks Application was optimised based on data supplied by the Russian cadastre of Mines (Murmansk Geological Archive) and the Company's in-house proprietary data set, and submitted in September 2019. By May 2020, the application had been approved by all federal bodies including FSB and Ministry of Defence and awaits a sign off by SevZapNedra.

Background to the Flanks application:

Rosnedra, the Federal Agency for subsoil use, is mandated to maintain the State Cadastre of Mines (Cadastre) according to prescribed procedures, including review by an expert panel of independent resource professionals. A list of deposits compiled into the Cadastre representing the current database of resources in the immediate area of the Monchetundra production license is set out below with an additional 13.3M ounces total PGM (primarily palladium).

1 Various PhD studies including Karykowski et al 2017 https://orca.cf.ac.uk/108748/1/2017karykowskibtphd.pdf



Deposits occurring within or partially within the flanks application area:

Flanks to the deposit at Loipishnune - falling within a prior exploration license and drill tested by Anglo American Platinum Joint Venture ('JV') **-** ore zones occurring up dip and on strike from current resources – Murmansk Geological Archive numbers 18,20,21 **-** total of 11Moz

NKT Massif - resource drilling and calculations by Norilsk Nickel and Rosgeologia. On strike continuation of West Nittis mineralisation and a significant increase of West Nittis Reserves. Murmansk Geological Archive number 22 **-** total of 2.3Moz

Deposits occurring within 5km of the Monchetundra Project reserves but not within the current Flanks application area:**SEMENOVSKY TAILINGS PROJECT**

The Company has been focussed on developing its two key assets at Monchetundra and West Kytlim through 2019 to date, however maintains an active interest in the non-core Semenovsky Tailings Project, with a view to further developing this interest in due course. In early 2020 a technological test was carried out to determine the applicability of a patented metallurgical process to Semenovsky ores **-** with positive results. Separately, the Company is considering a further alternative metallurgical process which may be applicable to the tailings at Semenovsky.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Environmental protection is front of mind

- Eurasia is committed to ensuring the land disturbed by mining activities is returned in a safe and stable landform that does not cause environmental harm and is able to sustain post-mining land use
- Rehabilitation plans consider local climate, geochemistry of soils, fertility, degree of disturbance, specific landscape and topography features
- New (2020) mining machinery is operated to latest efficiency and environmental standards

Our mine sites are engaged with local communities

- All mine workers and equipment operators are local (within 70 km area)
- Project companies registered locally, and taxes are paid locally
- Various community projects to be undertaken, including building a children's playground in Kytlim, the nearest town to the West Kytlim Mine

Mining is a critical industry in Russia

- Eurasia participated at PDAC 2020 at the invitation of ROSNEDRA (Russian federal agency for subsoil management) together with Russian Mineral Industry professionals and majors.
- Recognition of importance of mining, and foreign investment into mining in Russia
- Eurasia is a permanent member of Urals Association of gold producers whose role is to work alongside government agencies to optimize legislation and improve the business environment

ESG priorities have increasingly become the focus of business and our society, and the mining industry is at the forefront of the change in attitudes necessary for responsible productivity for generations to come. As an owner operator we now take the lead on environmental responsibility at our mine site, as discussed below. The Russian Federation added 7 million hectares to protected forestry between 2018 and 2019[1], an area similar in area to Ireland, while the Russian Mining sector generally has improved its environmental transparency[2].

Eurasia has also made advancements in the area of Corporate Governance throughout 2019 and in early 2020, responding to the increased scale of the business and skills required at executive level. New appointments were made to the executive team during 2019 and in early 2020. (set out below in chronological order)

- Alexei Churakov was appointed as a strategic advisor in September 2019. Mr. Churakov is a former senior investment banker (Goldman Sachs and Morgan Stanley) specialized in the mining sector. He has been involved in multiple cross-border mining M&A transactions operating from Moscow, London and New York. Alexei brings his extensive experience to the Company, as well as his top-level contacts with major international and Russian mining and trading companies operating in the platinum group metals, gold and base metals sectors.
- Alexander Vasilievich (Alexeander) Sushchev was appointed as a strategic advisor in November 2019. Alexander holds a PhD in metallurgy and is a former CEO of SMCM, a former molybdenum and rhenium metals producer (sold to major international aluminium producer), as well as a former manager of Norilsk Nickel. Alexander's metallurgical knowledge as well as network of contacts in the Russian mineral sector have already made a valued contribution to the Company.
- Anthony James (James) Nieuwenhuys was appointed as a Non-Executive Director in November 2019. James has held senior positions including Chief Operating Officer at Polyus Gold, Russia's largest gold miner, and is currently Chief Executive Officer at South African Lesego Platinum Mining Limited. James has an engineering background and has also held senior positions at a number of EPC organisations. James considerable previous experience and extensive contacts, especially among PGM and gold producers in Russia, China and South Africa, are beneficial for the Company. The Lesego deposit is a major Northeast Bushveld project being progressed through development with Chinese investment company Heaven Sent Capital. For more information see **www.lesego.com**

- David Ian (Iain) Rawlinson was appointed as a Non-Executive Director in May 2020. Iain has a law degree from Cambridge University, is a qualified barrister, and is also an experienced corporate financier. Iain started his career in investment banking with Lazard and Robert Fleming and was one of the initial partners of Fleming Family & Partners (FF&P) where he led the listing of Highland Gold PLC in 2002. Iain's independent board appointments in the corporate sector include Lithic Metals and Energy PLC (2007 to 2009), Dana Petroleum PLC (2005 to 2010), The Monarch Group (2009 to 2014), and Parkmead Group PLC (2010 to 2020). Iain's board positions in charities include Tusk Trust (Trustee from 2002 and Chairman from 2005 to 2013) and Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust (since 2017).

[1] – World Wildlife Fund Annual Report 2019. wwf.ru/en/resources/publications/reports/wwf-rossii-2019/
[2] - https://www.mining.com/mining-companies-operating-in-russia-improve-environmental-transparency-wwf/

Employee Health and Safety
2019 saw no significant incidents of personal injury to report from the West Kytlim mine site. The Company maintains strict protocols designed to minimise risk to employee health and wellbeing and the risk of injury is generally lower at an open pit operation compared with underground mining.

COVID-19 Response
The Company made a number of provisions in spring 2020 to minimise the effect of the COVID-19 pandemic on the business. Mining was not subject to enforced closures in Russia. An early company appraisal of the mine site concluded the mine could be safely operated with correct social distancing and other measures maintained. Measures taken to address COVID-19 preparedness include:

- Hand sanitisers, face masks and appropriate PPE were issued.
- Protocols around conducting personnel medical checks prior to initial dispatch to site, and later during roster rotations, became a priority for the Company. Roster duration was increased to reduce frequency of changeover. COVID-19 awareness interviews are also conducted.
- Staff mealtimes were scheduled at the canteen to ensure social distancing measures are maintained in the food hall at all times.
- Procurement of Express Tests.
- Better social distancing within crew shelters.

Environmentally sustainable mining and mine planning
Eurasia's Environmental Policy is designed to minimize or overcome all mining-related environmental risks with a particular focus on the risks specific to soft rock mining. The environmental issues are addressed at all stages of the project implementation commencing with preparation of the annual mining plans, through to design of mine layout and later pit closure. The impact of an open pit mine on flora and fauna species within the mined area is significant however, with careful management the area can be returned to pristine condition within one to two years. Vegetation at site, which consists of a canopy of birch forests with a dense undergrowth of shrubs, typically regenerates over the course of five to ten years. The West Kytlim mine is located in a vast expanse of tundra wilderness at the southern end of the Ural Mountain range which stretches for a further 1,100 kilometers to the Barents and Kara Seas.

Land rehabilitation
Soft rock mining has a strong but short-lived direct impact on soil and vegetation. Top soils and vegetation are removed to allow development of the ore body. Land rehabilitation including replacement of removed top-soils and reforestation are an essential part of the operation and the Company's environmental policy.

Land rehabilitation is a coordinated set of measures designed to prevent land deterioration and to restore a mining area to its natural state post-mining, making it habitable for wildlife and flora. The consequences of possible soil pollution are removed, and soil fertility and vegetation are restored. Eurasia Mining is committed to ensuring the land disturbed by mining activities is rehabilitated to a safe and stable landform that does not cause environmental harm and is able to sustain an approved post-mining land use.

In order to carry out exploration and mining at the West Kytlim deposit, ZAO Kosvinsky Kamen, Eurasia's project Company, has 7 active permits for forest plots totaling over 172 hectares. Prior to the granting of a permit to clear a site from forest vegetation, a Rehabilitation Plan prepared by the Company is approved by the Ministry of Natural Resources of the Sverdlovsk Oblast. The Rehabilitation Plans must answer the requirements of:

- Federal Law "On Environment Protection" of 10.01.2002 No. 7-FZ;
- Russian Federation ('RF') Land Code of 25.10.2001 №136-FZ;
- RF Forest Code of 04.12.2006 №200-FZ;
- Resolution of the RF Government "On Land Rehabilitation and Conservation" of 10.07.2018 №800.

The Company Rehabilitation Plans and the Company's Environmental Officer set out the necessary land rehabilitation program taking account of the local climate, geochemical composition of the soils, their fertility, degree of damage/pollution as well as specific landscape and topography characteristics. Mining plans are optimised to minimize the size of the disturbed area. Soil stripping- a careful removal of the upper fertile layer of the soil which will be used for post-mining rehabilitation, is undertaken in advance of pit development. The specific techniques of post-mining rehabilitation are tailored to the land's post-mining usage requirements.

Land rehabilitation is a staged process:

Stage 1, Technical:
This initial stage supports the lands reconfiguration to its assigned future use. The process involves first landscaping the mined area, burying large boulders and removing pit faces. Later the overburden, mine tailings and topsoil layers, which were removed during the first stages of mining, are returned to the pits. Soft rock mine tails do not contain any hazardous substances since no chemicals are used in the soft rock mining process.

Stage 2, Biological rehabilitation:
This comprises a number of functional and phytoremediation measures including soil fertilization and sowing of perennial grasses as well as forest restoration in accordance with Article 63.1 of the RF Forest Code and Order of the RF Ministry for Natural Resources of 25.03.2019 №188 "Rules for Forest Restoration". The Company implements forest and vegetation restoration over an area equal in size to the sites cleared for mining purposes,.

Water resource management
Water resources are another key area of importance and potential vulnerability requiring thorough planning and precautions. Our priorities are to reduce the amount of water sourced from surface streams and to prevent any contamination of the Tylay river and its tributaries. Virtually all process water at the operation is recirculated through a system of tailing dams, settling ponds and drainage trenches. Special attention is paid to the condition of the dams which are frequently examined and, if necessary upgraded. The operation does not contaminate the water supply and has a minimal impact on aquatic animal life and associated flora and fauna.

Waste management
The tailings of the soft rock operation do not contain any hazardous substances since gravel washing and upgrading of concentrates do not involve use of any chemicals. Containers to separate waste appropriately are maintained at site and collected for recycling or landfill.

Air emissions
To reduce air emissions, we ensure that the equipment used on-site complies with accepted quality standards and optimize the routes taken by motor vehicles. Our brand-new fleet of leased machinery including bulldozers, excavators and ore haulage trucks are built to the latest environmental compliance standards. We are also focused on preventing dust pollution at the mine site and regularly carry out dust suppression measures.

Christian Schaffalitzky
Executive Chairman

Strategic report

Eurasia Mining Plc ("Eurasia" or the "Company") is a public limited company incorporated and domiciled in Great Britain with its registered office at International House, 142 Cromwell Road, London, SW7 4EF, United Kingdom. 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 exploration for and production of platinum group metals (the "PGM"), gold and other minerals.

The purpose of the Strategic Report is to inform members of the Company and help them to assess how the Directors have performed their duties under section 172 of the Companies Act 2006 (duty to promote the success of the Company).

Companies Act 2006, Section 172(1) Directors Statement - Promoting the success of the Company (to be read in conjunction with the rest of the annual report and with the Corporate Governance section).
The Board acknowledges that there is a legal requirement for the Company to report on how the Board and its Committees have considered the requirements of s.172 of the Companies Act 2006 in their decision making. A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members and, in doing so, have regard (amongst other matters) to the following factors:
– The likely consequences of any decision on the long-term;
– The interests of the company's employees;
– The need to foster the company's business relationships with suppliers, customers and others;
– The impact of the company's operations on the community and the environment;
– The desirability of the company maintaining a reputation for high standards of business conduct; and
– The need to act fairly as between members of the company.

The Board is ultimately responsible for the direction, management, performance and long-term sustainable success of the Company. It sets the Group's strategy and objectives, considering the interests of all its stakeholders. A good understanding of the Company's stakeholders enables the Board to factor the potential impact of strategic decisions on each stakeholder group into a boardroom discussion. By considering the Company's purpose, vision and values together with its strategic priorities the Board aims to make sure that its decisions are fair. The Board has always, both collectively and individually, taken decisions for the long term and consistently aims to uphold the highest standards of business conduct. Board resolutions are always determined with reference to the interests of the Company's employees, its business relationships with suppliers and customers, and the impact of its operations on communities and the environment. This statement serves as an overview of how the Directors have performed this duty in 2019 and engaged with the Company's key stakeholders to help to inform the Board's decision-making.

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, for which a mining licence was granted in 2018. At the same time the Group continues 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 and reserves suitable for commercial mining and secured a mining licence in 2015. The Group carried out a pilot mining operation in 2016 and has been running a commercial operation from 2017.

West Kytlim mine is directly owned by a subsidiary ZAO Kosvinsky Kamen and the Group controls 68% of this subsidiary (note 13).

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, which was granted in 2018.

The Monchetundra project is owned by a subsidiary ZAO Terskaya Mining Company, the Group controls 80% of this subsidiary (note 13).

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 Semenovsky Tailings Project in the Republic of Bashkiria, Russia.

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. The Board remains focused on maximising shareholder value, and, after receiving approaches from multiple parties interested in acquiring Company's assets, has decided that launching a formal sale process under the Takeover Code is in the best interests of shareholders, which could result in a sale of assets or the Company. The Company will work with UBS and its other advisers to execute this process.

Key performance indicators

Key Performance Indicators (KPIs) are used to monitor progress in the delivery of the Group's strategic objectives, and to assess actual performance against targets as an aid to the management of the business as distinct from operational progress such as through the stages of a project's 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 before tax of £796,268 for the year ended 31 December 2019 (2018: loss before tax of £3,241,941).

Shareholder return – the performance of the share price. The Company's shares are quoted on AIM and the shares have traded at 0.41-3.95p (2018: 0.225-0.815p) during the year under review.

Exploration expenditure – funding and development costs.
The Group has incurred £111,059 (2018: £83,069) of development costs at West Kytlim, which were required to carry out additional drilling works under the programme of upgrading resources to reserves and for the purchase of additional plant and equipment at the West Kytlim Mine necessary to commence mining on an owner operated basis in early 2020.

In 2019 the Group raised gross funds of £1.9 million from the equity markets and by exercise of warrants and options. During the course of 2019 the Directors contributed to the preservation of cash reserves by converting the majority of fees owed to them into the Company's shares.

At 31 December 2019 the Group had a cash balance of £920,013 (2018: £452,676) which allowed it to continue its Monchetundra project development, and to prepare for the 2020 Mining season at West Kytlim.
At 31 December 2019 the Group was debt free.

The Company is assessing different options aimed at increasing cash reserves, including increasing West Kytlim mine revenues. In late 2019 the Group discontinued arrangements with the mine's contractor and took mining operations in house for whichthe Group acquired mine processing equipment and acquired and leased earth moving machinery. This is intended to generate operational efficiencies going forward.

For more details see the operations update herewith. Substantial increases to mine revenue at West Kytlim may be achieved by increasing the mines output by the adding additional wash-plants – the Group continues to assess options in this regard.

Non-financial KPIs
Environmental management – the Group has environmental policies in place. Performance against environmental policies is continuously monitored and audited annually. The Company did not carry out fieldwork in 2019 in the Monchetundra area. At West Kytlim, the commitment for the technical and biological rehabilitation of disturbed areas was brought back within the Group. The Group has the necessary resources to bring the work site back to the required ecological condition post mining, thus minimising any environmental impact. The Directors consider that rehabilitation plans are achievable without and/or with minimal involvement of external specialists to minimise and rectify any negative impact of current exploration and operational activities on the environment. Further details may be found in the Operational Update herewith.

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. These were appropriately reviewed following the COVID-19 pandemic.

Operational – The Group has had exploration success by furthering applications for additional exploration licences adjacent both the West Kytlim and Monchetundra mining permits during 2019.

Governance - The board was strengthened by the addition of several appointments in late 2019 and early 2020 in line with expansions in the Groups sphere of activity.

Additional Projects and license applications - Key personnel continue to assess opportunities in a range of commodities in Russia and globally, as potential exploration and development projects.

Principal risks and uncertainties

The risks inherent in a mineral exploration and development business are kept under constant review by the Board and the executive team. 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, or to obtain the necessary consents and approvals for the conduct of exploration and mining.

The Group maintains appropriate in-house expertise and engages in discussions with respective government departments to have a better understanding of their requirements, to make sure all regulatory obligations are met and duly reported, and therefore increase the prospect of a successful outcome. The Group progressed several license applications in parallel through 2019 including the Monchetundra Flanks application, the West Kytlim Flanks application and the West Kytlim Tipil application. The Group removed risk associated with resource drilling and reporting at the West Kytlim project by outsourcing a Feasibility Study for all resources at West Kyltim which may be upgraded to mineable categories in a single report and without further drilling. This removes the risk of delays in the approval of numerous individual feasibility studies within the West Kytlim Project.

Run of mine risks
The Group commenced mining on an owner operator basis in late 2019 and now has full control of operational decisions. The timing of this change was designed to ensure the Group had sufficient experienced personnel to guarantee operational success. Machinery break down and other operational risks may have a significant impact on the Group's performance.

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 codes. The Group makes an assessment of the environmental impact at the time it applies for permits and licences, which are subject to such assessment. The Group mitigates risk to the operation arising from environmental issues by strictly adhering to relevant environmental laws and codes.

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.

The Group maintains close ties to the Russian Minerals extraction industries for example by attending industry events with its mining peers and by maintaining in house Company expertise in sub-soil legislation. The group was represented at PDAC, Canada by invitation of Rosnedra (the State subsoil licensing agency) in March 2019.

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 platinum group metals, changes in their demand and supply, and the effect these have on 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 when compared to South Africa which produces up to 70% of global PGM.

Demand for platinum group metals from their principal use – autocatalysts, which reduce harmful engine emissions – looks robust for the next 15 years even as sales of electric vehicles grow. More than 85% of new passenger cars sold in 2030 are expected to have internal combustion engines with [catalytic] converters, because all-electric cars are not expected to sell as strongly as hybrid vehicles using both technologies[1].

1. https://www.bullionvault.com/gold-news/platinum-supply-demand-111420183.

Loss of key personnel risk
The loss of key personnel consists of the departure (voluntary or otherwise) of an important employee, which will, in all likelihood, result in a financial loss or increased expense to the small business. The expenses may be of a temporary or a permanent nature. These increased expenses relate to the search for 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. There is not currently a shortage of Mining industry personnel and expertise in Russia or London and the Group is confident a suitable replacement could be found should it be necessary to replace a key member of staff.

Financing risk
The Company has historically relied primarily on the issue of additional share capital, and less frequently loan facilities, to maintain adequate levels of working capital. Mine revenue from the operating West Kytlim Mine is now a significant contributor to the Group's working capital, and the Directors are confident that this source of capital will continue in 2020, increasing in subsequent years due to increased capacity at the mine site. The Group maintains tight financial and budgetary control to maintain effective cost control. Forward planning helps ensure The Company is adequately funded to reach its objectives. The launch of full-scale platinum and gold production from 2018 was also important in mitigating financial risk.

COVID-19 risk
This is a new risk affecting many businesses around the globe which causes disruptions of business links and processes. The effect of COVID-19, and measures taken globally to protect populations, can have direct or indirect impact on the Group's operations. The Group is monitoring the situation and will continue to take the required actions, including consultations, reviews and tightened expenditure controls as appropriate. At the time of production of this report the Group has not been adversely affected by the COVID-19 issues and there have been no disruptions to supply chains, no personnel shortages and no significant impact on mine operations.
The Board constantly monitors and assesses the situation and believes that business interruptions is an unlikely scenario due to the open pit nature of the mine, which enables employees to limit interaction; in addition the employees' ability to social distance whilst using the mining equipment and individual crew shelters; and the personal protection that the Company has provided to them, should result in the operations being unaffected.

The Board considers risk assessment to be important in achieving its strategic objectives. Further details of the Group's financial risk management policies can be found in note 26.

Research and future development

The Group's activities during the year continued to be concentrated principally on mine development and mineral exploration programmes and the improvement of mining techniques and metallurgical processes. While developing its core projects disclosed in the Operations Update the Company will continue studying and searching for new "near production" projects in the geographical area where it's current operations are situated in.

By order of the Board

Keith Byrne
Company Secretary
30 June 2020

Directors' report

Directors
The Directors who served during the period were:
Christian Schaffalitzky – Executive Chairman
Gary FitzGerald – Non-Executive Director
Dmitry Suschov – Non-Executive Director
Anthony James Nieuwenhuys – Non-Executive Director (appointed 26 November 2019)
David Iain Rawlinson – Non-Executive Director (appointed 27 May 2020)

Company Secretary
Keith Byrne

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 2019	31 Dec 2018
	No. of shares	No. of shares
C. Schaffalitzky	89,569,517	81,069,517
D. Suschov	465,647,496	455,727,496
G. FitzGerald	23,378,445	23,378,445
Total	**578,595,458**	**560,175,458**

Share options and warrants

	31 Dec 2019	31 Dec 2018
Options	No. of shares	No. of shares
C. Schaffalitzky	20,000,000	20,000,000
D. Suschov	20,000,000	20,000,000
G. FitzGerald	5,000,000	5,000,000
	45,000,000	45,000,000
Warrants		
D. Suschov	10,000,000	10,000,000
Total	**55,000,000**	**55,000,000**

All options granted to the Directors vested by 31 December 2019.
No share options were exercised by the Directors during 2019 (2018 – nil).

Dividends and profit retention
No dividend is proposed in respect of the year (2018: £nil) and the retained loss for the year attributable to the equity holders of the parent of £ 948,745 (2018: loss of £2,573,231) has been taken to reserves.

Share capital

The issued capital of the Company as at 31 December 2019 was:

	Number of shares	Nominal value	Share premium account
Fully paid ordinary of shares at 0.1 pence each	2,693,756,753	2,693,757	20,995,669
Deferred shares of 4.9 pence each	143,377,203	7,025,483	-
		9,719,240	20,995,669

Section 561 of the Companies Act 2006 (the "Act") provides that any shares being issued for cash must in general be offered to all existing shareholders pro-rata to their holdings. However, where Directors have a general authority to allot shares authorised by the Company's Articles or by an approved special resolution superseding statutory pre-emption rights.

At the Annual General Meeting, held on 20 June 2019 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 and with this 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	Transaction	No of shares issued / warrants granted	Nominal value £
Shares issued:			
24-Jun-2019	Issue of ordinary shares by way of placing	25,273,400	25,273
25-Oct-2019	Issue of ordinary shares on exercise of warrants	16,053,612	16,054
28-Oct-2019	Issue of ordinary shares on exercise of warrants	16,999,997	17,000
29-Oct-2019	Issue of ordinary shares on exercise of warrants	27,066,666	27,067
30-Oct-2019	Issue of ordinary shares on exercise of warrants	18,766,668	18,767
05-Nov-2019	Issue of ordinary shares on exercise of warrants	63,007,750	63,008
08-Nov-2019	Issue of ordinary shares on exercise of options	13,166,666	13,167
13-Nov-2019	Issue of ordinary shares on exercise of options	12,166,668	12,167
15-Nov-2019	Issue of ordinary shares on exercise of options	9,166,666	9,167
29-Nov-2019	Issue of ordinary shares on exercise of options	14,026,806	14,027
12-Feb-2020	Issue of ordinary shares on exercise of warrants	22,017,871	22,018
12-Feb-2020	Issue of ordinary shares on exercise of options	9,000,000	9,000
Total		**246,712,770**	**246,715**

Risk Management

The Directors consider that assessing and monitoring the inherent risks in the exploration and mine development business, as well as other financial risks, is crucial for the success of the Group.. The Board regularly reviews the performance of the Company's 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

At 31 December 2019 the Group's net current assets amounted to £681,055 (2018: £196,413). At the same time the Group had a cash balance of £920,013 (2018: £452,676). The Group had no debt at 31 December 2019. The Group had a credit line facility for US$1mln provided by Director D. Suschov in 2018, which was extended in 2020 until 31 August 2020, which the Directors have decided not to utilise applying careful cash flow planning and an ability to bring excess funds generated from the West Kytlim operations.

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

The Group reviewed performance of the West Kytlim asset during 2019 and decided to take full control of its mining operations in 2020 to increase operational efficiencies. All necessary equipment and machinery have been purchased and leased and the group will benefit from 100% of mine revenues expected to commence from June 2020.

Management and executive team operational expenditure has been significantly reduced in 2020 as a result of the COVID-19 pandemic. The Company and the executive team adapted immediately and have not been negatively affected by the Pandemic. Like many businesses internationally the Company is now considering adopting some of the new work practices which have saved expenditure during the pandemic as operational norms after the lifting of travel restrictions.

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.

Directors' responsibilities statement

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 must 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

Eurasia Mining has adopted the QCA Code as a Corporate Governance framework to ensure adequate corporate governance standards as befits the nature of the Company's business and the stage attained in the continuing evolution of the Company, and in-line with its corporate strategy and business goals. The QCA Code sets out ten principles by which the code may be applied to any company. These principles are outlined below as a demonstration of how the Company meets these requirements.

Delivering Growth
Eurasia has established a strategy designed to promote long term value and a return on investment for its shareholders, a strategy which also aims to build the Company to an increasingly profitable enterprise while maintaining good corporate governance and social and environmental responsibility standards. The Company's aim is to achieve these goals through self-funded exploration for marketable resource projects in various commodities, by developing these projects to operating mines, or by joint venturing or straightforward sale of these assets to realise a return on investment. The Board remains focused on maximising shareholder value, and, after receiving approaches from multiple parties interested in acquiring the Company's assets, has decided that launching a formal sale process under the Takeover Code is in the best interests of shareholders, which could result in a sale of assets or the Company. The Company will work with UBS and its other advisers to execute the process.

Principle 1:
The Company is currently focused on developing two key assets; The West Kytlim mine produces Platinum group minerals ('PGM') and gold in the Ural Mountains, Russia, while the Monchetundra Project is being developed towards production of PGM, gold and base metals near the town of Monchegorsk, on the Kola Peninsula, Russia. Further non-core assets are also being progressed and the Company remains active in identifying further opportunities across a range of commodities and jurisdictions. The Company intends to achieve these goals while maintaining corporate governance principles in line with those outlined in the QCA Code. The key challenges in achieving this are set out below.

Principle 2:
Eurasia seeks to maintain open, direct and two-way communication with its shareholders through various channels including the Company website, twitter feed, company presentations, investor events, video blogs filmed on site at the Company's projects, live and recorded video and audio interviews, and lastly direct communication by phone and email through the Company's contact information. The Company employs sub-contracted public and investor relations professionals and maintains several third-party contracts to better disseminate Company newsflow. Through shareholder feedback the Company ensures that it remains in touch with the information requirements of our shareholders, their expectations regarding their investment, and the motivation behind their voting decisions. Directors consider shareholder's motivations and expectations to be broadly correlated with that of the Company and the Company's strategy. Shareholders information requirements can therefore be summarised as either operational in nature, or commercial. The Company aims to update on key events within these categories frequently, and in a timely manner as events materialise. Directors recognise that shareholders require complete and timely information as a necessary input to their investment decisions. Shareholders make regular contact through the Company's main office contact details where their calls or emails are dealt with in a timely manner by a member of staff sufficiently senior to comment on technical and commercial matters.

Principle 3:
Experienced and knowledgeable long-standing employees are a recognised key asset within the Company and our Corporate Governance principles seek to cultivate a productive and fulfilling working environment within the Company.
The Company's mining operation is a further key asset and attention is paid to its impact on society and the various stakeholders important to the project's continuous success. These include sub-contractors to the Company, and officials within the Russian sub-soil licensing and other agencies. The mining operation is in a remote area and where possible employs local persons but does not otherwise impact on a local population. The Company is devoted to maintaining the strictest environmental policies as required by the Russian sub-soil licensing agencies. Key personnel from the Company's subsidiary maintain communication with representatives from the nearest village to the mining operation, the town of Kytlim in order to ensure feedback on potential issues. The mining community in this area of the Urals is relatively small and there is general communication between companies operating nearby mines, and with all suppliers to the industry generally. Communication with officials from sub-soil licensing agencies and their sub-contractors is generally more formal, and within the reporting structures designed by those agencies to protect the environment, the country's natural resources and the rights of local populations. Any issue arising from any stakeholder will immediately be dealt with or communicated to the required level to allow for action to be taken. No such events have occurred in the history of the mining operation and where an issue may arise it is reported in full to senior management and Directors.
Managing relationships within the Company's workforce, and its outward interactions with local communities, service providers, and the environment, all have the potential to impact on the Company's ability to achieve its medium to long term goals – managing these relationships is considered a fundamental facet of good Corporate Governance.

Principle 4:
The leading risks at the operational level relate to our ability to manage the mining operation to achieve its goals. These risks are mitigated by ensuring we employ qualified and knowledgeable personnel who are adequately resourced and supported by effective management. Resource exploration involves inherent risks stemming from the fact that information relating to the mineralisation is not immediately available and is expensive to obtain. Recognising this risk and then managing it effectively is a critical aspect of a successful mineral exploration and development business.
The Company's annual audit provides an opportunity to reassess the chief risks facing the business at both a corporate and operational level. These are agreed by Directors and delineated and audited on an annual basis, thus ensuring adequate recognition and articulation of each risk category.

Maintaining a dynamic management framework

Principle 5:
The board comprises an Executive Chairman and Managing Director (significant shareholder in the Company), and four Non-Executive Directors: Anthony James Nieuwenhuys (appointed October 2019) and David Iain Rawlinson (appointed May 2020) are Independent Non-Executive Directors, while Non-Executive Directors Dmitry Suschov and Gary Fitzgerald are significant shareholders in the Company.
The board meets when an executive decision requires board approval, and in any event no less than once per six-week period. Board members are regularly consulted on executive decisions which would benefit from specific input relevant to a board members area of expertise. All board members are aware of and comfortable with the time and resource requirements associated with their position. Relevant information relating to a board discussion is carefully prepared and circulated in advance of board meetings. Minutes are kept and then circulated directly after all board meetings. Minutes are noted on a prescribed form, which includes heading information such as attendance. An attendance record for each Director is also maintained and annualised for distribution within the board.
The attendance of the board at meetings since the last AGM (18 meetings inclusive of AGM, all board meetings conducted remotely) is as follows:
Christian Schaffalitzky – 100% attendance
Dmitry Suschov – 100% attendance
Gary Fitzgerald – 100% attendance
Anthony James Nieuwenhuys - 100% attendance (post appointment)
David Iain Rawlinson – 100% attendance (post appointment)
Two Non-Executive Directors, Anthony James Nieuwenhuys and Gary Fitzgerald form the remuneration committee and determine the conditions of employment and annual remuneration of the Executive Directors. The audit committee is comprised of two Non-Executive Directors Gary Fitzgerald, its Chairman and David Iain Rawlinson. The committee meets annually before and after the Company's annual audit.

Principle 6:
The board has an effective combination of commercial and technical experience, being led by a chair with a strong background in geology, and in developing successful resource projects and companies, with support from Non-Executive Directors with strong experience in commercial functions in a range of markets, commodities and jurisdictions. Board members retire on a rota and declare themselves eligible for reappointment at the Company's AGM.

The current board members are listed below:

CHRISTIAN SCHAFFALITZKY
Executive Chairman and Managing Director
EurGeol, FIMMM, PGeo, CEng. 40 years' experience in mineral exploration. Founder of CSA international. Numerous discovery credits including Lisheen zinc deposit in Ireland. Also, Chairman at Kibo Mining Plc and Non-Executive Director of Two Shields Investments and MetalNRG.

GARY FITZGERALD
Non-Executive Director
More than 30 years' experience in investment management and Corporate Finance, prior Director of Framlington Investment Management.

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

ANTHONY JAMES NIEUWENHUYS (appointed 26 November 2019)
Non-Executive Director
James has held senior positions including Chief Operating Officer at Polyus Gold, Russia's largest gold miner, and is currently Chief Executive Officer at South African Lesego Platinum Mining Limited.

DAVID IAIN RAWLINSON (appointed 27 May 2020)
Non-Executive Director
Iain is an experienced board member and a corporate strategy consultant. He has a law degree from Cambridge University, is a qualified barrister, and is also an experienced corporate financier. Iain started his career in investment banking with Lazard and Robert Fleming and was one of the initial partners of Fleming Family & Partners (FF&P) where he led the listing of Highland Gold PLC in 2002. Iain's independent board appointments in the corporate sector include Lithic Metals and Energy PLC (2007 to 2009), Dana Petroleum PLC (2005 to 2010), The Monarch Group (2009 to 2014), and Parkmead Group PLC (2010 to 2020). Iain's board positions in charities include Tusk Trust (Trustee from 2002 and Chairman from 2005 to 2013). He is currently a Non-Executive Director at the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust (since 2017).

The board considers the skill sets currently within the board to be sufficient for the successful running of the business, and the delivery of the stated corporate strategy and goals for the benefit of shareholders through the medium to long term. Board composition is subject to periodic review. Where more specialised skills are required, the board has access to a network of individuals and organisations with whom it can consult for further information. This can include input to operational decisions relating to the Company's operating mine, or advice of a commercial nature. Each board members long standing career in the industry is invaluable in this regard.
Continuing Professional Development ('CPD') and membership of institutions which promote best practice in industry is encouraged in all board members, though not compulsory to board membership. As an example, the professional accreditations PGeo ('Professional Geologist', Institute of Geologists of Ireland) and EurGeol ('European Geologist', European Federation of Geologists), attained by the Executive Chairman, are maintained by strict adherence to a program of quantitative and qualitative CPD activities. Likewise, the Company secretary and financial controller maintains membership of the Association of Chartered and Certified Accountants by following a prescribed CPD program. All board members regularly attend industry events and conferences to keep abreast of developments in their area of expertise.

No one board member, or group of board members, dominates decision making within the board. Non-Executive Director Dmitry Suschov is a major shareholder in the business, however individual shareholdings are recognised by all board members as separate to and distinct from rights and responsibilities as effective board members.

Principle 7:
The remuneration committee is responsible for evaluating the performance of the Executive Directors. As mentioned above, board members retire on a fixed rota, and efforts are made with regard to succession planning and appointment of new board members as required.
New appointments to the board may be suggested by current board members or persons external to the Company. The appointment process involves: assessment of suitability based on qualifications and work history, due diligence by the Company and its Nomad, a series of meetings with board members and key personnel, and ultimately contract negotiation and appointment.
Board evaluations are internal to the Company and on an ad-hoc basis, as befits the small scale of the Company currently, but not less than once per year at the time of the Company AGM. Adhering to the Company's strategy, achieving the Company's goals, and maintaining good corporate governance standards are the three most prominent identifiers by which board effectiveness is evaluated. Board evaluation procedures are considered appropriate for the size and scale of the business currently and the board recognises that these procedures should be subject to review as and when the board and the Company grow. Board evaluations are not currently made public and it is the Company's intention to reconsider this position and ensure continued compliancy with the code as the Company transitions from an exploration Company to a mining Company.

Principle 8:
The Company is founded on a culture of following and promoting the highest ethical standards with regard to its commercial transactions, business practices, strategy, internal employee relations and outward-facing stakeholder and community relationships. The Company operates chiefly in the Russian Federation though it is incorporated in the UK and governed by the laws of England and Wales. The corporate culture and values extend from the corporate level throughout the organisation irrespective of jurisdiction. An ability to recognise and promote good ethical values and behaviours is seen throughout the organisation as an excellent behavioural asset to an employee or potential employee or indeed board member. The current board members have been chosen with this awareness of the corporate culture and the Company's ethical standards in mind.New board appointments are also considered in this light. Corporate culture, and high ethical standards with regard to business practices are considered a critical element in attaining the Company's strategy and goals. These standards are reinforced through the appraisal process. High standards of ethics are considered to create a competitive advantage for the Company and are a core element of the Company's business model, as they ensure the Company's long-term sustainability. Eurasia is an equal opportunities employer.

Principle 9:
Maintaining governance structures that are fit for use as the Company evolves in size and complexity is an essential element of good corporate governance. Maintenance of the corporate governance code is the sole remit of the chair, who instigates changes in policy, and ensures the code is applied throughout the organisation. Currently the role of Chairman is shared with that of Chief Executive Director, a situation which has persisted since the retirement of the Company's Non-Executive Chairman in 2017. This situation is regarded as temporary, and a potential departure from compliancy with the Code, but given the size and complexity of the organisation a fully independent Chairman is not seen as essential to the proper functioning of the board or the fulfilment of the roles of chair and chief executive. The Company is committed to splitting these roles going forward.
Three Non-Executive Directors are appointed and participate in all board level decisions and also provide scrutiny and oversight of the Executive Director's roles. The board's Non-Executive Directors are each skilled in different aspects of commercial finance, with a combined breath of experience across various markets, commodities and jurisdictions. They communicate regularly with the chair and Executive Directors and provide reliable advice in their areas of expertise. The terms and functions of the audit and remunerations committees are set out below.
The Company secretary role is pivotal within the organisation ensuring regulatory compliance and application of good corporate governance principles. The secretary is available to Non-Executive Directors to support their information requirements and decision making and reports directly to the Chairman.

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 two Non-Executive Directors, David Iain Rawlinson and Gary Fitzgerald. The external Auditors have direct access to the members of the committee, without presence of the Executive Directors, for independent discussions. Two Audit Committee meetings were held during the year; to approve Annual Financial Statements and later the Interim report. The Audit Committee reported that the accounts were in compliance with International Financial Reporting Standards.

REMUNERATION COMMITTEE
The Chairman of the Remuneration Committee is Gary Fitzgerald. The committee comprises two Non-Executive Directors, Anthony James Nieuwenhuys and Gary Fitzgerald. 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:

- to ensure that individuals are fairly rewarded for their personal contribution to the Company's overall performance, and
- 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 comprises basic salary, 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. Matters which are reserved strictly for the consideration of the board include, but are not limited to, discussions and decision on Company strategy, major investment decisions in new business development, commercial arrangements including funding requirements, high-level decisions on distribution of funds, and recruitment or dismissal of senior personnel and board members.
The above outline of the Company's corporate governance framework befits the current scale of the Company but will be subject to appropriate modifications as the Company grows in line with its stated strategy. An annual review of the corporate governance framework is undertaken at the board meeting preceding or directly following the Company's AGM. Changes considered to the current corporate governance framework, to be assessed in due course, include further appointments to the board, and establishing independent bodies to review and assess board performance.
Total Directors' emoluments are disclosed in notes 8 and 23 to the financial statements and the Directors' options are disclosed in the Director's report above.

Build trust

Principle 10:
The board seeks to maintain both direct and two-way communication with its shareholders through various channels including the Company website, Twitter feed, Company Presentations, Investor Events, Video Blogs filmed on site at the Company's projects, Live and recorded video and audio interviews, and lastly direct communication by phone and email through the Company's contact information. Phone calls to the company's office are screened and communicated to board members as appropriate. All shareholders may at their discretion chose to attend the company AGM and speak directly to the board and management.
The Company employs Public Relations professionals and maintains several third-party contracts to better disseminate Company news-flow. Through shareholder feedback the Company ensures that the boards communication of the company's progress is thorough and well understood.
A clear statement on the outcomes of board resolutions is communicated immediately after the Company's AGM by RNS and posted to the Company's website at www.eurasiamining.co.uk. This includes a summary of votes for and against the resolutions put before the shareholders, and where a significant number of votes is cast against a resolution this is clearly stated, with an explanation as to possible explanations and remediations regarding that

voting. A catalogue of historical annual reports and AGM notices is maintained at an appropriate location on the Company's website.

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. No serious incidents occurred in the past year.

UK Code on takeover and mergers

Eurasia Mining is subject to the UK City code on takeovers and mergers, which was revised and extended to apply to all companies listed on the AIM market in October 2013.

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

Keith Byrne
Company Secretary
30 June 2020

Report of the Independent Auditor
to the Members of Eurasia Mining Plc.
(Company number 03010091)

Independent auditor's report to the members of Eurasia Mining plc.

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Eurasia Mining Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of financial position, Company statement of financial position, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated statement of cash flows, Company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. 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 2019 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Group's and company's future prospects and performance.

Covid-19 is amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the group's and company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a group and company associated with these particular events.

Report of the Independent Auditor
to the Members of Eurasia Mining Plc.
(Company number 03010091)

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 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.

In our evaluation of the directors' conclusions, we considered the risks associated with the group's business, including effects arising from macro-economic uncertainties such as Covid-19, and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or parent will continue in operation.

GrantThornton

Overview of our audit approach

- Overall materiality: £106,400, which represents 2% of the group's forecasted total assets. No adjustment was made to materiality based on final asset balance ;
- Key audit matters were identified as "The revenue cycle may include fraudulent transactions", "Provision for environmental rehabilitation" and "Recoverability of Capitalised Exploration Costs and Mining Assets"; and
- We have contracted our network member firm in Russia to perform specific audit procedures on the local companies, as well as visit the local operations. A component materiality of £95,800 was used.

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 Matter – Group	**How the matter was addressed in the audit – Group**
The revenue cycle may include fraudulent transactions Under ISA 240 (UK) there is a presumed risk that revenue may be misstated due to the improper recognition of revenue. Revenue for the year-ended 31 December 2019 was £1,128,970 (2018: £2,573,329)	Our audit work included, but was not restricted to: • We have analysed revenue recognition policies and verified that they are in accordance with IFRS. • We have substantively tested all revenue transactions in the year, agreeing to invoices, settlement reports and cash receipts.

Key Audit Matter – Group	**How the matter was addressed in the audit – Group**
The group operates alluvial mining in Russia for a limited season due to weather. There is a risk of fraud in the recognition of revenue relating to the production and sale of metals. We therefore identified **revenue recognition** as a significant risk, which was one of the most significant assessed risks of material misstatement.	• We have also reviewed post yearend receipts to determine if the cut-off of revenue was correct. **Key observations** Our testing did not identify any material misstatements in the recognition of revenue.
Provision for environmental rehabilitation This is the first year that the provision is to be provided for. Previously, the rehabilitation of the mining area was completed by the subcontractor at West Kytlim. The provision that has been recorded for rehabilitation at 31 December 2019 was £78,103 (2018: £nil). There is a risk that the provision may not be appropriately accounted for as this is a complex calculation requiring specialised knowledge. Given this is new to the group in 2019 there is also a risk that the required disclosures per IFRS may be incomplete. We therefore identified the provision for environmental rehabilitation 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: • We have obtained an understanding of management's process around the recognition and valuation of the provision. As well as testing that the accounting treatment was in accordance with IFRS. • Tested management’s calculations for mathematical accuracy and challenged the assumptions used, including life of the provision, discount rate used and key cost variables, through agreeing inputs to licenses and costs into publicly available information and contracts • We have verified that all the required disclosures per IFRS are included in the financial statements. **Key observations** Our testing did not identify any material misstatements in the completeness of the rehabilitation provision.
Recoverability of Capitalised Exploration Costs and Mining Assets There is continued capitalised expenditure incurred within the group relating to the development and operations of the mines. The group currently has two main projects: - West Kytlim, which is fully operational. It is only operational in summer months, depending on weather due to freezing conditions in winter months. The carrying value of the mining assets for this project is £3,802,857 (2018: £3,606,013) - Monchetundra is still in the exploration and evaluation stage after obtaining the mining license in 2018. The carrying value of the costs capitalised is £854,995 (2018 :£802,661)	Our audit work included, but was not restricted to: • We have received management’s impairment assessment relating to the Mining assets and Capitalised exploration costs from management. • We corroborated management’s considerations on the exploration and evaluation assets where there was no indicator for impairment by obtaining mining licenses, reserve and resource reports. • For the mining assets where there were potential indicators of impairment, we tested the value in use calculations performed by management:

Key Audit Matter – Group	**How the matter was addressed in the audit – Group**
The recoverability of these costs is contingent on the success of the extraction of the identified reserves, where a lack of recoverability may constitute an impairment of the asset. We therefore identified recoverability of capitalised exploration costs as a significant risk, which was one of the most significant assessed risks of material misstatement.	- We performed arithmetical checks on the calculation - We challenged the appropriateness of management's key assumptions which included – discount rate, commodity price, recovery rate and production levels used in the model by agreeing to production reports and cash flows, and to external sources where applicable. - We performed sensitivity analysis on the key assumptions including commodity price, production levels, recovery rate and grade of extracted materials - We challenged the period used in the forecast considering the need for applying for extensions against the history of obtaining licenses to justify the period over which the assets are recoverable. • The financial statements were reviewed to verify that the disclosures as required by IFRS were appropriately included. 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 5.1.3. **Key observations** ▪ Our testing did not identify any material misstatements in relation to carrying value of mining and exploration assets.

There were no Key Audit Matters in relation to the parent entity only.

Our application of materiality

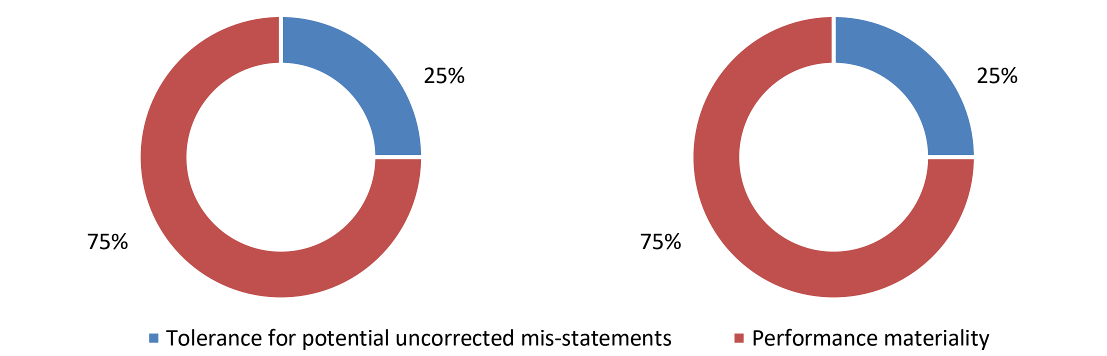
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating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

Materiality was determined as follows:

Materiality measure	**Group**	**Parent**
Financial statements as a whole	**£106,400** which is 2**%** of forecasted group total assets. This benchmark is considered the most appropriate because of the importance of the mining assets to the current and future level of activity, and the overall success, of the entity. Therefore, the key metric and focus area for this entity is their assets under control. Final total assets were not significantly different and no adjustment to materiality was made.	**£95,800** which is 90% of group materiality. This benchmark is considered the most appropriate because we performed our audit in combination with the audit of the group, so any misstatements identified in the parent have been considered in unison with the materiality of the group. As such, we consider there to be minimal risk of a combined material misstatement
Performance materiality used to drive the extent of our testing	**75%** of financial statement materiality.	**75%** of financial statement materiality.
Communication of misstatements to the audit committee	£**5,300** and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£**4,800** and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality – Group **Overall materiality – Parent**



Report of the Independent Auditor
to the Members of Eurasia Mining Plc.
(Company number 03010091)

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 as a percentage of the group's total assets;
- We performed full scope audit procedures on Eurasia Mining Plc, targeted audit procedures on Urals Alluvial Platinum Limited, Eurasia Resources Asia Ltd, ZAO Terskaya Mining Company, ZAO Kosvinskiy Kamen, ZAO Eurasia Mining Service and ZAO Yuksporskaya Mining Company; analytical audit procedures on Eurasia Mining (UK) Limited;
- As part of the planning process, assessed 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. For the Russian subsidiaries, local finance teams perform accounting processes and we tailored our audit response accordingly, using component auditors to perform targeted audit procedures on these entities. Group instructions were issued to the component auditor and a full review of their work was completed;
- The total percentage coverage of full scope or targeted procedures over group revenue was 100%;
- The total percentage coverage of full scope or targeted procedures over total assets was 98%;

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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.

Report of the Independent Auditor
to the Members of Eurasia Mining Plc.
(Company number 03010091)

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 page 22 to 23, 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 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.

Use of our report
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.

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

30 June 2020

Eurasia Mining Plc.
(Company number 03010091)
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2019

	Note	Year to 31 December 2019	Year to 31 December 2018
		£	£
Sales		1,128,970	2,573,329
Cost of sales		(1,082,209)	(2,280,559)
Gross profit		**46,761**	**292,770**
Administrative costs		(1,401,383)	(1,609,068)
Investment income		1,416	5,821
Finance cost		-	(623,779)
Other gains	9	556,938	107,083
Other losses	9	-	(1,414,768)
Loss before tax		**(796,268)**	**(3,241,941)**
Income tax expense	10	(50,890)	-
Loss for the period		**(847,158)**	**(3,241,941)**
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		(10,108)	69,894
Items that will be reclassified subsequently to profit and loss:			
Parent's share of foreign exchange differences on translation of foreign operations		(242,847)	258,351
Other comprehensive income for the period, net of tax		**(252,955)**	**328,247**
Total comprehensive loss for the period		**(1,100,113)**	**(2,913,694)**
Loss for the period attributable to:			
Equity holders of the parent		(948,745)	(2,573,231)
Non-controlling interest	13	101,587	(668,710)
		(847,158)	**(3,241,941)**
Total comprehensive loss for the period attributable to:			
Equity holders of the parent		(1,191,592)	(2,314,878)
Non-controlling interest	13	91,479	(598,816)
		(1,100,113)	**(2,913,694)**
(Loss)/profit per share attributable to equity holders of the parent:			
Basic and diluted loss (pence per share)	22	(0.04)	(0.12)

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

Eurasia Mining Plc.
(Company number 03010091)
Consolidated statement of financial position
As at 31 December 2019

	Note	31 December 2019	31 December 2018
		£	£
ASSETS			
Non-current assets			
Property, plant and equipment	11	3,929,037	3,660,614
Assets in the course of construction	11	35,964	33,193
Intangible assets	12	854,995	802,661
Total non-current assets		**4,819,996**	**4,496,468**
Current assets			
Inventories		1,916	1,495
Trade and other receivables	15	174,669	49,046
Current tax asset		6,590	-
Cash and cash equivalents		920,013	452,676
Total current assets		**1,103,188**	**503,217**
Total assets		**5,923,184**	**4,999,685**
EQUITY			
Issued capital	16	30,714,909	28,803,321
Other reserves	18	3,632,745	3,941,115
Accumulated losses		(27,581,261)	(26,632,516)
Equity attributable to equity holders of the parent		**6,766,393**	**6,111,920**
Non-controlling interest	13	(1,327,560)	(1,419,039)
Total equity		**5,438,833**	**4,692,881**
LIABILITIES			
Non-current liabilities			
Provisions	19	62,218	-
Total non-current liabilities		**62,218**	**-**
Current liabilities			
Borrowings	20	47,225	43,586
Trade and other payables	21	359,023	263,218
Provisions	19	15,885	-
Total current liabilities		**422,133**	**306,804**
Total liabilities		**484,351**	**306,804**
Total equity and liabilities		**5,923,184**	**4,999,685**

These financial statements were approved by the board on 30 June 2020 and were signed on its behalf by:

C. Schaffalitzky
Executive Chairman
The accompanying notes are an integral part of these financial statements.

Eurasia Mining Plc.
(Company number 03010091)
Company statement of financial position
As at 31 December 2019

	Note	31 December 2019	31 December 2018
		£	£
ASSETS			
Non-current assets			
Property, plant and equipment	11	663	1,009
Investments in subsidiaries	13	1,132,246	1,132,246
Total non-current assets		**1,132,909**	**1,133,255**
Current assets			
Trade and other receivables	15	91,561	36,940
Other financial assets	14	6,689,106	6,252,506
Cash and cash equivalents		894,995	170,690
Total current assets		**7,675,662**	**6,460,136**
Total assets		**8,808,571**	**7,593,391**
EQUITY			
Issued capital	16	30,714,909	28,803,321
Other reserves	18	3,958,087	4,023,610
Accumulated losses		(26,391,975)	(25,517,698)
Total equity		**8,281,021**	**7,309,233**
LIABILITIES			
Current liabilities			
Trade and other payables	21	527,550	284,158
Total current liabilities		**527,550**	**284,158**
Total liabilities		**527,550**	**284,158**
Total equity and liabilities		**8,808,571**	**7,593,391**

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 £874,277 (2018: loss of £1,831,378).

These financial statements were approved by the board on 30 June 2020 and were signed on its behalf by:

C. Schaffalitzky
Executive Chairman

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

Eurasia Mining Plc.
(Company number 03010091)
Consolidated statement of changes in equity
For the year ended 31 December 2019

	Notes	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 2018		**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**
Issue of ordinary share capital for cash		221,713	578,303	-	-	-	-	**800,016**	-	**800,016**
Share issue cost		-	(29,580)	-	-	-	-	**(29,580)**	-	**(29,580)**
Issue of ordinary shares on exercise of warrants		109,197	370,826	-	(112,868)	-	-	**367,155**	-	**367,155**
Shares issued in lieu of loan note interest		20,522	88,253	-	-	-	-	**108,775**	-	**108,775**
Conversion of loan notes		170,549	639,075	-	-	-	-	**809,624**	-	**809,624**
Recognition of options under employee share option plan		-	-	-	455,028	-	-	**455,028**	-	**455,028**
Recognition of warrants issued for professional services		-	-	-	14,307	-	-	**14,307**	-	**14,307**
Issue of shares under employee share option plan		1,742	9,688	-	-	-	-	**11,430**	-	**11,430**
Reversal on cancellation of options		-	-	-	(2,788)	-	2,788	-	-	-
De-recognition of equity element of convertible loan notes		-	-	-	(74,285)	-	74,285	-	-	-
Non-controlling interests arising on reduction of interest in subsidiary		-	-	-	-	-	-	-	(111,589)	**(111,589)**
Gain on changes in parent's ownership interest in a subsidiary	13						348,361	**348,361**	-	348,361
Transactions with owners		**523,722**	**1,656,565**	**-**	**279,394**	**-**	**425,434**	**2,885,115**	**(111,589)**	**2,773,526**
Loss for the period		-	-	-	-	-	(2,573,231)	**(2,573,231)**	(668,710)	**(3,241,941)**
Exchange differences on translation of foreign operations		-	-	-	-	258,353	-	**258,353**	69,894	**328,247**
Total comprehensive income		**-**	**-**	**-**	**-**	**258,353**	**(2,573,231)**	**(2,314,878)**	**(598,816)**	**(2,913,694)**
Balance at 31 December 2018		**2,371,569**	**19,406,269**	**7,025,483**	**4,023,610**	**(82,495)**	**(26,632,516)**	**6,111,920**	**(1,419,039)**	**4,692,881**

Eurasia Mining Plc.
(Company number 03010091)
Consolidated statement of changes in equity
For the year ended 31 December 2019

	Note	Share capital	Share premium	Deferred shares	Other reserves	Translation reserve	Retained loss	**Attributable to equity holders of the parent**	Non-controlling interest	**Total**
Balance at 1 January 2019		2,371,569	19,406,269	7,025,483	4,023,610	(82,495)	(26,632,516)	**6,111,920**	(1,419,039)	**4,692,881**
Issue of ordinary share capital for cash		116,183	510,185	-	-	-	-	**626,368**	-	**626,368**
Issue of ordinary shares on exercise of warrants		175,747	874,256	-	-	-	-	**1,050,003**	-	**1,050,003**
Issue of shares under employee share option plan		30,258	144,224	-	-	-	-	**174,482**	-	**174,482**
Share issue cost		-	(52,220)	-	-	-	-	**(52,220)**	-	**(52,220)**
Reversal on cancellation or exercise of options and warrants		-	112,955	-	(112,955)	-	-	-	-	-
Recognition of options under employee share option plan		-	-	-	47,432	-	-	**47,432**	-	**47,432**
Transaction with owners		**322,188**	**1,589,400**	**-**	**(65,523)**	**-**	**0**	**1,846,065**	**-**	**1,846,065**
Profit/(loss) for the period		-	-	-	-	-	(948,745)	**(948,745)**	101,587	**(847,158)**
Other comprehensive income/(loss)		-	-	-	-	-	-	-	-	
Exchange differences on translation of foreign operations		-	-	-	-	(242,847)	-	**(242,847)**	(10,108)	**(252,955)**
Total comprehensive loss for the period ended 31 December 2019		**-**	**-**	**-**	**-**	**(242,847)**	**(948,745)**	**(1,191,592)**	**91,479**	**(1,100,113)**
Balance at 31 December 2019		**2,693,757**	**20,995,669**	**7,025,483**	**3,958,087**	**(325,342)**	**(27,581,261)**	**6,766,393**	**(1,327,560)**	**5,438,833**

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

Eurasia Mining Plc.
(Company number 03010091)
Company statement of changes in equity
For the year ended 31 December 2018

	Share capital	Share premium	Deferred shares	Other reserves	Retained loss	**Total**
	£	£	£	£	£	**£**
Balance at 1 January 2018	1,847,847	17,749,704	7,025,483	3,744,216	(23,763,393)	6,603,857
Issue of ordinary share capital for cash	221,713	578,303	-	-	-	**800,016**
Issue of ordinary shares on exercise of warrants	109,197	370,826	-	(112,868)	-	**365,664**
Shares issued in lieu of loan note interest	20,522	88,253	-	-	-	**108,775**
Conversion of loan notes	170,549	639,075	-	-	-	**809,624**
Issue of shares under employee share option plan	1,742	9,688	-	-	-	**12,922**
Share issue cost	-	(29,580)	-	-	-	**(29,580)**
Reversal on cancellation of options	-	-	-	(2,788)	2,788	-
Recognition of options under employee share option plan	-	-	-	455,028	-	**562,912**
Recognition of warrants issued for professional services				14,307	-	**14,307**
Derecognition of warrants on restructure of convertible loan notes	-	-	-	(74,285)	74,285	-
Transactions with owners	**523,722**	**1,656,565**	**-**	**279,394**	**77,073**	**2,536,754**
Loss and total comprehensive income					(1,831,378)	**(1,831,378)**
Balance at 31 December 2018	**2,371,569**	**19,406,269**	**7,025,483**	**4,023,610**	**(25,517,698)**	**7,309,233**
Balance at 1 January 2019	**2,371,569**	**19,406,269**	**7,025,483**	**4,023,610**	**(25,517,698)**	**7,309,233**
Issue of ordinary share capital for cash	116,183	510,185	-	-	-	**626,368**
Issue of ordinary shares on exercise of warrants	175,747	874,256	-	-	-	**1,050,003**
Issue of shares under employee share option plan	30,258	144,224	-	-	-	**174,482**
Share issue cost	-	(52,220)	-	-	-	**(52,220)**
Reversal on cancellation or exercise of options and warrants	-	112,955	-	(112,955)	-	-
Recognition of options under employee share option plan	-	-	-	47,432	-	**47,432**
Transactions with owners	**322,188**	**1,589,400**	**-**	**(65,523)**	**-**	**1,846,065**
Loss and total comprehensive income	-	-	-	-	(874,277)	**(874,277)**
Balance at 31 December 2019	**2,693,757**	**20,995,669**	**7,025,483**	**3,958,087**	**(26,391,975)**	**8,281,021**

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

Eurasia Mining Plc.
(Company number 03010091)
Consolidated statement of cash flows
For the year ended 31 December 2019

	Note	Year to 31 December 2019	Year to 31 December 2018
		£	£
Cash flows from operating activities			
Loss for the period		(847,158)	(3,241,941)
Adjustments for:			
Depreciation of non-current assets	11	181,395	367,173
Finance costs recognised in profit or loss	20	-	623,779
Investment revenue recognised in profit or loss		(1,416)	(5,821)
Loss on impairment of financial assets		-	450,936
Gain on valuation of derivative financial instrument	9	-	(107,083)
Loss/(gain) on a loan settlement	9	-	60,405
Rehabilitation cost recognised in profit or loss		77,677	-
Income tax expense recognised in profit or loss		50,890	-
Net foreign exchange (gain)/loss	9	(556,938)	903,427
Expense recognised in respect of warrants issued for professional services		-	14,307
Expense recognised in respect of options under employee share option plan		47,431	455,028
		(1,048,119)	(479,790)
Movement in working capital			
Decrease in inventories		296	3,425
Decrease in trade and other receivables		(139,395)	36,522
Increase in trade and other payables		82,546	37,324
Cash outflow from operations		**(1,105,264)**	**(402,519)**
Income tax paid		(41,260)	-
Net cash used in operating activities		**(1,146,524)**	**(402,519)**
Cash flows from investing activities			
Interest received		1,416	5,821
Purchase of property, plant and equipment	11	(191,953)	(113,198)
Payment for exploration and evaluation assets	12	-	(49,164)
Net cash generated from/(used) in investing activities		**190,537**	**156,541**
Cash flows from financing activities			
Proceeds from sale of non-controlling interest		-	236,772
Proceeds from issue of equity shares, net of issue costs	16	1,798,633	1,149,022
Repayment of borrowings	20	-	(447,440)
Net cash proceeds from financing activities		**1,798,633**	**938,354**
Net decrease in cash and cash equivalents		**461,572**	**379,294**
Effects of exchange rate changes on the balance of cash held in foreign currencies		5,765	(16,437)
Cash and cash equivalents at beginning of period		452,676	89,819
Cash and cash equivalents at end of period		**920,013**	**452,676**

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

Eurasia Mining Plc.
(Company number 03010091)
Company statement of cash flows
For the year ended 31 December 2019

	Note	Year to 31 December 2018	Year to 31 December 2018
		£	£
Cash flows from operating activities			
Loss for the period		(874,277)	(1,831,378)
Adjustments for:			
Depreciation of non-current assets		346	102
Finance costs recognised in profit or loss	20	-	623,779
Investment revenue recognised in profit or loss		(238)	(2,062)
Gain on valuation of derivative financial instrument	9	-	(107,083)
Gain on debt settlement	9	-	60,405
Loss on impairment of investments		-	147,794
Net foreign exchange (gain)/loss	9	-	24,611
Expense recognised in respect of warrants issued for professional services		-	14,307
Expense recognised in respect of options under employee share option plan		47,431	455,028
		(826,738)	**(614,497)**
Movement in working capital			
(Decrease)/increase in trade and other receivables		(54,621)	7,211
Increase /(decrease) in trade and other payables		243,392	(39,769)
Cash outflow from operations		**(637,967)**	**(647,055)**
Income tax paid		-	-
Net cash used in operating activities		**(637,967)**	**(647,055)**
Cash flows from investing activities			
Interest received		238	2,062
Proceeds from repayment of related party loan		-	275,275
Amounts advanced to related party		(436,600)	(221,577)
Purchase of property, plant and equipment		-	(1,067)
Net cash generated from/(used) in investing activities		**436,362**	**54,693**
Cash flows from financing activities			
Proceeds from issue of equity shares, net of issue costs	16	1,798,633	1,149,022
Repayment of borrowings	20	-	(447,440)
Net cash proceeds from financing activities		**1,798,633**	**701,582**
Net decrease in cash and cash equivalents		**724,304**	**109,220**
Effects of exchange rate changes on the balance of cash held in foreign currencies		1	(30)
Cash and cash equivalents at beginning of period		170,690	61,500
Cash and cash equivalents at end of period		**849,995**	**170,690**

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

Notes to the consolidated financial statements

1 General information

Eurasia Mining Plc (the "**Company"**) is a public limited company incorporated and domiciled in Great Britain with its registered office at International House, 142 Cromwell Road, London SW7 4EF, United Kingdom and principal place of business at Clubhouse Holborn, 20 St Andrew Street, EC4A 3AG, United Kingdom. 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

At 31 December 2019 the Group's net current assets amounted to £681,055 (2018: £196,413). At the same time the Group had a cash balance of £920,013 (2018: £452,676). The Group had no debt at 31 December 2019. The Group had a credit line facility for US$1mln provided by Director D. Suschov in 2018, which was extended in 2020 until 31 August 2020, which the Directors decided not to utilise applying careful cash flow planning and an ability to bring excess funds generated from the West Kytlim operations.

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

The Group reviewed performance of the West Kytlim asset during 2019 and decided to take full control of its mining operations in 2020. All necessary equipment and machinery have been purchased and leased and the group will benefit from 100% of mine revenues expected to commence from June 2020. Leased machinery payments and other major operational expenditures will be met from mine revenue. The Company had maintained an operational base at the mine site from 2018 through 2019, with roles in exploration program management and geological oversight. Further seasonal machinery operators have been recruited however it is expected the project will benefit from overall operational efficiencies going forward.

The Company does not anticipate significant development expenditure at the Monchetundra asset in 2020 while discussions continue regarding a potential sale of that asset.

Management and executive team operational expenditure has been significantly reduced in 2020 as a result of the COVID-19 pandemic. The Company and the executive team adapted immediately and have not been negatively affected by the Pandemic. Like many businesses internationally the Company is now considering adopting some of the new work practices which have saved expenditure during the pandemic as operational norms after the lifting of travel restrictions.

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 2019

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.

The adoption of these Standards and Interpretations has had no impact on the financial statements of the Group in 2019, as the Group had only Short-term leases on the office premises with lease terms up to one year.

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 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, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- IFRS 17 Insurance Contracts
- IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)
- Amendments to IFRS 3 Definition of a business
- Amendments to IAS 1 and IAS 8 Definition of material

Conceptual Framework Amendments to References to the Conceptual Framework in IFRS Standards

The director do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except as noted below:

Amendments to IAS 1 and IAS 8 Definition of material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments to the definition of material is not expected to have a significant impact on the Group's 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 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.

4.6 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.

4.7 Revenue

To determine whether to recognise revenue, the Group follows a 5-step process:
1 Identifying the contract with a customer;
2 Identifying the performance obligations;
3 Determining the transaction price;
4 Allocating the transaction price to the performance obligations;
5 Recognising revenue when/as performance obligation(s) are satisfied.

The Group earns its revenues primarily from the sale of platinum group metals from the West Kytlim mine. The company enters into a contract with its main customer to deliver all mined metals extracted from the mine. There is one performance obligation under the sales contract, and that is the delivery of metals. As such, the entire price under the contract is allocated to the single performance obligation. Revenue is recognised when control over the metals passes to the customer.

The Group has determined that it is the principal in the sales transactions as the Group holds the mining license and has the rights to the underlying resources. The Group controls the sales process, from selecting the customer to determining sales price.

The group may also perform consultancy and management services. Revenue is recognised as performance conditions under contracts are satisfied. During the year, there were no revenues from services (2018 – nil).

4.8 Taxation

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

<u>Current tax</u>
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.

<u>Deferred tax</u>
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.

4.9 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

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 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.

4.10 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.

4.11 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.

4.12 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.

4.13 Financial instruments

<u>Recognition and derecognition</u>

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.
Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.
A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

<u>Classification and initial measurement of financial assets</u>

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).
Financial instruments, other than those designated and effective as hedging instruments, are classified into the following categories:
• amortised cost
• fair value through profit or loss (FVTPL)
• fair value through other comprehensive income (FVOCI).

The classification is determined by both:
• the entity's business model for managing the financial asset
• the contractual cash flow characteristics of the financial asset.
All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

<u>Subsequent measurement of financial assets</u>

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
• they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. The category also contains an equity investment. Assets in this category are measured at fair value with gains or losses recognised in profit or loss.
The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

<u>Financial assets at fair value through other comprehensive income (FVOCI)</u>

The Group accounts for financial assets at FVOCI if the assets meet the following conditions:
• they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell and
• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'.
Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.
Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.
In applying this forward-looking approach, a distinction is made between:
• financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
• financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.
'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.
Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.
The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at fair value through profit and loss (FVTPL) except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:
• there is an economic relationship between the hedged item and the hedging instrument
• the effect of credit risk does not dominate the value changes that result from that economic relationship
• the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.
All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the statement of financial position.
To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.
At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. However, if a non-financial asset or liability is recognised as a result of the hedged transaction, the gains and losses previously recognised in other comprehensive income are included in the initial measurement of the hedged item.
If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued, and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

Borrowings

Amounts borrowed from third parties are recorded initially at fair value, being the amount received under the agreements less issuance costs, and subsequently measure at amortised cost using an effective interest rate. There are times when there are conversion options included in the group's borrowing agreements. The conversion options are analysed under IAS 32 – Financial Instruments: presentation to determine the proper classification. If the option is determined to be equity, the fair value of the conversion option is included in other reserves, with the fair value of the liability portion being recorded as a liability with interest accruing under the effective interest rate. If the conversion option is determined to be a liability, it is treated as a derivative financial instrument measured at fair value through profit or loss.

When a conversion option is exercised, the fair value of the shares issued is recorded in share capital and share premium. The amortised carrying value of the liability portion is extinguished. If the conversion option is an equity instrument, this is closed to retained earnings. If the conversion option is a liability component, it is extinguished. Any difference between the carrying value of the liability and the conversion option and the fair value of share issued is taken to the profit and loss as gain or loss on extinguishment.

If debt agreements are modified, any difference between the fair value of the original debt and the modified debt is included as a gain or loss on modification. If the modification is significant, this is considered an extinguishment of the old debt and recognition of new debt.

Warrants

The Company will issue warrants in association with debt and equity issuances and as compensation to suppliers or vendors in exchange for services. These are determined to be equity instruments. When warrants are issued with debt or as compensation to suppliers or vendors, the value of the warrants are included within the share-based payments reserve that sits within the other reserve. When warrants are issued together with equity issuances any fair value associated with these are recognised when the warrants are exercised within share premium. On exercise of the warrants, the value of the warrants will be transferred from other reserves to share premium as applicable.

4.14 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.

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 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.

5.1.1 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.

5.1.2 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.

5.1.3 Impairment review of the mining assets

The impairment assessment of the West Kytlim mining asset was based on lower of a book value and the value in use. Projected cash flows from 2020 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:
Pt grade 0.85g/tonne
Process recovery 70%
Platinum/Gold price $850/oz / $1,700/oz
Pre-tax discount rate 9.6%
Management has performed a sensitivity analysis on the key variable, such as platinum and production levels and the model is robust up to 12% on platinum and gold prices and decrees of 11% on production level.

6 Segmental information

During the year under review management identified the Group consisting of separate segments operating mainly in mining and exploration for and development of platinum group metals, gold and other minerals in Russia. These segments are monitored, and strategic decisions are made based upon it and other non-financial data collated from the on-going mining and 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**	**Corporate and other segments**
Geographical location	Urals Mountains, Russia	Kola Peninsula, Russia	-
Activity	Operating mine and revenue generating unit	Licenced mining project	Management and investment
2019	£	£	£
Non-current assets	3,624,293	814,706	380,997
Revenue	1,128,970	-	-
2018	£	£	£
Non-current assets	3,322,969	752,126	421,373
Revenue	2,573,329	-	-

All revenue recognised in 2019 and 2018 relate to the sale of PGM from West Kytlim.West Kytlim revenue generated from sale of platinum and other precious metals to a single customer “Ekaterinburg Non-ferrous Metals Refinery”, being the only regional refinery, processing platinum group metals and being duly licenced by the Russian governmental to deal with precious metals.

7 Employees

Average number of staff (excluding Non-Executive Directors) employed throughout the year was as follows:

	2019	**2018**
By the Company	2	2
By the Group	28	23

8 Profit/(loss) for the year

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

	Year to 31 December 2019		Year to 31 December 2018	
	Group	Company	Group	Company
	£	£	£	£
Staff benefits expense:				
Wages, salaries and Directors’ fees (note 23)	625,479	371,713	500,145	268,910
Social security costs	84,095	5,034	72,656	3,706
Value of options issued to employees	27,825	14,706	250,078	166,110
Value of options issued to non-employees	19,606	19,606	204,950	288,918
Other short-term benefits	14,669	14,669	16,685	16,685
	770,346	**425,728**	**1,044,514**	**744,329**
Depreciation	181,395	346	367,173	74
Mineral extraction tax	151,614	69,083	151,614	-
Other share-based payment expense	-	-	14,307	14,307
Audit fees payable to the Company’s auditor for the audit of the Group’s annual accounts	48,000	48,000	40,000	40,000

9 Other gains and losses

	Year to 31 December 2019 Group £	Year to 31 December 2018 Group £
Gains		
Net foreign exchange gain	556,938	-
Change in fair value of derivative instrument	-	107,083
	556,938	**107,083**
Losses		
Impairment of investments	-	(450,936)
Loss on debt settlement	-	(60,405)
Net foreign exchange loss	-	(903,427)
	-	**(1,307,685)**

10 Income taxes

(a) tax charged in the statement of profit and loss

	Year to 31 December 2019 Group £	Year to 31 December 2018 Group £
Current tax	50,890	-

There was no tax payable by the Company for the year ended 31 December 2019 (2018: £nil) due to the Company having taxable losses.

(b) Reconciliation of the total tax charge

	Year to 31 December 2019 Group £	Year to 31 December 2018 Group £
(Loss)/profit before tax	(796,268)	(3,241,941)
Current tax at 19% (2018: 19%)	(151,291)	(615,968)
Adjusted for the effect of:		
Expenses not deductible for tax purposes	-	-
Profits not subject to tax	-	-
Tax losses utilised	-	-
Unrecognised tax losses carried forward	202,181	615,968
Actual tax expense	**50,890**	-

Tax payable for the year ended 31 December 2018 (2018: £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 £21,468,087 (2018: £20,841,457) 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 1 January 2018	**4,368,163**	**25,038**	**88,246**	**55,763**	**4,537,210**
Additions	83,069		29,090	1,039	113,198
Disposals	-		-	(35,897)	(35,897)
Exchange differences	(457,625)	(1,044)	(10,786)	(2,052)	(471,507)
Balance at 31 December 2018	**3,993,607**	**23,994**	**106,550**	**18,853**	**4,143,004**
Additions	111,059	-	80,894	-	191,953
Disposals	-	-	-	(7,838)	(7,838)
Exchange differences	281,087	627	8,897	1,231	291,842
Balance at 31 December 2019	**4,385,753**	**24,621**	**196,341**	**12,246**	**4,618,961**
Depreciation					
Balance at 1 January 2018	**(28,530)**	**(793)**	**(82,960)**	**(54,452)**	**(166,735)**
Disposals			-	35,897	35,897
Depreciation expense	(362,551)	(203)	(4,148)	(271)	(367,173)
Exchange differences	3,487	97	10,140	1,897	15,621
Balance at 31 December 2018	**(387,594)**	**(899)**	**(76,968)**	**(16,929)**	**(482,390)**
Disposals	-	-	-	7,838	7,838
Depreciation expense	(168,981)	(220)	(11,455)	(739)	(181,395)
Exchange differences	(26,321)	(75)	(6,427)	(1,154)	(33,977)
Balance at 31 December 2019	**(582,896)**	**(1,194)**	**(94,850)**	**(10,984)**	**(689,924)**
					0
Carrying amount:					0
at 31 December 2019	**3,802,857**	**23,427**	**101,491**	**1,262**	**3,929,037**
at 31 December 2018	**3,606,013**	**23,095**	**29,582**	**1,924**	**3,660,614**

(b) Assets in the course of construction

	2019	2018
	£	£
Cost		
Balance at 1 January	33,193	37,814
Exchange differences	2,771	(4,621)
Balance at 31 December	**35,964**	**33,193**

Assets in the course of construction represent the Group's investment in the powerline to deliver electricity to the West Kytlim mining site. At 31 December 2019 the power line had not been commissioned yet.

(c) Company's office fixture and fittings

	2019	2018
	£	£
Cost		
Balance at 1 January	4,107	39,918
Additions	-	1,039
Disposal	(1,753)	(35,897)
Balance at 31 December	**2,354**	**4,107**
Depreciation		
Balance at 1 January	(3,098)	(39,874)
Depreciation expense	(346)	(74)
Disposals	1,753	35,897
Balance at 31 December	**(1,691)**	**(3,098)**
Carrying amount	**663**	**1,009**

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

12 Intangible assets

In 2019 intangible assets represented only capitalised costs associated with the Group's exploration, evaluation and development of mineral resources.

	2019	2018
	£	£
Cost		
Balance at 1 January	802,661	840,793
Additions	-	49,164
Exchange differences	52,334	(87,296)
Balance at 31 December	**854,995**	**802,661**

At 31 December 2019 and 31 December 2018, 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 2019 (2018: nil)

13 Subsidiaries

Details of the Company's subsidiaries at 31 December 2019 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	68%	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

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

	2019	2018
	£	£
Investment in subsidiaries (i)	1,132,246	1,132,246
	1,132,246	**1,132,246**

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.

Subsidiaries with material non-controlling interests ("NCI")

Summary of non-controlling interest

	2019	2018
	£	£
As at 1 January	(1,419,039)	(708,634)
NCI arising on reduction of interest in subsidiary	-	(111,589)
(Loss)/profit attributable to NCI	101,587	(668,710)
Exchange differences	(10,108)	69,894
As at 31 December	**(1,327,560)**	**(1,419,039)**

Non-controlling interest on subsidiary basis

	2019	2018
	£	£
ZAO Kosvinsky Kamen	(723,495)	(818,257)
ZAO Terskaya Mining Company	(604,065)	(600,782)
	(1,327,560)	**(1,419,039)**

ZAO Kosvinsky Kamen

	2019	2018
	£	£
Non-current assets	3,624,293	3,322,969
Current assets	107,477	305,235
Total assets	**3,731,770**	**3,628,204**
Non-current liabilities	(5,696,821)	(5,650,038)
Current liabilities	(323,434)	(412,702)
Total liabilities	**(6,020,255)**	**(6,062,740)**
Net assets	**(2,288,485)**	**(2,434,536)**
Equity attributable to owners of the parent	(1,564,990)	(1,616,279)
Non-controlling interests	(723,495)	(818,257)
Profit/(loss) for the year attributable to owners of the parent	161,540	(768,345)
Profit/(loss) for the year attributable to NCI	94,128	(301,537)
Profit/(loss) for the year	**255,668**	**(1,069,882)**
Total comprehensive income for the year attributable to owners of the parent	(43,698)	(482,981)
Total comprehensive income for the year attributable to NCI	94,762	(276,315)
Total comprehensive income for the year	**51,064**	**310,586**

ZAO Terskaya Mining Company

	2019	2018
	£	£
Non-current assets	814,706	752,126
Current assets	10,601	2,530
Total assets	**825,307**	**754,656**
Non-current liabilities	(1,007,186)	(925,089)
Current liabilities	(71,200)	(69,912)
Total liabilities	(1,078,386)	(995,001)
Net assets	(253,079)	(240,345)
Equity attributable to owners of the parent	350,986	360,437
Non-controlling interests	(604,065)	(600,782)
(Loss)/profit for the year attributable to owners of the parent	(72)	(147,940)
(Loss)/profit for the year attributable to NCI	(20,121)	(44,463)
(Loss)/profit for the year	**(12,734)**	**(192,403)**
Total comprehensive income for the year attributable to owners of the parent	(9,451)	(192,747)
Total comprehensive income for the year attributable to NCI	(3,283)	(17,282)
Total comprehensive income for the year	**(12,734)**	**(210,029)**

14 Other financial assets

	2019		2018	
	Group	Company	Group	Company
	£	£	£	£
Current				
Loans to subsidiaries	-	6,689,106	-	6,252,506
	-	**6,689,106**	**-**	**6,252,506**

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 to subsidiary is dependent on the borrower's ability to (i) transform them into cash generating units through development of sufficient economically recoverable reserves into profitable production or (ii) to complete a sale of all or part of the deposit. The Group has assessed the estimated credit losses of these loans and given the effective interest rate of the loans is 0%, there would be an immaterial loss expected on these loans.

15 Trade and other receivables

	2019		2018	
	Group	Company	Group	Company
	£	£	£	£
Trade receivables	-	-	-	-
Prepayments	41,800	39,437	13,374	11,568
Other receivables	132,869	33,566	35,672	8,156
Due from subsidiaries	-	18,558	-	17,216
	174,669	**91,561**	**49,046**	**36,940**

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

16 Issued capital

	2019	2018
Issued and fully paid ordinary shares with a nominal value of 0.1p		
Number	2,693,756,753	2,371,569,430
Nominal value (£)	2,693,757	2,371,569
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 (£)	20,995,669	19,406,269
Total issued capital (£)	**30,714,909**	**28,803,321**

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 2019:

	Price in pence per share	Number	Nominal value £
As at 1 January 2019		2,371,569,430	2,371,569
18-April-19	0.550 p	90,909,091	90,909
24-June-19	0.500 p	25,273,400	25,273
25-October-19	0.600 p	10,000,000	10,000
25-October-19	0.413 p	6,053,612	6,053
28-October-19	0.600 p	16,999,997	17,000
29-October-19	0.600 p	27,066,666	27,067
30-October-19	0.600 p	18,766,668	18,767
05-November-19	0.600 p	54,750,002	54,750
05-November-19	0.420 p	8,257,748	8,258
08-November-19	0.600 p	13,166,666	13,167
13-November-19	0.420 p	1,000,000	1,000
13-November-19	0.600 p	10,000,000	10,000
13-November-19	0.600 p	1,166,668	1,167
15-November-19	0.600 p	9,166,666	9,167
29-November-19	0.600 p	15,583,333	15,583
29-November-19	0.826 p	3,026,806	3,027
29-November-19	0.420 p	3,000,000	3,000
29-November-19	0.600 p	3,000,000	3,000
29-November-19	0.900 p	5,000,000	5,000
		322,187,323	**322,188**
As at 31 December 2019		**2,693,756,753**	**2,693,757**

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 2019	Number of options as at 31 December 2018
Share options			
02 November 2022	0.42	56,000,000	70,257,748
02 November 2022	0.60	40,000,000	53,000,000
02 November 2022	0.90	43,000,000	48,000,000
		139,000,000	171,257,748
Warrants			
15 May 2020	1.00	20,000,000	20,000,000
16 May 2020	1.00	10,000,000	10,000,000
16 May 2020	0.60	-	166,666,666
17 September 2021	0.41	-	6,053,612
17 September 2021	0.83	-	3,026,806
17 September 2021	1.24	2,017,871	2,017,871
		32,017,871	**207,764,955**
Weighted average exercise price		0.69	0.66
Total contingently issuable shares at 31 December		**171,017,871**	**379,022,703**

All the listed options were exercisable as at 31 December 2019 (123,257,748 out of 171,257,748 options were exercisable at 31 December 2018).
All listed warrants were exercisable as at 31 December 2019 and 2016 respectively.

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

(Price expressed in pence per share)	2019 Average exercise price	2019 No. of share options	2018 Average exercise price	2018 No. of share options
Share options				
At 1 January	-	**171,257,748**	-	-
Granted*	0.61	-	0.61	173,000,000
Exercised	0.42	(14,257,748)	0.42	(1,742,252)
Exercised	0.60	(13,000,000)	-	-
Exercised	0.9	(5,000,000)	-	-
At 31 December	**0.62**	**139,000,000**	**0.61**	**171,257,748**

*No options were granted by the Group in 2019 (173,000,000 options granted in 2018) to the Directors, Group employees and consultants to the Group. 21,000,000 options have been authorised in 2018 to be granted at later date. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither right to dividends nor voting rights. Options may be exercised at any time from the vesting date to the date of their expiry. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Out of 173,000,000 options granted by the Group in 2018:

- 72,000,000 options issued with exercise price of 0.42p and vested on the issue date.

- 53,000,000 options issued with exercise price of 0.6p and were due to vest at the date when VWAP has been 0.6 p or above for 10 consecutive days, or at the latest 31 December 2018. Options vested on 22 November 2018.
- 48,000,000 options issued with exercise price of 0.9p vesting at the date when VWAP has been 0.9 p or above for 10 consecutive days, or at the latest 30 June 2019.

All options granted in 2018 expire on 02 November 2022.

Options vested in 2019 were priced using Black-Scholes valuation model. Expected volatility is based on the historical share price volatility for the number of years equal to the period from vesting until expiry date of the respective options.

Inputs in the model were:

(Price expressed in pence per share)	
Date of grant/vesting	02 November 2018
No of options	48,000,000
Years until expiry	3.4
Grant date share price	0.49
Exercise price	0.9
Expected volatility	94%
Estimated option life	2 years
Risk-free interest rate	0.75%
Dividend yield	0%

Warrants
No warrants were granted by the Group in 2019 (207,764,955 warrants were granted in 2018).
Movement in number of warrants outstanding and their related weighted average exercise prices are as follows:

(Price expressed in pence per share)	2019		2018	
	Average exercise price	No. of warrants	Average exercise price	No. of warrants
***Warrant*s**				
At 1 January	0.66	207,764,955	0.49	140,146,618
Granted		-	0.6	177,764,955
Exercised	0.60	(166,666,666)	0.34	(109,196,618)
Exercised	0.41	(6,053,612)	-	-
Exercised	0.83	(3,026,806)	-	-
Expired	-	-	0.57	(950,000)
At 31 December	**1.02**	**32,017,871**	**0.66**	**207,764,955**

All listed warrants were exercisable as at 31 December 2019 and 2018 respectively.

18 Other reserves

	2019		2018	
	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	(82,495)	-	(340,848)	-
Recognised in the period	(242,847)	-	258,353	-
At 31 December	**(325,342)**	-	**(82,495)**	-
Share-based payments reserve:				
At 1 January	483,704	483,704	130,025	130,025
Recognised in the period	47,432	47,432	470,826	470,826
Utilised on exercise of warrants	(112,955)	(112,955)	(114,359)	(114,359)
De-recognised in the period	-	-	(2,788)	(2,788)
At 31 December	**418,181**	**418,181**	**483,704**	**483,704**
Equity component of convertible loan notes:				
At 1 January	-	-	74,285	74,285
Recognised in the period	-	-	-	-
Utilised on conversion of loan notes	-	-	(74,285)	(74,285)
At 31 December	-	-	-	-
	3,632,745	**3,958,087**	**3,941,115**	**4,023,610**

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 Provision

	2019	2018
	£	£
Long term provision:		
Environment rehabilitation	62,218	-
Short term provision:		
Environment rehabilitation	15,885	-
	78,103	-

Movement in provision is as follows

	2019	2018
	£	£
At 1 January	-	-
Recognised in the period	77,677	-
Exchange differences	426	-
At 31 December	**78,103**	-

Provision is made for the cost of restoration and environmental rehabilitation of the land disturbed by the West Kytlim mining operations, based on the estimated future costs using information available at the reporting date.
The provision is discounted using a risk-free discount rate of from 5.08% to 5.82% depending on the commitment terms, attributed to the Russian Federal Bonds.
Provision is estimated based on the sub-areas within general West Kytlim mining licence the company has carried down its operations on by the end of the reporting period. Timing is stipulated by the forestry permits issued at the pre-mining stage for each of sub-areas. Actual costs in respect of the long-term provision recognised in 2019 will be incurred within 2021-2022.

20 Borrowings

	2019		2018	
	Group	Company	Group	Company
	£	£	£	£
Unsecured loan	47,225	-	43,586	-
	47,225	-	**43,586**	-

In 2017 the Group entered into unsecured loan facility to borrow up to 57 million Russian Rubbles (RR) at 14% per annum, from Region Metal, the then contractor and the West Kytlim mine operator. The Group had drawn RR 4.18 million and repaid RR0.3 million in 2017. As the contractor'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 2020.

21 Trade and other payables

	2019		2018	
	Group	Company	Group	Company
	£	£	£	£
Trade payables	-	-	24,463	-
Accruals	321,797	308,285	71,743	57,765
Social security and other taxes	11,361	3,396	145,180	3,436
Other payables	25,865	17,286	21,832	24,374
Due to related party	-	198,583	-	198,583
	359,023	**527,550**	**263,218**	**284,158**

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

22 Loss per share

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

	2019	2018
	£	£
(Loss)/profit attributable to equity holders of the Company	(879,359)	(2,573,231)
Weighted average number of ordinary shares in issue	2,480,335,330	2,085,508,722
Basic loss per share (pence)	**(0.04)**	**(0.12)**

Potential number of shares that could be issued following exercise of share options or warrants:

Number of exercisable instruments:	2019	2018
	£	£
Share options	139,000,000	171,257,748
Warrants	32,017,871	207,764,955
	179,017,871	379,022,703

There is no dilutive effect of share options or warrants (2018: Nil) as the group was in a loss position.

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.

	2019	2018
	£	£
Receivables from subsidiaries	18,558	17,216
Loans provided to subsidiaries	6,689,106	6,252,506
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 2019:

	2019	2018
	£	£
Short-term benefits	314,508	238,758
Value of the options issued in 2018	9,804	114,676
	324,312	**353,434**

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 2019 (2018: nil).

An analysis of remuneration for each Director of the Company in the current financial year:

Name	Position	Salaries and allowances	Directors fees	Value of the options issued and vested in 2018	Value of the shares issued for the extra work
		£	£	£	£
C. Schaffalitzky	Executive Chairman	104,508	-	4,902	-
G. FitzGerald	Non-Executive Director	-	25,000	-	-
D. Suschov	Non-Executive Director	-	140,000	4,902	45,000
		104,508	**165,000**	**4,902**	**45,000**

Reconciliation of the Directors' accounts

Name	At 1 January 2019	Salaries and allowances	Directors fees	Fees for the extra work	Paid in cash	Paid in shares	Settlements by Director/ (by company)	PAYE/ NIC	At 31 December 2019
	£	£	£	£	£	£	£	£	£
C. Schaffalitzky	11,129	104,508	-	-	(56,040)	(42,500)	287	-	17,384
G. FitzGerald	(6,568)	-	25,000	-	-	-	-	(8,300)	10,132
D. Suschov	(354)	-	140,000	45,000	-	(49,600)	(3,487)	-	131,559
	4,207	104,508	165,000	45,000	(56,040)	(92,100)	(3,200)	(8,300)	159,075

24 Short-term leases

Short-term 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.

	2019		2018	
	Group	Company	Group	Company
	£	£	£	£
Payments recognised as an expense:				
Minimum lease payments	16,817	3,941	26,339	13,625
Non-cancellable operating lease commitments:				
No longer than one year	12,946	-	21,031	9,083
Longer than one year and not longer than five years	-	-	-	-
Longer than five years		-		-
	12,946	**-**	**21,031**	**9,083**

The minimum lease payment was adjusted for the office premises sub-lease receipts received by the Company in 2019 of £2,328 (2018: £13,625).
The short-term lease commitments represent full commitment by the Company under office lease arrangements

25 Commitments

At the time of the award of the Monchetundra mining license a royalty payment was calculated by the Russian Federal Reserves Commission. 20% of this payment was paid in December of 2018 and the remaining 80%, or Rub16.68 mln (approximately £200,000) to be paid by November 2023.

The Group has no other material commitments.

26 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**	
	2019	2018	2019	2018
USD	1.276	1.335	1.321	1.277
RUB	82.61	83.66	82.16	89.02

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 2019				
USD (5% movement)	38,255	11,634	34,615	(10,527)
RUB (5% movement)	116,637	(14,709)	(105,529)	13,310

31 December 2018

USD (5% movement)	51,619	(15,334)	(57,052)	16,951
RUB (5% movement)	(113,866)	(56,980)	125,854	62,977

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 had 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.

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:

	2019		2018	
	Group	Company	Group	Company
	£	£	£	£
Non-current loans and advances	-	-	-	-
Current loans and advances	-	6,689,106	-	6,252,506
Trade and other receivables	181,259	91,561	49,046	36,940
Cash and cash equivalents	920,013	894,995	452,676	170,690
	1,101,272	**7,675,662**	**501,722**	**6,460,136**

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 2019 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
	£	£	£	£
2019				
Borrowings	-	47,225	-	-
Trade and other payables	359,023	-	-	-
	359,023	**43,586**	-	-
2018				
Borrowings	-	43,586	-	-
Trade and other payables	263,218	-	-	-
	263,218	**43,586**	-	-

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
	£	£	£	£
2018				
Borrowings	-	-	-	-
Trade and other payables	325,571	198,583	-	-
	325,571	**198,583**	-	-
2018				
Borrowings	-	-	-	-
Trade and other payables	82,139	198,583	-	-
	82,139	**198,583**	-	-

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:

	2019		2018	
	Group	Company	Group	Company
	£	£	£	£
Total borrowings	47,225	-	43,586	-
Less cash and cash equivalents	(920,013)	(894,995)	(452,676)	(170,690)
Net debt	-	-	-	-
Total equity	6,766,393	8,281,021	6,111,920	7,309,233
Total capital	6,766,393	8,281,021	6,111,920	7,309,233
Gearing	0%	0%	0%	0%

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.

27 Events after the consolidated statement of financial position date

1. Availability period on the Credit Line for US$1m from the Company's director and the largest shareholder put in place in June 2018 was extended until 31 August 2020. No amount has been drawn under this facility at the report sign off date.

2. On 11 March 2020, the World Health Organization raised the public health emergency caused by the outbreak of the coronavirus COVID-19 to an international pandemic. The rapid evolution of events, nationally and internationally, represents an unprecedented health crisis, which may impact the macroeconomic environment and the business.
The Group monitored the ongoing COVID-19 outbreak, accessing the advice by the World Health Organisation and Public Health England to ensure that best-practice precautions are being applied.
Clear information and health precautions on how employees should protect themselves and reduce exposure to, and transmission of, a range of illnesses along with general advice has been communicated across the Group. The Group has proved to have sufficient capacities and technological environment set up to continue operating the mine and where possible working remotely.

The Group at present cannot be more specific on the impact as the worldwide situation is unique. The Group takes required actions, consultations, reviews and imposing tighter cash spending control. By the time of this report finalisation, the Group has not been affected by the COVID-19 issues, there have been no disruptions to any of supply chains, personnel shortages and mine operations.
The Board constantly monitors and assesses situation and believes that business interruptions are unlikely scenario going forward due to the open pit nature of the mine, that enables employees to limit interaction; in addition the employees' ability to social distance whilst using the mining equipment and individual crew shelters; and the personal protection gear that the Company has provided to them, should result in the operations being unaffected.
This has been considered as a non-adjusting post balance sheet event.