EURASIA MINING PLC

Company number 03010091

Annual report and accounts
31 December 2021

About us

Eurasia Mining Plc is a London listed, battery metals, PGM and green hydrogen company developing mining and energy projects globally, with a focus on environmental and sustainability focussed mining solutions and with awareness of the future outlook for the world energy and energy supply landscape.

The Company's operating mine at West Kytlim in the Ural Mountains is the world's largest surface PGM (4 PGM; platinum, iridium, palladium and rhodium) and gold mine. 2022 sees the introduction of grid hydro-derived electric power to site and the switch from diesel powered equipment to electrically powered draglines as the main machinery component in developing sediment hosted PGM and gold ores. The mine then uses gravity and water as the key elements in ore beneficiation. Significant demand for the mine's product are in vehicle and other exhaust scrubbing uses, jewellery and in hydrogen production in membranes and in hydrogen utilisation in fuel cells.

The Company's flagship NKT Nickel dominant project has been developed over the past number of years to include several deposits within the area of Monchegorsk in Kola Peninsula. The combined Kola projects, inclusive of the NKT mine relaunch present a total of 184.6Moz of Platinum equivalent resource for a new global mining centre for PGM and battery metals, especially Nickel production. An EPCF agreement is in place with Chinese group Sinosteel for phase 1 of the plant construction.

The Group has in recent years expanded the West Kytlim mine, adding to the mining fleet in a series of purchases spaced over several seasons. This programme has culminated in the procurement of electric equipment for the 2022 mining season and beyond. With the major capital items now procured for West Kytlim, as of May 2022 the Company's cash position remains strong at circa £14.2 million and no significant debt.

For further details please see the Operations Update later in this report.

OUR OPERATIONS

Kola Battery Metals and PGM

A complex of deposits in the Central Kola Peninsula in the vicinity of Monchegorsk, a city with excellent mine ready infrastructure, and home to Severonickel, the world's largest nickel-copper-PGM processing plant. The Kola Battery metals and PGM projects are centred around the Monchetundra asset – a world class PGM and Nickel-Copper project.

NKT – Nittis-Kumuzhya-Travyanaya

Tier 1 scale asset with JORC MRE containing: 305Kt Nickel, 143Kt Copper, and 57 tonnes of PGM and Gold. NKT is a northeast extension of the Monchetundra (West Nittis) mineralisation and is a nickel mine relaunch with associated PGM. Open pit and underground options are being analysed ahead of exploration and development expenditure.

West Kytlim

Producing asset in the Ural Mountains with a medium-term target of world's lowest carbon PGM ounces. Numerous capacity and fleet expansions since launch in 2018 culminating in power line construction and switch to hydro-generated electricity for 2022 season. Three wash plants launched for the 2022 season, all in full ownership and owner operated.

OPERATIONAL HIGHLIGHTS

Corporate and Governance

- Two board appointments in April and December 2021 and a further appointment in May 2022
- Entering into the Rosgeo agreement (March 2021)
- Developing the Company's reach in the Far East markets through establishment of Representative office in Japan
- Continued interest in the Company's assets from potential buyers with a focus on BRICS counterparties
- Cooperation agreement signed with Far East and Arctic Region Development Corporation ('ERDC') with various tax and other benefits for all Kola projects
- H4 Energy collaboration to develop the Company's Hydrogen and Ammonia strategy
- Two equity placings raising gross proceeds of $35m arranged through H.C. Wainwright & Co. as placing agent with US institutional investors.

West Kytlim

- Lost time injury frequency rate remains at zero – new focus on mine health and safety protocols commensurate with major machinery upgrades for 2022 season
- Now year-round stripping at a rate of up to 300,000m^3 per month
- Three plants launched for 2022 season
- Major machinery upgrades including 5 new haul trucks, 6 Caterpillar excavators, a Cat D8 bulldozer and two heavy weight D275 Komatsu bulldozers.
- Power line construction and delivery of electric powered draglines on schedule for second half of 2022 season.

Kola Battery Metals and PGM

- Definitive feasibility study progressed including infill drilling programme at Loipishnune and West Nittis open pit deposits as well as at NKT. Technical project (detailed design) is also underway
- Metallurgical bulk sample collected for analysis at LIMS laboratories and Mekhanobr-Engineering in St Petersburg
- JORC standard reporting for all Kola projects assigned to Wardell Armstrong International as necessary. NKT JORC resource and NPV by Wardell Armstrong International – various mine scenarios (underground and open pit) now being studied for integration to broader work programme for Monchetundra and NKT.

Contents

Chairman's statement

I am pleased to write to you to summarise 2021, the year in which your Company not only consolidated its Battery Metals and PGM assets but added additional Battery Metals to the mix. In parallel, we expanded our business strategy to fully grasp the ambitions of the 'Green Economy' by exploring the potential for Hydrogen to be included in our future developments.

During the past year, our West Kytlim project saw a doubling of mine production and the development of plans for further expansion, focused on replacing diesel power with grid electricity from 100% green hydro sources. Looking forward into 2022 and for subsequent years, we expect to see a further expansion of production with this conversion scheduled for the second half of this year.

Our flagship Monchetundra project centred on our Battery Metals and PGM mine developments in Kola was further strengthened with the addition of new exploration licences, granted exclusively to the Company. This embraced the relaunch plan of the NKT nickel dominant mine which immediately became the focus of detailed assessment by our team and our technical consultants, Wardell Armstrong International. This confirmed that significant nickel sulphide ores remain, and we are now working on integrating their development with our existing Battery Metals and PGM reserves, located next door.

The further expansion of nickel and copper in our existing metals basket allows us to develop the mix of outputs from the Company's project portfolio as Battery Metals, which can be supplied into the growing demands of the modern world. We expect Kola to be a key area for future supplies of these critical metals and our projects should benefit from 'first mover' advantage around the well-established refinery city of Monchegorsk. This first mover advantage has also been further upgraded with our agreement with Rosgeo, which holds other interests in the immediate area which our project can potentially include.

While we expect these developments to add value to these projects, we have not lost sight of our principal strategy, which is to focus on maximising shareholder value, primarily through a sale of assets, for the benefit of our shareholders. Active discussions with interested parties continue, and will be pursued with patience and care, against the background of the now more complex and changed geopolitical landscape. The Company recently appointed KPMG as agent within Russia to further this strategy and although there can be no guarantees, we remain confident of a positive outcome from these discussions.

Apart from the progress on the ground, we strengthened the Company's balance sheet by way of two financings through private placements with institutional investors raising gross aggregate proceeds of US$35 million (circa £28 million). This has allowed us to make careful investments in developing our assets and also has given us flexibility in our approach to facilitating diversification in the future.

We also enlarged our Board with the addition of two new Asia-based directors: Tamerlan Abdikeev and Kotaro Kosaka, who play a key role in our Hydrogen strategy, and, more recently, the appointment of Artem Matyushok, an experienced M&A and Hydrogen industry professional post year end. On your behalf I welcome them to our team, as well as new management and employees at West Kytlim and Kola.

In conclusion, we are confident of achieving additional milestones during the remainder of 2022. We are well equipped for the challenge, and I look forward to working towards our goals in the coming months. I want to thank sincerely all my colleagues on the Board, the management and staff in Russia for maintaining our progress over the last year. In particular I wish to thank Alexander Sushchev, metallurgist and advisor to the Board, who is retiring this month from the Company. He has played a key role in the development of our Kola projects and has agreed to provide occasional advice as needed.

With continued strong support from the team, I am confident the Company can continue to build and strengthen the foundations for our future success.

C. Schaffalitzky
Executive Chairman
28 June 2022

Our investment case

Diversified mining and energy company with focus on Battery Metals, PGM, and the hydrogen economy

- Nickel now is the dominant metal by revenue in metals basket across all projects on Kola Peninsula.
- Palladium, platinum and other PGM market fundamentals continue to look strong medium and long-term with new industrial applications driven by hydrogen economy.
- Continued capacity expansion at West Kytlim mine, now with year-round stripping work, and increased stripping capacity using electric powered draglines.
- Surface mining with simple and low-cost beneficiation methods.
- Russia continues to operate world class mining projects with developed reliable infrastructure and local expertise.

Corporate governance

- Two new board appointments in 2021 focussed on the Far East markets, as well as a further board appointment in May 2022.
- Senior team of mining and mineral industry licensing experts in Russia backed up by industry representation from ERDC and other reputable organisations.
- Representative office established in Japan to develop business relations in the Far East – Japan, China, Hong Kong SAR.
- Environment is front of mind for a mining company:
  - low impact, low emissions mining at West Kytlim;
  - new mine development using innovative non-traditional energy solutions; and
  - group diversification into low carbon energy markets.

World class Kola Battery Metals and PGM assets

- Developing a new global battery metal and PGM mining centre on the Kola Peninsula.
- First mover advantage on deposits adjacent to Monchegorsk and Severonickel.
- Rosgeo providing access to pipeline of deposits.
- Surface mining of base metals and PGM projects provide commodity diversification with simple and low-cost beneficiation methods.

West Kytlim PGM and gold mine

- All Infrastructure now in place for sustained production over 15+ years LOM.
- Typil license exploration commenced in 2021.
- West Kytlim Flanks license issued – Exploration database review leading to new resource definition.
- Site electrification and use of electric equipment.
- Platinum as primary commodity with associated PGM (rhodium, iridium, palladium) and gold.
- Platinum market expected to be in deficit by the end of the decade leading to price appreciation.

Metals and energy markets

Nickel and Copper snapshot

Nickel

- The key battery cathode material in electric vehicles, high nickel NMC 811 batteries are the favoured chemistry[1].
- EV-driven nickel demand is forecast to increase 19x by 2040[2]
- Lack of new sulphide discoveries worldwide in recent years has created a significant forecast supply shortage of Class 1 nickel especially of tier-1 scale[3]New laterite supply (HPAL and matte via Nickel Pig Iron 'NPI' less favourable, due to increased CO2 per tonne of metal produced versus sulphide nickel production emissions (60t CO2/t Ni of nickel for matte via NPI processing versus 10t CO2/t Ni from sulphide production)[4].

Copper

- Used extensively in all energy provision solutions including renewables, energy storage, photovoltaics and EVs.
- Copper is crucial in all energy transition scenarios – copper foil is used in EV batteries and copper is critical to grid & charging infrastructures
- Structural supply challenges: lack of new large-scale discoveries worldwide; declining mine grades at existing mines; fiscal and permitting headwinds in key geographies[5], as well as ongoing labour disputes in Peru and Chile[9].
- Copper prices surged through 2020 to an all time high in May 2021[11]

PGM Markets

The catalytic properties of Platinum Group Minerals make them uniquely efficient in scrubbing exhaust fumes from automobile and other combustion engines, ensuring exhaust waste is not toxic to the environment. While the global transportation industry makes the switch to alternative modes of transportation (chiefly Electric Vehicle and Fuel Cell alternatives) demand for these metals is expected to continue, especially in the context of ever tighter global emissions control legislation (total automotive demand in 2021). Current composite membrane technologies for hydrogen fuel cells require platinum as a key component. Platinum and increasingly Palladium now have significant markets in jewellery and bullion and ETF trading and in petroleum refining and hydrogen production. Industrial demand for platinum reached an all-time high of 2.9m oz in 2021 with exceptionally strong purchasing by the Chinese glass industry[6].

Industrial PGM demand is inextricably linked to the Auto Industry, which is expected to recover from the unprecedented chip supply crisis by mid-2022[6]. Any reduced demand for traditional drive trains (diesel and petrol engines are still close to 90% of all vehicles sold in 2021), is expected to be offset by both increased loadings per vehicle, and PGM required in alternative drivetrains, critically FCEV's[6,8].

Platinum, iridium and ruthenium have exclusive catalytic properties in the generation of hydrogen within Proton Exchange Membrane ('PEM') fuel cells. Typically, PEM fuel cells use platinum at both the anode and cathode where platinum is stable in the corrosive conditions resulting from oxygen reduction[8]. Platinum demand for hydrogen production, and for use in fuel cells using platinum-based catalysts is expected to drive the global platinum market into significant deficits by 2030, with a commensurate effect on price[6]. Above ground stocks are forecast to be depleted by 2027 with a nominal increase in supply base[8].

A reduction in demand for platinum in diesel engines is likely to be offset by platinum demand for FCEV's ('Fuel Cell Electric Vehicles'). It is unlikely, based on current technologies, that diesel engines in heavy vehicles such as trucks and mining equipment can be exchanged for battery electric alternatives, due to their limited torque capacity, and the weight of the battery which limits performance. Fuel cell technology, which uses considerably more platinum per vehicle than a diesel engine (average 30g per vehicle up to 80g per vehicle versus diesel's 5–15g per vehicle) is more likely to find application in FCEV heavy vehicles which have similar performance metrics in terms of torque and range as a contemporary diesel engine[6,8].

Hydrogen

Eurasia increased its focus on Hydrogen opportunities during 2021 culminating in the collaboration with H4 Energy, a team of ex-Shell hydrogen industry experts in 2021. Support was also received for Hydrogen/Ammonia projects from the Far East and Arctic Region Development Corporation ('ERDC'). Eurasia's hydrogen and ammonia projects are focussed on utilising the available spare capacity in renewable, hydro and nuclear derived electricity on the Kola Peninsula (Murmansk Oblast) and Sakhalin Oblast (Russian Far East) which can be used to produce hydrogen and ammonia products for supply to the domestic market or shipped internationally.

Green hydrogen project on Kola

- Murmansk region has zero CO2 emission power generation and spare grid capacity
    - Hydro, Nuclear, Wind
- Electricity supply is secured for as little as 248 RUB/100kWwh[10] from hydro and nuclear generation due to low utilisation on Kola Peninsula
- Seaport operational all year round with two day travel time to Amsterdam
- Abundance of fresh water
- Skilled workforce available in the region
    - Proximity to Eurasia Mining assets
    - Potential to use H2 at Eurasia's mining assets
- Exports to east and west from Murmansk sea port
- Collaboration with H4 Energy and agreement in place

References:

1 nickelinstitute.org

2 External European Commission funded Roskill study, 2021

3 Katholieke Universiteit Leuven (KU Leuven) commissioned by the Eurometaux group of European producers

4 IEA, GHG emissions intensity for class 1 nickel by resource type and processing route, IEA, Paris https://www.iea.org/data-and-statistics/charts/ghg-emissions-intensity-for-class-1-nickel-by-resource-type-and-processing-route. HPAL: High Pressure Acid Leach.

5 https://www.spglobal.com/marketintelligence/en/news-insights/blog/copper-project-pipeline-project-shortage-to-see-supply-lag-demand-post-2025.

6 Edison Group PGM Markets research

7 Johnson Matthey PGM Market Report May 2022

8 World Platinum Investment Council, Platinum Essentials, March 2022.

9 https://www.fitchratings.com/research/corporate-finance/social-conflicts-regulation-curb-perus-mining-sectors-growth-13-04-2022, https://www.reuters.com/world/americas/chiles-codelco-workers-begin-strike-over-ventanas-closure-2022-06-22/

10 https://www.ceicdata.com/en/russia/average-consumer-price-by-region-electricity-supply/avg-consumer-price-electricity-supply-nw-murmansk-region

11 http://www.kitcometals.com/charts/copper_historical_large.html

Strategic Report

Operations update

Eurasia Mining Plc is a producer of palladium, platinum, rhodium, iridium and gold and a battery metals exploration and development company. The Company recognised that a switch to electricity from hydro sources as the main energy source for ore body development and beneficiation at the West Kytlim Mine would considerably improve the project's overall sustainability and environmental credentials, while also improving on project efficiencies and costs. An electric dragline is being assembled on site at West Kytlim for commissioning later in the 2022 mining season.

The Central Kola Peninsula cluster of Battery Metals (predominantly Nickel and Copper) and PGM projects are being developed around the Company's fully permitted flagship NKT relaunch Project adjacent to the town of Monchegorsk, home to the world's largest nickel and PGM processing facility – Norilsk's Severonickel. Total of 184.6Moz of Platinum equivalent resource provides for a new centre for global battery metals and PGM production on Kola.

Both West Kytlim and Monchetundra are based on the Company's own exploration discoveries and have been successfully advanced through the exploration phase to the issue of production licenses. The Company demonstrates a consistent approach to driving shareholder value by bringing quality projects from exploration through to production.

Eurasia is an international mining company with offices in London (UK), Monchegorsk and Yekaterinburg (Russia), as well as Tokyo (Japan).

WEST KYTLIM

Producing Open Pit PGM mine in the Ural Mountains with a sustainability focus – long term target of the world's greenest, i.e., lowest carbon PGM ounces.

Sustainable Mining

- Reduced environmental impact compared to conventional mining methods, and less long-term environmental impact – no blasting on site and no chemicals used in the production process.
- Shallow open pits remediated immediately with recovery within 5 to 10 years and with no remnant pit or tailing dumps. Allows the Company to make provisions for remediation on realistic time scales, as opposed to larger scale operations with remediation at the end of a 20+ year Life of Mine.
- Hydro generated electricity as the dominant energy source for ore body development and beneficiation from 2022 to the end of mine life.
- Careful management of water resources at the mine site by water recycling.
- Limiting the use of asphalt and concrete on site, many mine buildings built from timber milled on site.

2021 Highlights

- 1,350,000 cubic meters of overburden stripped (November 2020 to 31 October 2021) at the Kluchiki and Bolshaya Sosnovka sites
- 463,500 cubic meters of gravel washed (20 April to 30 October 2021)
- 2.3 times increase in raw platinum production; 3,643 oz (2020 – 1,525 oz)
- COVID response ensured no ongoing impact on operations.
- Significant upgrades to mine fleet as well as mine site buildings and infrastructure
- West Kytlim Flanks license approved and received
- Commenced exploration at the Typil site.
- Continuing to work and build relations with local community by making equipment available in the town of Kytlim when en route to site.

Stripping work continued through the winter of 2020/21 and gravel washing commenced as running water became available in mid-April. Two washplants were operated initially and a third added in August treating ores from the Bolshaya Sosnovka and Kluchiki ore bodies. Each of the three washplants operate on similar process flowsheets – PGM and gold bearing gravels are trucked from surface pits to the washplant site where they are loaded to a scrubber and trommel. Oversized material is removed as sediments are disintegrated using pressurised water jets. Water, clay, sand and nuggets of PGM are then entrained in a water column which is transferred to a sluice where the components separate under gravity with the higher density material collecting on sluice mats. These are then emptied daily, and the material collected for upgrading at an onsite laboratory. Further processing at the onsite laboratory includes shaking tabling, gravity concentration and hand picking to produce a 'black sand' concentrate as the mine's product. Weekly shipments of batches of mine product are sent for further refining under our agreement with the Ekaterinburg precious metals refinery.

Exploration upside – Typil and West Kytlim Flanks

'Field exploration work at Typil commenced in August 2021 with reconnaissance and mapping accompanied by stream sediment sampling. Both banks of the Kosva River have been worked, at the inflows of the Typil and Kyria Rivers and in the area of the Typilez Creek. 12 samples have shown presence of platinum and gold.
Land surveying was carried out to allow the planning of drilling traverses. Drilling then commenced in March 2022 in the area around the inflow of the Typil River and the adjoining part of the Kosva River valley. 3 traverses totaling 39 holes and 273 meters have been drilled for a total of 426 samples. The average depth of the holes is 3-4 meters, maximum – 11.5 m.
Drilling intersected alluvial sediments of the Kosva and Typil terraces, 6-7 meters thick, and pre-Quaternary (assumingly Neogene) sediments up to 5 m thick. Neogene sediments are a key resource in ore bodies on the current mining license. At the time of writing, drilling was ongoing, and samples were being washed in a Kosvinsky Kamen field laboratory.'

Pavel Telegin, Head of Exploration, Kosvinsky Kamen.

West Kytlim powerline, site electrification and e-draglines

Work on project design, appointment of contractors and sourcing long lead time supplies for the power line to be constructed to site at West Kytlim commenced in Q3 and Q4 of 2021. The route to site follows the path of a now disused power line which had been used to power dredges operational in the area in the 1960's and '70's. Chief contractors are OboronEnergo providing the connection to the main grid which derives power from the Perm Oblast via several hydro-electric plants. OOO ELS were contracted for technical documentation and project design and installation works. By the end of May 2022, 10 km of a total 17 km of the route have been completed as well as the necessary substations at site. Grid power is expected to be available at the mine site later this year. Total costs for the project are estimated at $1.5m. The power line provides a significant cost saving on diesel powered machinery owing to the considerably greater productivity of draglines when compared to an excavator and bulldozer combination.

2022 Highlights in the year to date

- Dragline 1 components delivered to site for assembly and commissioning.
- Powerline and substation construction underway with expected commissioning in Q2 2022
- No impact of sanctions on operations
- Further additions to on site fleet including 5 new Kamaz ore haulage trucks as well as six Caterpillar excavators, a Cat D8 bulldozer and two Komatsu D275 bulldozers
- Stripping capacity increased to a current record of 300,000m^3 per month (first achieved in March 2022)
- Third washplant is now operational at site- two plants running at Bolshaya Sosnovka currently, and a third plant at the Kluchiki area.

Following a successful year-round overburden stripping programme focussed on the Kluchiki and Bolshaya Sosnovka areas, washing of gravels commenced around end-April as running water became available at site. Winter stripping operations were maintained on a schedule optimised to ensure supply of gravels to three washplants throughout the 2022 washing season. The mining permit for the 2022 mining season was submitted in March 2022 and approved by the local ministry for subsoil use in mid-April. All other necessary permits including forestry permits were in place by the end of March.

The mine will operate three washplants throughout the 2022 mining season, two at Bolshaya Sosnovka and one at the Kluchiki area. All three plants, owned and operated by Eurasia, were operational by the end of April 2022. Directors consider the current outlook for the 2022 season to be favourable, given relatively strong metal prices, greatly increased productivity, an experienced work force at site as well as a full set of mine and forestry permits in place.

KOLA BATTERY METALS AND PGM

World class Nickel-Copper and PGM project on the Kola Peninsula is a cornerstone to a proposed new open-pittable Battery Metals and PGM mining district. A joint-venture framework agreement with Rosgeo was announced in March 2021.

Monchetundra – 2021 Highlights

- Definitive Feasibility study on schedule for submission in 2022.
- Wardell Armstrong International engaged for various comprehensive studies on Eurasia and its projects (also the ones included in the agreement with Rosgeo), i.e. JORC standard MRE reporting and NPV analyses.
- Recalculation of MT and Flanks resources and pit outlines, reflecting metal price increase since Feasibility study of 2016.
- Recognition of NKT as a Nickel dominant mine relaunch opportunity, as a standalone project or integrated with Monchetundra.

A new mining-focused CEO was appointed at Kola subsidiaries level in July 2021 as the Group seeks to develop the options available at Monchetundra, the Monchetundra Flanks, NKT and projects within the Rosgeo agreement. The Monchegorsk area is quite unique globally in having high levels of extensive previous exploration and reporting, and numerous deposits of a similar deposit style and metallurgical type in both the Monchegorsk and Monchepluton Massifs, directly adjacent to a major infrastructure corridor and in a mining friendly jurisdiction. This has created a large body of work by previous explorers and producing mines, state funded and private.

The focus at Monchetundra during 2022 has been on the analysis of this catalogue of projects - the Kola Battery Metals and PGM projects. The task for Eurasia and its subsidiaries has been in identifying the most sensible and economic means to schedule project development, within the context of the Rosgeo agreement and as independent projects. Wardell Armstrong International have been appointed as chief mining consultants to manage the reporting process in some cases undertaking new resource calculations.

Two new subsidiaries were created in the Group in January and February 2022 as Kola Nickel and Kola Mining, both 100% owned. Having these two subsidiaries available allows the Group flexibility in how it manages and markets the various multi-commodity deposits and licenses within the Kola Battery metals and PGM projects.

NKT PROJECT – Base metal mine relaunch adjacent Monchetundra projects

Tier-1 scale Nickel deposit with JORC MRE containing: 305Kt Nickel, 143Kt Copper, and 57 tonnes PGM and Gold (11.2Moz of Platinum equivalent) estimated by Wardell Armstrong International (WAI) as JORC-compliant resources for a step room and pillar mining operation, with nickel comprising half of the value in the metal basket on a Net Smelter Royalty basis.

The project occurs directly adjacent to Severonickel, the world's largest nickel processing plant and is a mine formerly operated by Norilsk. A recent exploration and diamond drilling campaign was undertaken by Rosgeo during 2015 to 2017, building on an already significant catalogue of exploration and mining data from predecessors.

During 2021 work commenced on analysis of options for reopening the mine. Eurasia’s West Nittis deposit occurs at the south-west extension of the NKT deposit. The current development programme is based on extension of West Nittis type mineralisation throughout the NKT massif with treatment at the Monchetundra deposit process plant. A full independent technical review, mine plan and mineral resource estimate was undertaken by WAI during 2021, as presented in the adjacent table.

During 2022 drilling commenced to the east and north of the West Nittis deposit targeting extensions to the West Nittis ore body within the NKT Massif. Historical drill core from Norilsk/ Severonickel drilling prior to 2015 did not include an assay for PGM and the Company has undertaken to complete this work with an expected improvement in reliability of confidence levels and therefore resource classification.

Key performance indicators

Results for the year – the Group has made a loss before tax of £3,138,521 for the year ended 31 December 2021 (2020: loss before tax of £3,693,308).

Shareholder return – the performance of the share price. The Company's shares are quoted on AIM and the shares have traded at 15p-36.5p*(2020: 3.3-42.5p) during the year under review. A range of factors both internal and external to the Company can impact share price performance, including geopolitics, commercial and new business developments, operational performance and metal price and metal price forecasting fluctuations.

Exploration and development funding and expenditure
The Group was successful in securing the necessary funding to develop and expand operations at both projects during the year reported. In 2021, the Group acquired additional plant and equipment mainly for West Kytlim Mine with a total value of £622,745 (2020: £338,237); The Group also incurred £64,371 (2020: £118,654) of development costs at West Kytlim, including ore body development costs during and after the production season. A feasibility study for the Monchetundra project was advanced during 2021.

In 2021 the Group raised gross funds of $35 million (2020: £7.9 million) from equity markets through two placings lead by H.C. Wainwright & Co. No options or warrants were exercised in the period reported. At 31 December 2021 the Group had a cash balance of £22,009,507 (31 December 2020: £5,404,101) which allowed it to continue development programmes at all projects. During 2020 the Group acquired some mining equipment under five-year lease terms. The balance of existing lease commitments for machinery for the West Kytlim operation at 31 December 2021 was £429,543 (31 December 2020: £526,930).
For more details see the operations update herewith.

*Based on yahoo finance historical data of Eurasia Mining Plc (EUA.L) closing prices for 01 January 2021 to 31 December 2021

Non-financial KPIs

Environmental management – the Group has environmental policies in place and receives annual approvals for development work at West Kytlim, where adherence to the relevant environmental subsoil licensing laws is clearly stipulated. Performance against environmental policies is continuously monitored and annually audited including a provision for environmental rehabilitation. The Company is responsible for the technical and biological rehabilitation of disturbed areas, as discussed in the environmental section in this report. Rehabilitation plans are subject to approval prior to commencing mining, on a site-by-site basis. The Directors consider that rehabilitation plans are achievable with some 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 and ESG section herein.

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 reviewed following the COVID-19 pandemic and have been appropriately upgraded commensurate with the expansion of the operation of West Kytlim which now includes electric power and large draglines. The Group's Lost Time Injury Frequency remains at zero for the 2021 year and 2022 season to the end of May.

Operational – The Group has had operational success in effectively managing the mining operation at West Kytlim through 2021. The Group has also successfully managed a programme of works at the Kola projects and has continued to manage applications for new exploration license tenements in the Monchegorsk area.

Governance – The Board has appointed two new non-executive Directors during the year in review; Tamerlan Abdikeev in April 2021 and Kotaro Kosaka in December 2021. Tamerlan is also representing the Company as head of the Company's emerging Asia focussed interests and Japanese representative office where he is joined by Kotaro Kosaka. Independent non-executive Director Kotaro strengthens the Company's representation in Asia and the Far East markets.

Artem Matyushok was appointed to the position of independent non-executive Director in May 2022. Artem brings experience in and in-depth knowledge of high-level Mergers and Acquisitions transactions and expertise in the hydrogen sector. Artem is a director of H4Enegy Joint Stock Company ("H4Energy”), which entered into an agreement with the Company on 30 December 2021 to assist Eurasia in finding joint venture partners (“JVs”), the ultimate aim of which JVs would be to secure off-take for Eurasia’s metal production and associated financing, which could be used for the development of the Company’s metal production and use of hydrogen in its operations.

The Board does not regard the agreement with H4Energy to be material at this time and neither Artem nor H4 Energy has received or receives remuneration from Eurasia as a consequence of this agreement. Accordingly, the Board does consider that Artem’s independence is not impugned by the agreement between the Company and H4Energy.

Additional Projects and license applications – Key personnel continued to assess opportunities in a range of commodities in Russia and globally, as potential exploration and development projects. The Company has broadened its interests geographically through 2021 and is also targeting commodity diversification through its strategies in battery metals and the hydrogen economy.

Principal risk and uncertainties

The risks inherent in all mineral exploration and development businesses 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. The principal operating risks affecting the Group are highlighted 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 to conduct exploration and mining. The Board impresses on senior management the need to identify and address the major sources of operational risk in any development project, and to continuously monitor deviation from schedules or targets.

Operating mine risks

Machinery availability, deviations from expected grade and other operational risks may have a significant impact on West Kytlim mine revenue, which is a component of the Group’s financial capacity and performance. At West Kytlim, multiple areas are developed concurrently to mitigate risks of a lower than expected grade at any location. Most of the machinery in the West Kytlim mine fleet is relatively new, having been acquired from 2019-2022 onwards and currently operate at very high availability levels.

Political risk and sanctions compliance

The Group’s assets are located in Russia. In view of sanctions imposed on identified individuals and entities in Russia, from 2014, legal and economic risks may arise. Further sanctions were imposed on certain activities, entities and individuals connected with Russia in 2022, which continue to evolve, which are being carefully monitored by the Group in accordance with the Company’s sanctions compliance policy, and with the assistance of its external legal advisers. The Company has satisfied itself that neither of its current activities at the West Kytlim Mine or on the Kola Peninsula are prohibited under UK or EU sanctions rules. Furthermore, the Group does not engage and has not engaged with any sanctioned persons/ entities or agencies.

To date there has been no significant impact on the Group’s activities as a result of recent updates to the UK and EU sanctions legislation. Sanctions introduced by the Russian Federal government have also not affected the Group, although this is being closely monitored. The Group closely monitors all regulatory requirements and changes to the laws, rules and regulations, taking steps whenever necessary to ensure compliance with new legislation.

Environmental risks
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 of any of its activities at the time it applies for the relevant permits and licences. Review and approval of the rehabilitation plan is a pre-requisite of the mine plan approval for each season of mining at the West Kytlim mine. The Group mitigates risk to the operation arising from environmental issues by strictly adhering to relevant environmental laws and codes. The West Kytlim mine by its nature does not require management of hazardous mine tailings within a tailings dam, as is necessary for large scale underground mining operations.

The regulatory environment
The Company's and the Group's activities are subject to extensive federal and regional laws and regulations in Russia governing various matters, including licensing, production, taxes, mine safety, labour standards, occupational health and safety and environmental protection. They are also subject to various UK and international regulatory requirements. 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 assets in Russia.

The Group closely monitors all regulatory requirements and changes to the laws, rules and regulations taking steps whenever necessary to comply with relevant regulations. The Board considers the regulatory environment for mining companies operating in Russia to be transparent, not more difficult than other jurisdictions, sufficiently clear and prescriptive and in general navigable for a company employing sufficient expertise and resources to manage that aspect of its business.

The Group has entered into an agreement with Rosgeo, an exploration and development company with unparalleled expertise in the Russian mineral and subsoil licensing regulatory framework as well as an agreement with the Far East and Arctic Development Corporation both of whom may provide advice and guidance on the Russian regulatory environment as it pertains to mining and development companies.

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 expertise in sub-soil legislation.

Commodity market risk
A potential fall in commodity prices could result in it becoming uneconomic for the Group to mine its assets. A Russian rouble (that is highly dependent on the prices of natural resources) devaluation against USD (as has occurred in Q1 2022) provides a natural hedge against a potential fall in commodity prices as the Company's costs are Russian rouble denominated while commodity prices are USD denominated. The Group closely monitors the markets for platinum group metals (and the prices of other relevant metals to the extent these are relevant), 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.

The Group has pursued commodity diversification in targeting battery metals through its agreement with Rosgeo, adding additional nickel and copper as well as cobalt potential to its interests, and adding hydrogen and ammonia interests through its agreement with H4Energy and the establishment of its representative office in Japan.
Demand for platinum group metals from their principal use in autocatalysts, which reduce harmful engine emissions, is perceived by market commentators to remain strong for the foreseeable future as electric vehicle uptake is offset by tighter emissions control for traditional internal combustion engine vehicles, and as PGMs continue to find application in emerging transport technologies such as Fuel Cell Electric Vehicles.

Loss of key personnel risk
The loss of key personnel consists of the departure (voluntary or otherwise) of an important employee, which would, in all likelihood, result in a loss of management capacity or specific expertise capacity, or increased expense to the business, for a period. In general, any loss of management capacity or expertise can be replaced by recruitment of personnel who are readily available from the market, while the financial impact 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 "sign on" bonus and higher remuneration packages. However, such increase (if any) is not expected to be material.

The Group takes measures to motivate and retain existing employees, including by bonus incentive schemes as well as participation in the Company's share and option scheme. Currently there is no shortage of mining industry personnel and expertise in Russia or London, and the Group is confident that a suitable replacement could be found should it be necessary to replace any key member of staff.

Financing risk
The West Kytlim mine is expected to become a material contributor to the Group's working capital, and the Directors are confident that this source of capital can be increased considerably from 2022 onwards due to increased capacity at the mine site, thereby mitigating financing risk to the Group. At the current time, West Kytlim contributes an important but not critical component to the Group's working capital. Historically, the Group has successfully relied on international equity and, to a lesser extent, debt capital markets to create and maintain adequate levels of working capital, and these financial resources will be supplemented by revenues from West Kytlim as and when they arise. The Group maintains tight financial and budgetary controls as well as cost control, and forward planning helps ensure the Group is adequately funded to reach its objectives. Two significant equity placings were undertaken in May and September 2021 raising a total of $35m and the Directors consider the Group to be well funded for its short and medium-term objectives.

The Board considers risk assessment to be vitally important in achieving its strategic objectives.

Pandemic risk
The effects of COVID-19 and any future pandemic, and measures taken globally to protect populations, can have a direct or indirect impact on the Group's operations. The Company continues to monitor the situation and will continue to take the required actions, including consultations, reviews and tightened expenditure controls as appropriate. Many of the Group's staff and families who were affected have now recovered from coronavirus and despite a continued threat globally it appears that the overall impact on the Group will be insignificant.

There was no operational downtime through the 2020 or 2021 mining seasons, and no impact at the time of writing on the 2022 mining season from the COVID-19 pandemic. The limited number of employees, the open pit nature of the mine site, and the employees' ability to naturally social distance using single cab mining equipment remains a considerable benefit to the operations. The Group recognises an ongoing risk to the operations from the COVID-19 pandemic and future pandemics.

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 to study and search for new "near production" projects in the geographical area where its current operations are situated. This has been demonstrated by the signing of the Rosgeo agreement, securing a pipeline of new Battery Metal and PGM projects aimed at realising a new PGM mining district on the Kola Peninsula and by the establishment of a representative office in Japan as a base from which to generate new business opportunities in the Far East. The Group is developing strategies in the energy sector through its interest in hydrogen and ammonia production as evidenced by an agreement signed with H4 Energy in December 2021.

Section 172 Statement

Company Background

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 ("PGM"), gold and other minerals as well as the identification of potential and international opportunities in emerging energy markets such as hydrogen and ammonia.

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 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 and aligned with corporate strategy and principles. The Board has always, both collectively and individually, taken decisions based on their long-term outcomes 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 2021 and engaged with the Company's key stakeholders to help to inform the Board's decision-making.

Brief summary of the Group's current operations

The Group operates in 2 key regions of Russia: (1) The Urals, where West Kytlim is an operating PGM and gold mine in the Central Urals; and (2) Kola Peninsula, where a mining licence was granted in 2018 and the agreement with Rosgeo was signed in 2021 to create a pipeline of additional projects. At the same time, the Group continues to assess the potential of other resource and energy projects internationally.

At West Kytlim, the Group carried out pilot mining operations in 2016 and has been running a commercial operation since 2018. The mine has been expanded efficiently with a phased roll out of new machinery added through successive mining seasons in line with streamlined statutory reporting requirements and mineral reserve and resource reporting (see operation update section for further details).

West Kytlim mine is directly owned by ZAO Kosvinsky Kamen in which the Group has a 68% stake. On the Kola Peninsula, the Group's discovery of PGM mineralisation in the Monchetundra area led to submission of a feasibility study, on completion of exploration work in 2016. A mining permit was subsequently granted in 2018 for two open-pittable ore bodies at Loipishnune and West Nittis. The Monchetundra project is owned by ZAO Terskaya Mining Company, in which the Group has an 80% stake (note 16). More details on both projects are contained in the Operations Update.

The Board's aim is to deliver value to the Company's shareholders by leveraging the significant experience of the Directors and management team to develop the Group's projects. The Board is also focused on maximising shareholder value and continues to consider the potential for a sale of the Company's assets.

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 Section 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 long-term consequences of any corporate action or decision
The Board takes a long-term approach to creating and realising value for the shareholders and is keenly aware of the time scale on which resource projects are developed. This is reflected in the age of the Company itself (it was incorporated in 1995) and the tenure of some of its longest standing employees: 6 employees in our Russian offices as well as 4 senior executives, have worked with the Company for more than a decade, including several individuals who have been working within the Group for more than 20 years. Two of the Group's key assets have been progressed through discovery and early-stage exploration through feasibility studies.

The interests and professional development of the Company's employees;
Staff are encouraged to maintain their professional credentials and the Company meets annual subscriptions to professional bodies on behalf of its employees as well as, from time to time, tuition fees for short- and longer-term studies, and attendance fees for industry events. Key technical expertise within subsidiaries is in the areas of geology and mineral exploration, mine engineering, metallurgy as well as Russian subsoil law. In recent years, and as the Company's assets have developed, new full-time positions have been filled in mining engineering and health and safety roles.

The need to foster the Company's business relationships with suppliers, customers and other stakeholders;
The Group employs local workers, contractors and suppliers wherever possible and maintains a network of contacts in the industry, for example by membership of the Urals society of gold producers. The Group has numerous long-standing commercial relationships with consultants and contractors, for example drilling and exploration contractors for both, the West Kytlim and Monchetundra assets, who have worked with the Company for many years (e.g. Central Kola Expedition have worked with TGK for more than 20 years). The Group's strong network of contacts in equipment and machinery contractors are a key asset to the West Kytlim mine. The commercial reputation of the Group and each Company within the Group, within the Russian mining industry, is recognised as critical to the Group's future success.

The impact of the Company's operations on the communities adjacent its projects and the environment;
Rehabilitation plans are submitted as a necessary aspect of all mineral industry statutory reporting in Russia. The Company's mine at West Kytlim is focused on producing greener, lower emissions PGM, in line with efforts across the globe to bring climate change awareness to the mining industry. The construction of the power line to site during 2022 is a key element of this strategy. The Board welcomes initiatives within the mining industry generally, which are focussed on lower carbon, indeed zero-carbon mining. Please see the ESG section of this report for more information.

The West Kytlim mine is remote, with no population directly adjacent the mine, however efforts are made to ensure the nearest communities are kept informed of major items of progress at the mine site, especially major capital developments such as the power line and electric dragline commissioned at West Kytlim during 2022.

The requirement of the Company to maintain a reputation for high standards of business conduct and corporate governance;
The Group applies the Quoted Companies Alliance code and considers its Corporate Governance responsibilities under their 10 guiding principles (see Directors Responsibilities section). The Company also maintains an extensive internal body of policies and procedures which is regularly updated and strictly adhered to. Where necessary, the Company has resort to its Nominated Advisor and legal advisors on matters concerning the UK regulatory environment.

The need to treat all members of the Company fairly and equitably.
No individual shareholder/ member has greater influence, rights or obligations than any other shareholder.

Environmental, social and governance

Introduction
Environmental, Social and Governance priorities are a clear focus of the Company and Board as well as the Company's investor base. The Board welcome changes to the international mining landscape particularly with respect to environmental responsibility, and the example being set by industry majors in setting net zero emissions targets, as well as the developments amongst OEM's in developing zero emissions mining equipment in partnership with major mining companies. The West Kytlim operation is still being scaled up to full capacity, and the Monchetundra Project on Kola is in pre-mine development, the Board feel it is therefore premature for the Group to set a net-zero emissions target but are determined in their goal to deliver innovative and carbon aware mining solutions. Through the past number of years, the Company has looked in detail at the developments in reporting standards and guidelines for sustainability and ESG reporting and the information requirements of our investors and stakeholders making informed and ESG focussed investment decisions.

This section of the report describes how Directors consider and adopt principles of corporate governance, as well as environmental and social governance and apply them through the group of Companies while achieving corporate objectives and ensuring the overall direction, supervision, and accountability of the organisation. Other key aspects of Corporate Governance within this report are:

- The Section 172 Statement (Strategic Report above) which describes how the Directors promote the Company for the benefit of members as a whole.
- Financial and non-financial Key Performance Indicators which are outlined to measure performance of the Board year on year; and
- Principal Risks and Uncertainties section, which demonstrates awareness of potential obstacles to achieving corporate goals.

The Board has adopted the QCA Corporate Governance Code (2018) ("QCA Code") and strives to follow its 10 principles to the fullest extent possible. These principles are supported by a set of policies and procedures documentation reviewed annually. The environment is at the forefront of ESG principles for a mining enterprise and the Directors consider the West Kytlim operation, the largest mine of its type in the world, to be an opportunity to demonstrate a potential new style of lower emissions metal production, competing not in quantity but in quality with other global sources of PGM. The switch to hydro-derived electric power at site is a considerable step to achieving this goal. The Group is committed to ensuring the land disturbed by mining activities is returned, post mining, to a safe and stable landform. Rehabilitation plans, and forestry permits are a key aspect of mine permitting and are submitted for approval in advance of final mining permissions. Typically, these describe how forestry is managed with an equal amount of forest planted as is removed for mining. Open pits are infilled with the overburden removed prior to mining, top soil is replaced and the land regenerates over a period of five to ten growing seasons.

Environmental report

West Kytlim;
A total of 32.4 hectares of forest were cleared at the Bolshaya Sosnovka and Kluchiki sites during 2021, in accordance with forestry permits received prior to the commencement of the mining season and the building were built from the sawn timber to minimise the waste. At year end the Company did not have any outstanding rehabilitation liabilities meaning allowance was made for reforestation elsewhere in the Karpinsk Oblast. Ultimately the area currently being developed at West Kytlim will itself be replanted with appropriate local species and will recover to its pre-mine condition within 5 to 10 years following mining.

Surface mining requires disturbance of the upper layers of top soil and river sediment terraces. Trees and top soils are removed to allow access to the platinum and PGM bearing gravels which are 'free digging'. These areas are then scheduled for remediation.

Water is a key resource in any stable natural environment. Process water at the mine site is fully recirculated meaning the water used to deagglomerate and beneficiate pay gravels is continuously recycled through a process water pond, maintained separate to any natural and free flowing water course. There were no cases of contamination of rivers or streams in all of the areas under development in the year under review and in previous years. Tailings from the mining operation do not contain hazardous chemicals, but do include large volumes of sediment and clay, which could damage the ecosystem in natural river course. These are carefully managed to allow clay and fine particles to precipitate naturally outside of natural river courses. Several relatively small specially protected water environments are defined within the mine license and particular care is taken to preserve these areas.

The Company's rehabilitation plans consider local climate, geochemistry of soils, fertility, degree of disturbance and specific landscape and topography features. The Company and independent advisors determine how the land will be remediated post mining and this process is easier to manage for an operation with a limited (per site) life of mine. ZAO Kosvinsky Kamen, Eurasia's project Company, has 7 active permits for forest plots totalling 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. Rehabilitation Plans follow guidelines set out within the Russian Subsoil licensing including:

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

The Company Rehabilitation Plans and the Company's Environmental Officer set out the necessary land rehabilitation programme prior to application for a mining permit.

Waste management

The tailings of alluvial mining do not contain any hazardous substances as no chemicals are used in the beneficiation process which is driven by gravity and hydro-mechanical operations. Each washing site is designed to be independent of free-flowing natural water courses so that mixing of mine process water and free flowing water cannot occur. Deagglomerating river sediments liberates an amount of clay material (<.002mm material) which could be damaging to a natural river course and must be carefully managed.

Air emissions

To reduce air emissions, the Company ensures that the equipment used onsite complies with the latest accepted quality standards and optimize the routes taken by mining vehicles. The machinery fleet on site was purchased new and is specified to the latest environmental compliance standards. The Company is also focused on preventing dust pollution at the mine site and regularly carry out dust suppression measures. The switch to electric powered draglines as the key machine for overburden stripping will remove all of the vehicle emissions associated with overburden stripping, which is currently done using bulldozers, excavators and haul trucks.

Social

Relationship with the local community

Building and maintaining close relationships with the communities adjacent to our operations is a Group priority. As in previous years and mining seasons, machinery being delivered to site is temporarily made available in the village of Kytlim where the local Mayor manages a short programme of landscaping or other work which might benefit from heavy machinery such as bulldozers, excavators and haulage trucks. This maintains good relations with the Municipal Administration of the town of Kytlim. A record is kept of any meetings with representatives of local municipalities and notice given of any work programmes, such as exploration activity on the Typil license, delivery of oversized machinery such as draglines, and construction of the substations and power line from the village of Kytlim to the mine site. Where possible, the Company relies on the local community for supply of consumables and food supplies.

Consultation

Giving notice of pre-approved and permitted work such as the West Kytlim power line project, and receiving feedback from the local community who may be affected is a key element of good community relations. The power line follows the route of a previous installation and is not more imposing than a standard domestic line. No impact on local communities or their activities has been identified. The West Kytlim operations occur in an area of unpopulated wilderness without nearby farming operations. The Monchetundra operation adjacent to the town of Monchegorsk is located in a mining friendly jurisdiction with mining and metallurgical processing being the largest employer in the town and district.

Health and Safety report

During 2021 and in the year to date there have been no significant injuries or accidents on site. Close control is being exercised in the critical areas of work to ensure no infringements to health and safety rules. Health and safety protocols have been upgraded at the West Kytlim mine site in preparation for the arrival of electric draglines and high voltage mains electricity. Appropriate HSE is available to all employees and its use closely monitored. Signage is a key element of safety awareness which is maintained by the mine site Health and Safety Officer. The open pit and open-air nature of the operation at West Kytlim reduces the risks of serious injury. No individuals are required in pit during excavation. The highest risk situations are during construction and assembly of various components of the washplants and their peripherals.

OUR MINE SITES ARE ENGAGED WITH LOCAL COMMUNITIES

- Consultations are a key aspect of community involvement for high impact operations.
- All mine workers and equipment operators are local (they reside within a 70km area). Project companies of the Group are registered locally, and taxes are paid locally.
- The mine has a sustainability focus, for example, most mine building structures and interiors are constructed from timber milled on site.

ENVIRONMENTAL PROTECTION IS FRONT OF MIND

- **Minimise impact:**
    - Surface mining with limited remnant waste and tailing dumps.
    - Limited use of concrete, steel and asphalt at the mine site.
- **Rehabilitate**:
    - The Group is committed to ensuring the land disturbed by mining is returned to a safe and stable
    - Landform with no long-term damage to the environment or eco system.
    - Rehabilitation plans envisage works impacting local climate, geochemistry of soils, fertility, degree of disturbance, specific landscape and topography features.
- **GHG emissions reduction**:
    - Installation of e-draglines powered by grid hydro-derived electricity.
- **ESG Indices**:
    - Eurasia has been included in the L&G Future World ESG UK Index; and Liberum's climate portfolio.

Eurasia Mining Plc.
(Company number 03010091)

OVER 20 YEARS EXPERIENCE OF OPERATING IN RUSSIA

• Building robust partnerships and developing industry contacts in the Russian mining sector including Far East and Arctic Development Corporation and Rosgeo;
• Leveraging an in-depth knowledge of the Russian licensing system in partnership with support from expert Russian and international technical consultants;
• The Group companies maintain strong contacts base amongst equipment suppliers, contractors, industry consultants, and local and state sub-soil licensing professionals; and
• Eurasia is a permanent member of Urals Association of gold producers whose role is to work alongside government agencies to optimise legislation and improve business environment.

J. Nieuwenhuys
Chief Executive Officer
28 June 2022

Directors' report

Directors
The Directors who served during the period were:
Christian Schaffalitzky – Executive Chairman
Gary FitzGerald – Non-Executive Director (passed away February 2021)
Anthony James Nieuwenhuys – Executive Director and CEO
David Iain Rawlinson – Non-Executive Director

Tamerlan Abdikeev **-** Non-Executive Director (appointed 9 April 2021)
Kotaro Kosaka -Non-Executive Director (appointed 21 December 2021)
Artem Matyushok – Non-Executive Director (appointed 16 May 2022)

Company Secretary
Keith Byrne

Directors' interests

Share interests
The Directors of the Company active at 31 December 2021 held the following beneficial interests (including interests held by spouses and minor children) in the ordinary shares of the Company:

	31 Dec 2021	31 Dec 2020
	No. of shares	No. of shares
C. Schaffalitzky	89,569,517	89,569,517
G. FitzGerald	-	23,378,445
Total	**89,569,517**	**112,947,962**

Share options and warrants

	31 Dec 2021	31 Dec 2020
Options	No. of shares	No. of shares
C. Schaffalitzky	20,000,000	20,000,000
G. FitzGerald	-	5,000,000
Total	20,000,000	25,000,000

All options granted to the Directors vested by 31 December 2021.
No share options were exercised by the Directors during 2021 (2020 – nil).

Dividends and profit retention
No dividend is proposed in respect of the year (2020: nil) and the retained loss for the year attributable to the equity holders of the parent of £2,910,479 (2020: loss of £3,080,336) has been taken to reserves.

Share capital
The issued capital of the Company as at 31 December 2021 was:

	Number of shares	Nominal value	Share premium account
Fully paid ordinary of shares at 0.1 pence each	2,853,559,995	2,853,560	51,343,246
Deferred shares of 4.9 pence each	143,377,203	7,025,483	-
	2,996,947,198	9,879,043	51,343,246

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 31.

Going Concern

Following two significant fund raisings through the issue of new ordinary shares in May and September 2021, as at 31 December 2021 the Group's net current assets amounted to £ 23,036,966 (£5,286,051 in 2020). As at the same date, the Group's cash balance was £22,009,507 (£5,404,101 in 2020). The Group's debt largely consisted of lease liabilities set up to acquire mining machinery for a total amount of £429,543 (at 31 December 2020 - £558,614).

The Group's current (as at 30 May 2022) cash position is around £14,200,000 with the reduction since December 2021 being accounted for by £3,900,000 in capital expenditure, £1,300,000 on development expenditure on its assets portfolio, and £3,500,000 in costs.

The Board consider the West Kytlim asset to be fully capitalised for sustainable mine production for an up to 15 year mine life (at 2022 capacity), without consideration of possible reserves in the adjacent West Kytlim Flanks and Typil License areas. The Group is in the process of installing electric draglines and grid power, realising its plans for the West Kytlim asset which is intended to be self-funding from 2022.

The Group has spent £682,419 on a development programme for the Monchetundra asset during 2021 and has budgeted a further £527,000 for statutory reporting on this asset to November 2022, keeping the asset in good standing while strategic options for the project's development are considered.

2022 events and sanctions compliance

The Company has satisfied itself that neither of its current activities at the West Kytlim Mine or on the Kola Peninsula are prohibited under UK or EU sanctions rules. Furthermore, the Group does not engage and has not engaged with any sanctioned persons/ entities or agencies

The Company continues to progress discussions with regard to the potential sale of its assets, appointing KPMG Russia as agent in May 2022, and has set aside sufficient funds to complete and submit a Definitive Feasibility Study for the Monchetundra project in November 2022.

All of the Group's net current assets as mentioned above are held in 'A' rated banks in GBP accounts outside of the Russian Federation. The Company has continued to fund Group companies as required through the first part of 2022 and in compliance with applicable regulation.

The Company is active in considering new business development outside Russia, including a potential transition to the hydrogen and ammonia market as described in the Strategic Report herewith. The Group has also diversified geographically in the year being reported, by opening a representative office in Japan, and with the appointment of two Directors working from the Japanese office.

The Directors have concluded that the combination of these factors, including the level of the Company's current cash balances (the substantial majority of which is held within the international banking system outside Russia), and taking account of the current applicable sanctions regime, support the Board's opinion that it has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, which management has determined to be at least 12 months from the signing of this Annual Report to the conclusion of the 2023 financial year. For these reasons, the Board believes it is appropriate 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 UK-adopted international accounting standards and in accordance with the Companies Act 2006 . 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 the 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 accounting standards, have been followed, subject to any material departures disclosed and explained in the financial statements;
• with contributions from advisors, set the Company's and Group's corporate strategy including research and development activities (detailed in the strategic report above);
• prepare the financial statements on a 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 the 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 the 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.

Revenue
All revenues generated by the Group are from sale of metals, within the Russian Federation. Currently the sole source of revenue is metal sales from the West Kytlim mine. Refinery receipts record the total of metal sales with payments received for platinum and gold, at the market rate, on average every month throughout the mining season. For reasons related to the nature of metals refining the revenue for other PGM (Rhodium, Iridium and Palladium) are received when all shipments for that year have been received. The Company will be evaluating alternative metal refining and sales options to improve the revenue stream.

Directors Indemnity
The Group maintains Directors and Officers liability insurance as an indemnity provision renewed annually.

Corporate Governance
Eurasia Mining applies 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's ten principles and their application to Eurasia Mining PLC and the Group of companies is described below.

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 strategy is to self-fund exploration and development of marketable resource and energy projects in various commodities, and to realise a return on investment, either by carrying the project through feasibility to commissioning or by straightforward sale.

Principle 1: Strategy

The Company is focused on developing several key assets; The West Kytlim mine produces Platinum group metals (‘PGM’) and gold in the Ural Mountains, Russia, while the Kola battery metal and PGM projects are being developed towards production of PGM, gold and battery metals near the town of Monchegorsk, on the Kola Peninsula, Russia. During 2021 the Company has diversified both geographically and in terms of commodities by developing commercial relations in far east markets concurrently with interests in the Hydrogen economy. The Company intends to further these commercial goals while maintaining corporate governance principles in line with the QCA Code. The key commitments and challenges in achieving this are set out below.

Principle 2: Understanding shareholders

Eurasia seeks to maintain open, direct and two-way communication with its shareholders through various media including press releases, the Company website, twitter feed, presentations, investor events, video blogs filmed on site at the Company’s projects, live and recorded video and audio interviews, and direct communication by phone and email through the Company’s contact information. 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 it remains in touch with the information requirements of our shareholders, their expectations regarding their investment, and the motivation behind their voting decisions. Director’s consider shareholder’s motivations and expectations to be 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 as events materialise. Directors recognise that shareholders require complete and timely information as a necessary input to their investment decisions.

Principle 3: Stakeholders and social responsibility

Experienced and knowledgeable long-standing employees and service providers 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 and the Group of companies.

Our mining and other operations are a further key asset and attention is paid to how these operations engage with 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 West Kytlim 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 within Russian sub-soil licensing protocols.

Key personnel from the Company’s subsidiary maintain communication with representatives from the nearest village to the West Kytlim mining operation, in the town of Kytlim, in order to ensure feedback on potential issues. The mining community in this area of the Urals is relatively small with good 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 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: Risk management
The leading risks at operational level relate to the reliability of our resource and reserve estimations and 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 resource 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.

Principle 5: Maintaining a dynamic management framework
The Board consists of a Chairman and Chief Executive Officer supported by four Non-Executive Directors. The Board endeavours to maintain two independent Non-Executive Director positions at all times. At the date of this revision Iain Rawlinson, Artem Matyushok and Kotaro Kosaka are considered independent Non-Executive Directors. In addition, the board maintains appointments made as strategic advisors. Current Board and advisor roles are listed on our website at https://www.eurasiamining.co.uk/about/team-2

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 maintained and annualised for distribution within the board. Separately, the Company secretary, is considered a key position necessary in preserving a functional and ergonomic management framework within the Company and good communication across the Group of companies.

Principle 6: Experience and skills
The board has an effective combination of commercial and technical experience, being led by a chair with a strong background in geology, who is supported by non-executive directors with commercial, legal and technical experience in a range of markets and jurisdictions. Board members retire on a fixed rota and declare themselves eligible for reappointment by shareholders at the Company's AGM.

The board considers the skill sets within the board to be sufficient for the successful running of the business, and the delivery of the stated corporate strategy and goals through the medium to long term, however further appointments may be made in due course. In addition, 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 member's 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 programme of quantitative and qualitative CPD activities. Likewise, the Company's financial controller maintains membership of the Association of Chartered and Certified Accountants by following a prescribed CPD programme. 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.

Principle 7: Board performance
The Remuneration Committee, whose membership is considered annually 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.

The appointment process involves; assessment of suitability based on qualifications and work history, due diligence by the Company and its Nominated Adviser, a series of meetings with board members and key personnel, and finally 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 evaluations are not currently made public, and it is the Company's intention to reconsider this position and ensure continued compliance with the Code as the Company develops.

Principle 8: Values
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, potential employee or 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 and these standards are reinforced through the appraisal process. High standards of ethics 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 and the Board has recognised a lack of board diversity which it intends to address.

Principle 9: Governance
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 Chairman, who instigates changes in policy, and ensures the code is applied throughout the organisation.

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 commerce, law, finance and the UK regulatory environment, with a combined breath of experience across various markets, commodities and jurisdictions. They communicate regularly with the Chairman and executive directors and provide reliable advice in their areas of expertise. The terms and functions of the audit and risk, remuneration and nomination committees are set out below. The Company Secretary is available to non-executive directors to support their information requirements and decision making and reports directly to the Chairman.

AUDIT AND RISK COMMITTEE
The Audit and Risk Committee may examine any matter 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 external Auditors have direct access to the members of the committee, without presence of the executive Directors, for independent discussions. Several Audit and Risk Committee meetings are held during the year, prior to and during the annual audit; and to approve Interim and Annual Financial Statements. The Audit and Risk Committee opines on whether accounts are in compliance with International Financial Reporting Standards.

The Chairman of the Audit and Risk Committee is Iain Rawlinson and the committee comprises Iain Rawlinson and Tamerlan Abdikeev. The Audit and Risk Committee is guided by company policy and procedure including the Audit and Risk Committee terms of reference.

REMUNERATION COMMITTEE
The Remuneration Committee determines the terms and conditions of employment and annual remuneration of the executive Directors and senior staff. 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 Chairman of the Remuneration Committee is Iain Rawlinson and the committee comprises Iain Rawlinson and Tamerlan Abdikeev.

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. The Remuneration Committee is guided by company policy and procedure including the Remuneration Committee terms of reference.

NOMINATIONS COMMITTEE
The Chairman of the Nominations Committee is Christian Schaffalitzky and the committee comprises Christian Schaffalitzky and Iain Rawlinson. The committee convenes at a minimum twice annually to consider board composition, and, if considered necessary, seek further appointments. The committee is conscious of a need for board diversity when considering future appointments.

The Nominations Committee is guided by company policy and procedure including the Nominations Committee terms of reference.

Principle 10: Build trust

The Board seeks to maintain both direct and two-way communication with its shareholders through its public and investor relations programmes. 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 and Investor Relations professionals and maintains several third-party contracts to better disseminate Company news-flow. Through shareholder feedback the Company ensures that the Board's 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. 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 remediation regarding that voting. A catalogue of historical annual reports and AGM notices is maintained at an appropriate location on the Company's website.

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.

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

By order of the Board

K. Byrne
Company Secretary
28 June 2022

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

Opinion

We have audited the financial statements of Eurasia Mining Plc (the 'Company') and its subsidiaries (collectively the 'Group') for the year ended 31 December 2021 which comprise the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity, the company statement of financial position, the company statement of cash flows, the company statement of changes in equity 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 UK-adopted international accounting standards.

In our opinion, the Company and Groups' financial statements:

- give a true and fair view in accordance with UK-adopted international accounting standards of the assets, liabilities and financial position of the Group's and of the Company as at 31 December 2021 and of the Group's financial performance and cash flows for the year then ended;
- have been properly prepared in accordance with the requirements of 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 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the group and company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the group and company. 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and the Company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing management's assessment of the impact of the ongoing sanctions and its potential impact on production assets, revenue generation, availability of people and resources and various scenario planning in respect of same;
- Reviewing management's cash flow forecasts for the period to December 2023 and evaluating the level of headroom available and the assumptions including potential geopolitical impacts, production, prices, operating expenditure and capital expenditure. In doing so we compared production forecasts to historical trends and considered the price assumptions against consensus market prices and historical prices. We compared forecast costs with historical expenditure.

Grant Thornton

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

- Reviewing licences for commitments to verify these have been reflected in the cash flow forecasts.
- Reviewing the disclosures in the financial statements in respect of going concern against the requirements of the standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Emphasis of Matter

We draw attention to the Strategic report, Director's report and Note 32 to the financial statements, which describe the Group and Company's current activities and engagement in Russia, sanctions imposed and the impact thereof. Strict international sanctions are imposed on certain activities, entities and individuals connected with Russia; additionally, sanctions have been introduced by the Russian Federal government. These expose the Group and Company to legal, political and economic risks that may arise. The outcome, length, scale and extent of these are unknown and as such the impact on the Group cannot be predicted at the time of issuing the audit opinion. The Group continue to monitor any impact and have to date indicated that there has not been a significant impact on the Group's activities. In view of the significance of this matter, we consider that it should be drawn to your attention. The ultimate outcome of this matter cannot presently be determined, and the financial statements do not include any potential adjustment(s) that may be required arising out of alternative outcomes. Our opinion is not modified in respect of this matter.

Other matter

The financial statements of the Group and Company for the year ended December 31, 2020, were audited by Grant Thornton UK LLP who expressed an unmodified opinion on those statements on June 4, 2021.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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, including those which 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.

Overall audit strategy

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was any evidence of potential bias that could result in a risk of material misstatement due to fraud.

Based on our considerations as set out below, our areas of focus included:

- Revenue recognition;
- Provision for environmental rehabilitation; and
- Recoverability of capitalised exploration costs and mining assets

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

Whilst Eurasia Mining Plc is a company listed on AIM Market the of the London Stock Exchange, the Group's operations principally comprise an exploration & development of platinum group metals, gold and other minerals located in Russia.

We assessed there to be two components holding exploration & development assets, ZAO Kosvinsky Kamen (operational in West Kytlim) and the ZAO Terskaya Mining Company (exploring activities in the Monchetundra region). ZAO Kosvinsky Kamen was subject to a full scope audit and ZAO Terskaya Mining Company was subject to specified audit procedures in relation to the key audit matter, *Recoverability of capitalised exploration costs*. The Company, Eurasia Mining Plc was also subject to a full scope audit. The audits of the significant components were performed in Ireland by Grant Thornton Ireland. The remaining components of the Group were considered non-significant and these components were subject to analytical review procedures.

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

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	2021	2020
Overall Group Materiality	£311,000	£92,800
Basis for determining materiality	1% of total assets	2% of net assets
Rational for the benchmark applied	We determined that an asset based measure is appropriate as the Group holds significant cash and loan balances and its principal activity is the exploration & development of platinum group metals, gold and other minerals, such that the asset base is considered to be a key financial metric for users of the financial statements. We allocated group materiality to significant components dependent on the size and our assessment of the risk of material misstatement of that component.	
Performance materiality	£187,000	£69,600
Basis for determining performance materiality	60% of materiality having considered our review of the predecessor auditor's assessment of the risk of misstatements, business risks and fraud risks associated with the entity and its control environment, our expectations about misstatements and our understanding of the business and processes at the Group and Company. This is to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.	

The reporting threshold is set as the amount below which identified misstatements are considered as being clearly trivial. We agreed with the Board and the Audit Committee that we would report to them misstatements identified during our audit of amounts greater than 5% of materiality as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters identified

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are set out below as significant matters together with an explanation of how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole. This is not a complete list of all risks identified by our audit.

Key audit matter	How the scope of our audit addressed the key audit matter
Revenue recognition Under ISA (UK) 240 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements', there is a presumption that there are risks of fraud in revenue recognition. Revenue for the year ended 31 December 2021 was £2,331,225 (2020: £937,962). This relates to activities conducted by ZAO Kosvinsky Kamen component. The group operates alluvial mining in Russia for a limited season due to weather conditions. As the operating season changes each year, the opportunity presents itself to not record revenues at the start or end of each season. There is the risk of fraud in the recognition of revenue relating to the production and sales of metals.	We performed the following audit procedures: · analysed the group's revenue recognition accounting policies and assessed whether the policies are in accordance with International Financial Reporting Standard (IFRS) 15 'Revenue from Contracts with Customers'; · tested all revenue transactions in the year, agreeing to invoices, settlement reports and cash receipts; · inspected post year-end receipts to verify that cut-off of revenue is correct; and · reviewed the revenue disclosures were in accordance with IFRS 15. Key observations: We consider management's application of IFRS 15 to be reasonable. The disclosures in Note 8 are in line with IFRS15.
Provision for environmental rehabilitation The rehabilitation provision as at 31 December 2021 is £200,762 (2020: £52,137). The Group has operations at the West Kytlim Mine which has to adhere to the licence conditions, one of which would be the obligation to rehabilitate the West Kytlim mining area. This relates to activities conducted by ZAO Kosvinsky Kamen component. The provision for environmental rehabilitation is considered to be an estimate that requires judgement.	We performed the following audit procedures: · obtained an understanding of management's process relating to the recognition and valuation of the provision as well as test that the accounting treatment was in accordance with IAS 37 – provisions, contingent liabilities and contingent assets. · critically evaluated the following assumptions and judgements applied: o life expectancy of the mining projects o expenses to perform site rehabilitation o discount rate used · tested management's calculations for mathematical accuracy and critically reviewed the active licenses and other publicly available information and contracts; and · reviewed the disclosures were in accordance with IAS 37. Key observations: We consider management's assumptions and judgements applied regarding the life expectancy of the mining projects, expenses to perform rehabilitation and the discount rate to be reasonable. The disclosures in Note 27 are in line with IAS 37.

Recoverability of capitalised exploration costs and mining assets The intangible asset represented only by capitalised costs associated with exploration, evaluation and development of mineral resources as at 31 December 2021 is £1,389,029 (2020: £696,504). This relates to activities conducted by the ZAO Terskaya Mining Company component. The mining asset as at 31 December 2021 is £3,109,632 (2020: £3,142,533). This relates to activities conducted by ZAO Kosvinsky Kamen component. Management is required to assess these assets for impairment at each reporting period. In addition, the assumptions used to calculate the value in use requires significant judgement by management and the inputs to the calculation such as metal prices are sensitive to change. The recoverability of these costs are contingent on the success of the extraction of the identified reserves.	We performed the following audit procedures: · obtained management's impairment assessment relating to the mining assets and capitalised exploration costs; · corroborated management's considerations on the exploration and evaluation assets where there was no indicator for impairment by obtaining mining licenses, as well as reserve and resource reports; · for intangible asset represented only by capitalised costs associated with exploration, evaluation and development of mineral resources: o we assessed whether there were indicators of impairment and concluded that no indicators in terms of IFRS 6 applied o reviewed and summarised licence agreements and confirmed that the terms and requirements are complied with; o inspected management's expert's calculations and assumptions included in the calculation; and o evaluated the competence and objectivity of the management's expert. · for mining assets where there were indicators of impairment, we tested the value-in-use calculations performed by management, which included: o performed arithmetical checks on the calculation; o 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; and o inspected management's sensitivity analysis on the key assumptions including commodity prices, production levels, recovery rates and expected grading of extracted materials. · reviewed the financial statements to verify that the disclosures were appropriately included per IAS 36 'Impairment of Assets' and IFRS 6 'Exploration for and Evaluation of Mineral Resources'. Key observations: We consider management's assumptions and judgements applied regarding to be reasonable. The margin of safety before impairment is recognised on mining assets, is considered low at 7% change in revenue production. The disclosures in Note 13 Property, plant and equipment and Note 14 Intangible assets are in line with IAS 36 and IFRS 6 respectively.

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Directors' Report and the Strategic Report.

The directors are responsible for the other information. 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 in the financial statements, 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.

Opinions on other matters prescribed by the Companies Act 2006

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 by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with UK-adopted international accounting standards, and for such internal control as directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the group and 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 management either intends to liquidate the group and company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the group and company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 their 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 an auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with mining industry regulations and mining licence conditions, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statement.

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management board, risk and compliance and legal functions and audit committee on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the group's regulatory and legal correspondence and review of minutes of board, director's and audit committee meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including impairment assessment of assets and provisions;
- performing a detailed review of the Group's year-end adjusting entries and investigating any that appear unusual as to nature or amount and agreeing to supporting documentation;
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management; and
- ensuring the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation and they were appropriately briefed on where the risk areas are.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The purpose of our audit work and to whom we owe our responsibilities

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.

Cathal Kelly
(Senior Statutory Auditor)
For and on behalf of
Grant Thornton
Chartered Accountants & Statutory Auditors
12-18 City Quay
Dublin 2,
Ireland

28 June 2022

Eurasia Mining Plc.
(Company number 03010091)
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2021

	Note	Year to 31 December 2021	Year to 31 December 2020
		£	£
Sales	8	2,331,225	937,962
Cost of sales	9	(2,584,680)	(1,131,954)
Gross (loss)/profit		**(253,455)**	**(193,992)**
Administrative costs	9	(2,717,765)	(1,889,793)
Investment income		1,394	486
Finance cost	10	(103,445)	(100,886)
Other losses	11	(65,250)	(1,509,123)
Loss before tax		**(3,138,521)**	**(3,693,308)**
Income tax expense	12	-	-
Loss for the year		**(3,138,521)**	**(3,693,308)**
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	16	36,855	181,670
Items that will be reclassified subsequently to profit and loss:			
Parent's share of foreign exchange differences on translation of foreign operations		(58,679)	382,686
Other comprehensive income for the year, net of tax		(21,824)	564,356
Total comprehensive loss for the year		**(3,160,345)**	**(3,128,952)**
Loss for the period attributable to:			
Equity holders of the parent		(2,910,479)	(3,080,336)
Non-controlling interest	16	(228,042)	(612,972)
		(3,138,521)	**(3,693,308)**
Total comprehensive loss for the year attributable to:			
Equity holders of the parent		(2,969,158)	(2,697,650)
Non-controlling interest	16	(191,187)	(431,302)
		(3,160,345)	**(3,128,952)**
(Loss)/profit per share attributable to equity holders of the parent:			
Basic and diluted loss (pence per share)	29	(0.10)	(0.11)

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 2021

	Note	31 December 2021	31 December 2020
		£	£
ASSETS			
Non-current assets			
Property, plant and equipment	13	5,061,743	4,295,908
Assets in the course of construction	13	640,423	28,957
Intangible assets	14	1,389,029	696,504
Investment to potential share in joint venture	15	367,464	-
Total non-current assets		**7,458,659**	**5,021,369**
Current assets			
Inventories	18	38,673	13,695
Trade and other receivables	19	1,681,864	285,081
Current tax asset		5,334	5,307
Cash and cash equivalents	20	22,009,507	5,404,101
Total current assets		**23,735,378**	**5,708,184**
Total assets		**31,194,037**	**10,729,553**
EQUITY			
Issued capital	21	61,187,111	37,812,856
Other reserves	23	3,922,691	3,981,370
Accumulated losses		(33,114,532)	(30,204,053)
Equity attributable to equity holders of the parent		**31,995,270**	**11,590,173**
Non-controlling interest	16	(1,950,049)	(1,758,862)
Total equity		**30,045,221**	**9,831,311**
LIABILITIES			
Non-current liabilities			
Lease liabilities	25	307,136	425,923
Provisions	27	143,268	50,186
Total non-current liabilities		**450,404**	**476,109**
Current liabilities			
Borrowings	24	31,953	31,684
Lease liabilities	25	122,407	101,007
Trade and other payables	26	486,558	287,491
Provisions	27	57,494	1,951
Total current liabilities		**698,412**	**422,133**
Total liabilities		**1,148,816**	**898,242**
Total equity and liabilities		**31,194,037**	**10,729,553**

Eurasia Mining Plc.
(Company number 03010091)
Consolidated statement of financial position
As at 31 December 2021

These financial statements were approved by the board on 28 June 2022 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 2021

Company statement of financial position

	Note	31 December 2021	31 December 2020)
		£	£
ASSETS			
Non-current assets			
Property, plant and equipment	13	804	1,507
Investments in subsidiaries	16	1,132,246	1,132,246
Total non-current assets		**1,133,050**	**1,133,753**
Current assets			
Trade and other receivables	19	308,485	106,042
Other financial assets	17	12,681,450	8,226,176
Cash and cash equivalents	20	21,892,793	5,247,106
Total current assets		**34,882,728**	**13,579,324**
Total assets		**36,015,778**	**14,713,077**
EQUITY			
Issued capital	21	61,187,111	37,812,856
Other reserves	23	3,924,026	3,924,026
Accumulated losses		(29,371,048)	(27,366,492)
Total equity		**35,740,089**	**14,370,390**
LIABILITIES			
Current liabilities			
Trade and other payables	26	275,689	342,687
Total current liabilities		**275,689**	**342,687**
Total liabilities		**275,689**	**342,687**
Total equity and liabilities		**36,015,778**	**14,713,077**

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 £2,004,556 (2020: loss of £1,432,061).

These financial statements were approved by the board on 28 June 2022 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 2021

	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 2020		**2,693,757**	**20,572,186**	**7,025,483**	**3,958,087**	**(325,342)**	**(27,157,778)**	**6,766,393**	**(1,327,560)**	**5,438,833**
Issue of ordinary share capital for cash		33,927	7,599,661	-	-	-	-	**7,633,588**	-	**7,633,588**
Issue of ordinary shares on exercise of warrants		22,018	202,983	-	(674)	-	674	**225,001**	-	**225,001**
Issue of shares under employee share option plan		9,000	67,200	-	(14,904)	-	14,904	**76,200**	-	**76,200**
Share issue cost		-	(413,359)	-	-	-	-	**(413,359)**	-	**(413,359)**
Reversal on cancellation or exercise of options and warrants		-	-	-	(18,483)	-	18,483	-	-	-
Transaction with owners		**64,945**	**7,456,485**	**-**	**(34,061)**	**-**	**34,061**	**7,521,430**	**-**	**7,521,430**
Loss for the year		-	-	-	-	-	(3,080,336)	**(3,080,336)**	(612,972)	**(3,693,308)**
										-
Other comprehensive income										
Exchange differences on translation of foreign operations		-	-	-	-	382,686	-	**382,686**	181,670	**564,356**
Total comprehensive loss for the period ended 31 December 2020		**-**	**-**	**-**	**-**	**382,686**	**(3,080,336)**	**(2,697,650)**	**(431,302)**	**(3,128,952)**
Balance at 31 December 2020		**2,758,702**	**28,028,671**	**7,025,483**	**3,924,026**	**57,344**	**(30,204,053)**	**11,590,173**	**(1,758,862)**	**9,831,311**

Eurasia Mining Plc.
(Company number 03010091)
Consolidated statement of changes in equity
For the year ended 31 December 2021

	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 2021		**2,758,702**	**28,028,671**	**7,025,483**	**3,924,026**	**57,344**	**(30,204,053)**	**11,590,173**	**(1,758,862)**	**9,831,311**
Issue of ordinary share capital for cash		94,858	24,834,836	-	-	-	-	**24,929,694**		**24,929,694**
Share issue cost		-	(1,555,439)	-	-	-	-	**(1,555,439)**		**(1,555,439)**
Transaction with owners		**94,858**	**23,279,397**	**-**	**-**	**-**	**-**	**23,374,255**	**-**	**23,374,255**
Loss for the year		-	-	-	-	-	(2,910,479)	**(2,910,479)**	(228,042)	**(3,138,521)**
										-
Other comprehensive income										
Exchange differences on translation of foreign operations		-	-	-	-	(58,679)	-	**(58,679)**	36,855	**(21,824)**
Total comprehensive loss for the period ended 31 December 2021		**-**	**-**	**-**	**-**	**(58,679)**	**(2,910,479)**	**(2,969,158)**	**(191,187)**	**(3,160,345)**
Balance at 31 December 2021		**2,853,560**	**51,308,068**	**7,025,483**	**3,924,026**	**(1,335)**	**(33,114,532)**	**31,995,270**	**(1,950,049)**	**30,045,221**

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 2021

	Note	Share capital	Share premium	Deferred shares	Other reserves	Retained loss	**Total**
		£	£	£	£	£	**£**
Balance at 1 January 2020		**2,693,757**	**20,572,186**	**7,025,483**	**3,958,087**	**(25,968,492)**	**8,281,021**
Issue of ordinary share capital for cash		33,927	7,599,661	-	-	-	**7,633,588**
Issue of ordinary shares on exercise of warrants		22,018	202,983	-	(674)	674	**225,001**
Issue of shares under employee share option plan		9,000	67,200	-	(14,904)	14,904	**76,200**
Share issue cost		-	(413,359)	-	-	-	**(413,359)**
Reversal on cancellation or exercise of options and warrants		-	-	-	(18,483)	18,483	-
Transactions with owners		**64,945**	**7,456,485**	**-**	**(34,061)**	**34,061**	**7,521,430**
Loss and total comprehensive income		-	-	-	-	(1,432,061)	**(1,432,061)**
Balance at 31 December 2020		**2,758,702**	**28,028,671**	**7,025,483**	**3,924,026**	**(27,366,492)**	**14,370,390**

	Note	Share capital	Share premium	Deferred shares	Other reserves	Retained loss	**Total**
		£	£	£	£	£	**£**
Balance at 1 January 2021		**2,758,702**	**20,028,671**	**7,025,483**	**3,924,026**	**(27,366,492)**	**14,370,390**
Issue of ordinary share capital for cash		94,858	24,834,836		-		**24,929,694**
Share issue cost		-	(1,555,439)		-		**(1,555,439)**
Transactions with owners		**94,858**	**23,279,397**	**-**	**-**	**-**	**23,374,255**
Loss and total comprehensive income		-	-	-	-	(2,004,556)	**(2,004,556)**
Balance at 31 December 2021		**2,853,560**	**51,308,068**	**7,025,483**	**3,924,026**	**(29,371,048)**	**35,740,089**

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 2021

	Note	Year to 31 December 2021	Year to 31 December 2020
		£	£
Cash flows from operating activities			
Loss for the year		(3,138,521)	(3,693,308)
Adjustments for:			
Depreciation of non-current assets	13	422,752	205,200
Asset value write offs to cost of sales		149,882	-
Finance costs recognised in profit or loss	24	103,445	100,886
Investment income recognised in profit or loss		(1,394)	(486)
Rehabilitation (change in estimate)/cost recognised in profit or loss		145,785	(14,671)
Income tax expense recognised in profit or loss		-	-
Net foreign exchange loss	11	65,250	1,509,123
		(2,252,801)	**(1,893,256)**
Movement in working capital			
Increase in inventories		(24,862)	(12,152)
Increase in trade and other receivables		(1,395,059)	(130,219)
Decrease/(increased) in trade and other payables		197,728	(65,555)
Cash outflow from operations		**(3,474,993)**	**(2,101,182)**
Income tax paid		-	-
Net cash used in operating activities		**(3,474,993)**	**(2,101,182)**
Cash flows from investing activities			
Investment income		1,394	486
Investment to acquire interest in joint venture	15	(367,464)	
Purchase of property, plant and equipment	13	(1,910,033)	(687,167)
Payment for exploration and evaluation assets	14	(682,419)	(9,599)
Net cash used in investing activities		**(2,958,523)**	**(696,280)**
Cash flows from financing activities			
Proceeds from issue of equity shares		24,929,694	7,934,789
Share issue costs		(1,555,439)	(413,359)
Proceeds from borrowings		-	300,000
Repayment of borrowings		-	(306,341)
Repayment of lease liability		(101,674)	(81,491)
Interest paid		(101,048)	(96,965)
Net cash proceeds from financing activities		**23,171,533**	**7,336,633**
Net increase in cash and cash equivalents		**16,737,996**	**4,539,171**
Effects of exchange rate changes on the balance of cash held in foreign currencies		(132,611)	(55,083)
Cash and cash equivalents at beginning of year		5,404,101	920,013
Cash and cash equivalents at end of year		**22,009,507**	**5,404,101**

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 2021

	Note	Year to 31 December 2021	Year to 31 December 2020
		£	£
Cash flows from operating activities			
Loss for the year		(2,004,556)	(1,432,061)
Adjustments for:			
Depreciation of non-current assets		703	416
Finance costs recognised in profit or loss	10	-	4,586
Net foreign exchange loss		26,576	-
		(1,977,277)	**(1,427,059)**
Movement in working capital			
Increase in trade and other receivables		(202,443)	(14,481)
(Decrease)/increase in trade and other payables		(66,998)	(184,863)
Cash outflow from operations		**(2,246,718)**	**(1,626,403)**
Income tax paid		-	-
Net cash used in operating activities		**(2,246,718)**	**(1,626,403)**
Cash flows from investing activities			
Amounts advanced to related party		(4,455,274)	(1,537,070)
Purchase of property, plant and equipment		-	(1,260)
Net cash used in investing activities		**(4,455,274)**	**(1,538,330)**
Cash flows from financing activities			
Proceeds from issue of equity shares		24,929,694	7,934,789
Share issue costs		(1,555,439)	(413,359)
Proceeds from the borrowings		-	300,000
Repayment of borrowings		-	(304,586)
Net cash proceeds from financing activities		**23,374,255**	**7,516,844**
Net increase in cash and cash equivalents		**16,672,263**	**4,352,111**
Effects of exchange rate changes on the balance of cash held in foreign currencies		(26,576)	-
Cash and cash equivalents at beginning of year		5,247,106	894,995
Cash and cash equivalents at end of year		**21,892,793**	**5,247,106**

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

Notes to the 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 (collectively "**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

Following two significant fund raisings through the issue of new ordinary shares in May and September 2021, as at 31 December 2021 the Group's net current assets amounted to £ 23,036,966 (£5,286,051 in 2020). As at the same date, the Group's cash balance was £22,009,507 (£5,404,101 in 2020). The Group's debt largely consisted of lease liabilities set up to acquire mining machinery for a total amount of £429,543 (at 31 December 2020 - £558,614).

The Group's current (as at 30 May 2022) cash position is around £14,200,000 with the reduction since December 2021 being accounted for by £3,900,000 in capital expenditure, £1,300,000 on development expenditure on its assets portfolio, and £3,500,000 in costs.

The Board consider the West Kytlim asset to be fully capitalised for sustainable mine production for an up to 15 year mine life (at 2022 capacity), without consideration of possible reserves in the adjacent West Kytlim Flanks and Typil License areas. The Group is in the process of installing electric draglines and grid power, realising its plans for the West Kytlim asset which is intended to be self-funding from 2022.

The Group has spent £682,419 on a development programme for the Monchetundra asset during 2021 and has budgeted a further £527,000 for statutory reporting on this asset to November 2022, keeping the asset in good standing while strategic options for the project's development are considered.

3 Changes in accounting policies

3.1 New and revised relevant standards that are effective for annual periods commencing on or after 1 January 2021

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16:

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued;
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments did not have any impact on the financial statements of the Group. The Group intends to apply the practical expedients in future periods, if necessary.

COVID-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued *COVID-19-Related Rent Concessions* – amendment to IFRS 16 *Leases*. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but due to the continued impact of the COVID-19 pandemic, on 31 March 2021 the IASB elected to extend the application of the practical expedients until 30 June 2022.

The new amendment is effective for annual periods beginning on or after 1 April 2021.

The Group does not have any granted rent concessions related to the COVID-19, but plans to apply practical expedients, if necessary, within a reasonable period.

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

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 replaces IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. There are several scope exceptions. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for insurance contracts with direct participation terms (the variable fee approach).
- A simplified approach (the premium allocation approach) is mainly for short-duration contracts.

IFRS 17 is effective for reporting periods starting on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

These amendments are effective for annual periods beginning on or after 1 January 2023 and are applied retrospectively. The Group is currently assessing the possible impact the amendments will have on current liabilities and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 *Business Combinations – Reference to the Conceptual Framework*. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 *Levies*, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

These amendments are effective for annual periods beginning on or after 1 January 2022 and are applied prospectively.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued *Property, Plant and Equipment – Proceeds before Intended Use*, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments are effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies these amendments.

These amendments are not expected to have an impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments are effective for annual periods beginning on or after 1 January 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2021 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards*. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

This amendment is effective for annual periods beginning on or after 1 January 2022 with earlier adoption is permitted.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

This amendment is effective for annual periods beginning on or after 1 January 2022. Early adoption is permitted. The Company will apply the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the Company first applies the amendment.

The amendment is not expected to have a material impact on the Group.

Amendment to IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 *Agriculture*. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Early adoption is permitted.

The amendment is not expected to have an impact on the Group.

Definition of Accounting Estimates – Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It also explains how organizations use measurement methods and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Early application is permitted and must be disclosed.

These amendments are not expected to have an impact on the Group.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgments*, which provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments should help entities disclose more useful information about accounting policies by replacing the requirement for entities to disclose "significant accounting policies" with a requirement to disclose "material accounting policy information", and by adding guidance on how entities should apply materiality judgements to disclosure of accounting policies.

The amendments to IAS 1 apply for annual periods beginning on or after 1 January 2023, early application is permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Group is currently assessing the impact these amendments.

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 UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

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 (i.e. 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

<u>Functional and presentation currency</u>

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.

<u>Transaction and balances</u>

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.

<u>Group companies</u>

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.

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

Stripping activity asset costs
In alluvial mining operations, it is necessary to remove overburden and other waste in order to improve access the ore body. Associated costs are recognised as a stripping activity asset. A stripping activity asset is initially measured at cost and subsequently carried at cost or its revalued amount less depreciation or amortisation and impairment losses.
A stripping activity asset is depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method is used.

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
Plant & machinery	3-30 years
Office, fixture and fittings	3-5 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
<u>Exploration and evaluation of mineral resources</u>

Exploration and evaluation expenditure comprise 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.

4.11 Investments in subsidiary undertakings
Investments in subsidiaries are measured at cost less accumulated impairment.

The carrying values of non-financial assets are reviewed annually for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. The recoverable amount of non-financial assets is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. If such indication of impairment exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. Impairment losses are recognised within operating loss.

4.12 Impairment testing intangible assets and property, plant and equipment
At each statement of financial position date, the Group reviews the carrying amounts of the assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.
Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.
In assessing whether an impairment is required, the carrying value of the asset is compared with its recoverable amount. The recoverable amount is the higher of the fair value less costs of disposal (FVLCD) and value in use (VIU).The FVLCD is estimated based on future discounted cash flows expected to be generated from the continued use of the asset, including any expansion

prospects and eventual disposal, using market-based commodity prices, exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements based on the latest Life of mine plans. These cash flows were discounted using a real post-tax discount rate that reflect the current market assessments of time value of money.
Value in use is determined as the present value of the estimated cash flows expected to arse from continued use in its current form and eventual disposal. Value in use cannot take into consideration future development. The assumptions used in the calculation are often different than those used in a FVLCD and therefore is likely to yield a different result.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.
A reversal of an impairment loss of the assets is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.13 Inventories

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

4.14 Cash

Cash and cash equivalents comprise cash balances, call deposits and highly liquid investments with maturities of three months or less from the acquisition date that are subject to insignificant risk of changes in their fair value.

4.15 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.

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.

Financial assets at fair value through other comprehensive income (FVOCI)
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'.
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.

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 the profit and loss reserve as applicable.

4.16 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Environmental protection, rehabilitation and closure costs

Provision is made for close down, restoration and environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the financial period when the related environmental disturbance occurs, based on the estimated future costs using information available at the reporting date. The provision is discounted using a discount rate equal to yield to maturity of relevant state bonds and the unwinding of the discount is included in interest expense.

The provision is reviewed on an annual basis for changes to obligations, legislation or discount rates that impact estimated costs or lives of operations. .

4.17 Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

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Lease payments included in the measurement of the lease liability comprise:

Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;

Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

The amount expected to be payable by the lessee under residual value guarantees;

The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within property plant and equipment in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment testing intangible assets and property, plant and equipment' policy.

4.18 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 Provision for environmental rehabilitation

Provision is made for close down, restoration and environmental rehabilitation costs based on the estimated future costs using information available at the reporting date. Costs are estimated based on the observable local prices, fees and already agreed contract for specific jobs. The provision is discounted using a risk-free discount rate of from 8.39% to 8.66% attributed to the Russian Federal bonds with corresponding maturity.

5.1.2 Impairment review of the mining assets

The impairment assessment of the West Kytlim mining asset was performed by calculating the higher of fair value less cost of disposal and value in use and compared against the carrying value of the mining assets. Projected cash flows from 2021 to 2030 were used to assess the fair value less costs of disposal. 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 throughout 2021-2030:
Pt grade 0.332g/tonne
Process recovery 75%
Platinum/Gold price $1,000/oz / $1,800/oz
Post-tax discount rate 8.01%

Management has performed a sensitivity analysis on the key variable, such as platinum and production levels and the model is robust up to 17.26% on platinum and gold prices and lower than anticipated production levels. Every 0.1% change above the said 17.26% would cause recognition of impairment loss in the amount of £40,943.

PGM deliveries commenced in May 2022 at a current platinum price is around 5% lower than that modelled. Stripping of overburden to access platinum bearing gravels was carried out over the 2021/22 and will ensure better control on production levels during the current season.

5.1.3 Impairment review of the intangible asset

Intangible asset represents Monchetundra (the "MT") development and Nittis-Kumuzhya-Travyanaya (the "NKT") exploration and evaluation assets. NKT is a northeast extension of the MT mineralisation. The MT has been assessed as economically viable asset for the purpose of obtaining of the mining licence, parameters of the assessment are being regularly evaluated for the signs which can trigger impairment of the asset. The NKT exploration and evaluation asset falls under the IFRS 6 treatment. There were no indicators of impairment identified during the course of the year ended 31 December 2021.

5.1.4. Impairment of investments in subsidiary and receivables from subsidiaries

The Company's financial statements, and in particular its investments in and receivables from subsidiaries, are affected by certain of the critical accounting judgements and key sources of estimation uncertainty.

The critical estimates and judgments referred to application of the expected credit loss model to intercompany receivables (note 31). Management determined that the interest free on demand loans were required to be assessed on the lifetime expected credit loss approach and assessed scenarios considering risks of loss events and the amounts which could be realised on the loans. In doing so, consideration was given to factors such as the cash held by subsidiaries and the underlying forecasts of the Group's divisions and their incorporation of prospective risks and uncertainties.

In relation to impairment of investments in subsidiary please refer to Note 4.11.

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.

	West Kytlim	**Monchetundra**	**Corporate and other segments**	**Total**
Geographical location	Urals Mountains, Russia	Kola Peninsula, Russia	-	
Activity	Operating mine and revenue generating unit	Licenced mining project	Management and investment	
2021	£	£	£	£
Non-current assets	5,362,684	1,376,006	719,969	7,458,659
Total assets	6,730,257	1,546,716	22,917,064	31,194,037
Total liability	826,471	15,653	306,692	1,148,816
Revenue	2,331,225	-	-	2,331,225
Loss for the year	(621,695)	(145,502)	(2,371,324)	(3,138,521)
2020	£	£	£	£
Non-current assets	3,999,098	669,080	353,191	5,021,369
Total assets	4,231,046	804,065	5,694,442	10,729,553
Total liability	726,276	3,590	168,376	898,242
Revenue	937,962	-	-	937,962
Loss for the year	(1,754,307)	(289,707)	(1,649,294)	(3,693,308)

7 Employees

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

	2021	**2020**
By the Company	4	3
By the Group	74	54

8 Revenue

Disaggregation of by primary markets is as follows:

	Year to 31 December 2021		Year to 31 December 2020	
	Group	Company	Group	Company
	£	£	£	£
Revenue from sale of platinum and other precious metals	2,331,225	-	937,962	-
Revenue from other management services	-	120,000	-	120,000
	2,331,225	120,000	937,962	120,000

Disaggregation of revenue from contracts with customers:

	Year to 31 December 2021		Year to 31 December 2020	
	Group	Company	Group	Company
	Russia	Cyprus	Russia	Cyprus
	£	£	£	£
Revenue from external customers				
- Sale of platinum and other precious metals	2,331,225	-	937,962	-
Revenue from related parties				
- Management services	-	120,000	-	120,000
	2,331,225	**120,000**	**937,962**	**120,000**
Timing of revenue recognition				
At a point of time	2,331,225	-	937,962	-
Over time	-	120,000	-	120,000
	2,331,225	**120,000**	**937,962**	**120,000**

All revenue recognised in 2021 and 2020 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.

9 Profit/(loss) for the year

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

	Year to 31 December 2021		Year to 31 December 2020	
	Group	Company	Group	Company
	£	£	£	£
Cost of sales	(2,584,680)	-	(1,131,954)	-
Administrative expenses	(2,717,765)	(2,296,563)	(1,889,793)	(1,547,475)
Cost of sales includes:				
Staff benefits expenses	433,872	-	291,036	-
Depreciation*	421,987	-	204,748	-
Administration expenses include:				
Staff benefits expenses	1,517,088	1,275,474	812,076	598,012
Depreciation*	765	702	452	416
Audit fees payable	110,000	110,000	110,000	110,000
Mineral extraction tax	149,918	-	57,578	-
*Staff benefits expense:***				
Wages, salaries and Directors’ fees (note 28)	1,958,156	1,253,471	1,067,790	581,941
Social security costs	196,319	20,684	138,420	16,071
Other short-term benefits	1,319	1,319	1,314	1,314
	2,155,794	1,275,474	1,207,524	599,326

* Total depreciation for the year ended 31 December 2021 was £422,588 (2020: £205,200)
** Inclusive of capitalised employee costs during the financial year amounted to £204,412 (2020: 104,412).

10 Finance cost

	Year to 31 December 2021		Year to 31 December 2020	
	Group	Company	Group	Company
	£	£	£	£
Interest on obligations under finance leases	101,048	-	92,379	-
Interest on unsecured borrowings	-	-	4,586	-
Unwinding of discounts on provisions	2,397	-	3,921	-
	103,445	-	**100,886**	-

11 Other losses

	Year to 31 December 2021		Year to 31 December 2020	
	Group	Company	Group	Company
	£	£	£	£
Losses				
Net foreign exchange loss	(65,250)	(26,576)	(1,509,123)	-
	(65,250)	**(26,576)**	**(1,509,123)**	-

The majority of the foreign exchange gains and losses are a result of the revaluation of monetary assets and liabilities in the subsidiary accounts as a result of movements in the Rouble exchange rates.

12 Income taxes

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

	Year to 31 December 2021	Year to 31 December 2020
	Group	Group
	£	£
Current tax	-	-

There was no tax payable by the Company for the year ended 31 December 2021 (2020: nil) due to the Company having taxable losses.

(b) Reconciliation of the total tax charge

	Year to 31 December 2021 Group £	Year to 31 December 2020 Group £
Loss before tax	(3,182,199)	(3,693,308)
Current tax at 19% (2020: 19%)	(604,618)	(701,729)
Adjusted for the effect of:		
Expenses not deductible for tax purposes	-	-
Profits not subject to tax	-	-
Tax losses utilised	-	-
Unrecognised tax losses carried forward	604,618	701,729
Actual tax expense	-	-

The Group operates in the following jurisdictions with the following applicable tax rates:

Jurisdiction	Year to 31 December 2021	Year to 31 December 2020
United Kingdom	19%	19%
Russia	20%	20%
Cyprus	12.5%	12.5%

No tax is payable for the year ended 31 December 2021 (2020: nil) due to the Group and the Company having taxable losses.

13 Property, plant and equipment

(a) Group property, plant and equipment

	Mining asset	Stripping asset	Property	Plant and machinery	Right of use assets	Office fixture and fittings	Total
	£	£	£	£		£	£
Cost							
Balance at 1 January 2020	4,385,753	-	24,621	179,972	-	12,246	4,602,592
Additions	118,654	148,618		338,237	682,691	-	1,288,200
Disposals		-		-	-	(178)	(178)
Exchange differences	(799,896)	-	(1,584)	(35,062)	-	(1,926)	(838,468)
Balance at 31 December 2020	**3,704,511**	**148,618**	**23,037**	**483,147**	**682,691**	**10,142**	**5,052,146**
Additions	64,371	609,968		622,745	-	1,729	1,298,813
Disposals	-	-	-	(2,834)	-	(868)	(3,702)
Written off to cost of sales		(149,882)	-	-	-	-	(149,882)
Exchange differences	35,380	1,264	56	4,106	5,802	66	46,674
Balance at 31 December 2021	**3,804,262**	**609,968**	**23,093**	**1,107,164**	**688,493**	**11,069**	**6,244,049**
Depreciation							
Balance at 1 January 2020	(582,896)	-	(1,194)	(78,481)	-	(10,984)	(673,555)
Disposals		-		-	-	178	178
Depreciation expense	(84,087)	-	(87)	(29,421)	(92,277)	672	(205,200)
Exchange differences	105,005	-	233	15,290	-	1,811	122,339
Balance at 31 December 2020	**(561,978)**	**-**	**(1,048)**	**(92,612)**	**(92,277)**	**(8,323)**	**(756,238)**
Disposals	-	-	-	2,834	-	868	3,702
Depreciation expense	(127,280)	-	(87)	(156,536)	(137,699)	(1,150)	(422,752)
Exchange differences	(5,372)	-	(10)	(787)	(784)	(65)	(7,018)
Balance at 31 December 2021	**(694,630)**	**-**	**(1,145)**	**(247,101)**	**(230,760)**	**(8,670)**	**(1,182,306)**
Carrying amount:							
at 31 December 2021	**3,109,632**	**609,968**	**21,948**	**860,063**	**457,733**	**2,399**	**5,061,743**
at 31 December 2020	**3,142,533**	**148,618**	**21,989**	**390,535**	**590,414**	**1,819**	**4,295,908**

The Group's right of use assets represents plant and machinery type assets acquired under lease terms (note 25).
The stripping asset is also a component of the mining assets; however, this is being shown separate from the mining assets for presentational purposes. There was no depreciation of the stripping asset in the current period.

(b) Assets in the course of construction

	2021	2020
	£	£
Cost		
Balance at 1 January	28,957	35,964
Additions	611,220	-
Exchange differences	246	(7,007)
Balance at 31 December	**640,423**	**28,957**

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 2021 the power line had not been commissioned yet. The Group has resumed building powerline and site electrical infrastructure to power drag lines, which are being acquired in accordance with plans of expanding its mining operations.

(c) Company's office fixture and fittings

	2021	2020
	£	£
Cost		
Balance at 1 January	**2,298**	2,354
Additions	-	1,260
Disposal	-	(1,316)
Balance at 31 December	**2,298**	**2,298**
Depreciation		
Balance at 1 January	**(791)**	(1,691)
Depreciation expense	(703)	(416)
Disposals	-	1,316
Balance at 31 December	**(1,494)**	**(791)**
Carrying amount	**804**	**1,507**

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

14 Intangible assets

In 2021 intangible assets represented only capitalised costs associated with the Group's exploration, evaluation and development of mineral resources.

	2021	2020
	£	£
Cost		
Balance at 1 January	**696,504**	854,995
Additions	682,420	9,599
Exchange differences	10,105	(168,090)
Balance at 31 December	**1,389,029**	**696,504**

At 31 December 2021 and 31 December 2020, the intangible asset consisted of Monchetundra (the "MT") development and Nittis-Kumuzhya-Travyanaya (the "NKT") exploration and evaluation assets. NKT is a northeast extension of the MT mineralisation.
The Company did not directly own any intangible assets at 31 December 2021 (2020: nil)

15 Investment to potential share in joint venture

In 2021 the Group entered into an agreement with Rosgeo a Russian registered and state funded exploration Company, to set up a joint venture. The Rosgeo agreement allows the Group to gain a 75% equity stake in several new assets with the remaining 25% equity stakes to be held by Rosgeo. Eurasia will be the operator of the joint venture and will develop the additional assets at its discretion.
By 31 December 2021 the Company invested RUB37,180,000 (£367,464 at a prevailing exchange rate at the reporting date) out of total RUB169,000,000.

16 Subsidiaries

Details of the Company's subsidiaries at 31 December 2021 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%	Dormant company

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

	2021	2020
	£	£
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

	2021	2020
	£	£
As at 1 January	(1,758,862)	(1,327,560)
NCI arising on reduction of interest in subsidiary		
Loss attributable to NCI	(228,042)	(612,972)
Exchange differences	36,856	181,670
As at 31 December	**(1,950,049)**	**(1,758,862)**

Non-controlling interest on subsidiary basis

	2021	2020
	£	£
ZAO Kosvinsky Kamen	(1,218,383)	(1,055,149)
ZAO Terskaya Mining Company	(731,666)	(703,713)
	(1,950,049)	**(1,758,862)**

ZAO Kosvinsky Kamen

	2021	2020
	£	£
Non-current assets	5,362,684	3,850,480
Current assets	1,367,573	380,566
Total assets	**6,730,257**	**4,231,046**
Non-current liabilities	7,874,026	6,137,681
Current liabilities	570,275	442,739
Total liabilities	**8,444,301**	**6,580,420**
Net assets	**(1,714,044)**	**(2,349,374)**
Equity attributable to owners of the parent	(495,661)	(1,294,225)
Non-controlling interests	(1,218,383)	(1,055,149)
Loss for the year attributable to owners of the parent	(449,647)	(1,199,276)
Loss for the year attributable to NCI	(198,942)	(555,031)
Loss for the year	**(648,589)**	**(1,754,307)**
Total comprehensive income for the year attributable to owners of the parent	(367,601)	(904,135)
Total comprehensive income for the year attributable to NCI	(163,234)	(331,654)
Total comprehensive loss for the year	(530,835)	**(1,235,789)**

ZAO Terskaya Mining Company

	2021	2020
	£	£
Non-current assets	1,376,006	669,080
Current assets	170,710	134,985
Total assets	**1,546,716**	**804,065**
Non-current liabilities	2,097,248	1,213,855
Current liabilities	66,434	57,430
Total liabilities	**2,163,682**	**1,271,285**
Net assets	**(616,966)**	**(467,220)**
Equity attributable to owners of the parent	114,700	236,493
Non-controlling interests	(731,666)	(703,713)
Loss for the year attributable to owners of the parent	(116,402)	(231,766)
Loss for the year attributable to NCI	(29,100)	(57,941)
Loss for the year	**(145,502)**	**(289,707)**
Total comprehensive income for the year attributable to owners of the parent	(121,793)	(114,493)
Total comprehensive income for the year attributable to NCI	(27,953)	(99,648)
Total comprehensive loss for the year	**(149,746)**	**(214,141)**

17 Other financial assets

	2021		2020	
	Group	Company	Group	Company
	£	£	£	£
Current				
Advances to related parties	-	12,681,450	-	8,226,176
	-	**12,681,450**	**-**	**8,226,176**

The maximum exposure to credit risk at the reporting date is the carrying value of each class of assets mentioned above.
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.
Amounts due from related parties are non-interest bearing and are repayable on demand.

18 Inventories

	2021		2020	
	Group	Company	Group	Company
	£	£	£	£
Stores	38,673	-	13,695	-
	38,673	**-**	**13,695**	**-**

Inventories held by the Group represent stores, stated at the lower of cost and net realisable value.

19 Trade and other receivables

	2021		2020	
	Group	Company	Group	Company
	£	£	£	£
Trade receivables	480,588	-	-	-
Advances made*	520,385			-
Prepayments	140,335	134,661	75,041	22,365
VAT recoverable	361,906	25,796	142,477	-
Other receivables	178,652	120,000	66,256	59,942
Due from related parties	-	28,028	-	23,735
	1,681,864	**308,485**	**285,081**	**106,042**

* The Group had made several advances to and down payments to secure new earth moving machinery to be acquired for the West Kytlim mine and to progress with installation of power line to the mine.

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.

20 Cash and cash equivalents

	2021		2020	
	Group	Company	Group	Company
	£	£	£	£
Cash at bank	22,009,507	21,892,793	5,404,101	5,247,106
	22,009,507	**21,892,793**	**5,404,101**	**5,247,106**

All amounts are short –term. The carrying value of cash and cash equivalents is considered a reasonable approximation of fair value.

21 Issued capital

	2021	2020
Issued and fully paid ordinary shares with a nominal value of 0.1p		
Number	2,853,559,995	2,758,701,681
Nominal value (£)	2,853,560	2,758,702
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 (£)	51,308,068	28,028,671
Total issued capital (£)	**61,187,111**	**37,812,856**

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 2021:

	Price in pence per share	Number	Nominal value £
As at 1 January 2021		2,758,701,681	2,758,702
20-May-2021 – Share placing for cash	26.5	53,306,751	53,307
20-September-2021 – Share placing for cash	26.0	41,551,563	41,551
		94,858,314	**94,858**
As at 31 December 2021		**2,853,559,995**	**2,853,560**

Issue of ordinary share capital in 2020:

	Price in pence per share	Number	Nominal value £
As at 1 January 2020		2,693,756,753	2,693,757
12 February 2020 – Exercise of warrants	26.5	20,000,000	20,000
12 February 2020 – Exercise warrants	1.24	2,017,871	2,018
12 February 2020 – Exercise options	0.90	8,000,000	8,000
12 February 2020 – Exercise options	0.42	1,000,000	1,000
18 August 2020 – Share placing for cash	22.5	33,927,057	33,927
		64,944,928	**64,945**
As at 31 December 2020		**2,758,701,681**	**2,758,702**

22 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 2021	Number of options as at 31 December 2020
Share options			
02 November 2022	0.42	55,000,000	55,000,000
02 November 2022	0.60	40,000,000	40,000,000
02 November 2022	0.90	35,000,000	35,000,000
Weighted average exercise price	0.60	130,000,000	130,000,000
Warrants			
20 May 2021	26.5	53,306,751	-
23 September 2021	26.0	41,531,563	-
Weighted average exercise price	26.28	94,838,314	-
Total contingently issuable shares at 31 December		**224,838,314**	**130,000,000**

All the listed options and warrants were exercisable as at 31 December 2021 (2020 - all).

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)	2021		2020	
	Average exercise price	No. of share options	Average exercise price	No. of share options
Share options				
At 1 January	0.60	**130,000,000**	0.61	**139,000,000**
Exercised	-	-	0.42	(1,000,000)
Exercised	-	-	0.9	(8,000,000)
At 31 December	**0.6**	**130,000,000**	**0.60**	**130,000,000**

No options were granted by the Group in 2021 (2020 - nil) 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. Options vested on 30 June 2019.

All options granted in 2018 expire on 02 November 2022.

Warrants
94,838,314 warrants were granted by the Group in 2021 (2020 - nil).
Movement in number of warrants outstanding and their related weighted average exercise prices are as follows:

(Price expressed in pence per share)	2021		2020	
	Average exercise price	No. of warrants	Average exercise price	No. of warrants
Warrants				
At 1 January	-	-	1.02	32,017,871
Granted	26.5	53,306,751	-	-
Granted	26.0	41,531,563		
Exercised	-	-	1.00	(20,000,000)
Exercised	-	-	1.24	(2,017,871)
Expired	-	-	1.00	(10,000,000)
At 31 December	**26.28**	**94,838,314**	**-**	**-**

23 Other reserves

	2021		2020	
	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	57,344	-	(325,342)	-
Recognised in the period	(58,679)	-	382,686	-
At 31 December	**(1,335)**	**-**	**57,344**	**-**
Share-based payments reserve:				
At 1 January	384,120	418,181	418,181	418,181
Recognised in the period	-	(18,483)	(18,483)	(18,483)
Utilised on exercise of warrants	-	(15,578)	(15,578)	(15,578)
At 31 December	**384,120**	**384,120**	**384,120**	**384,120**
	3,922,691	**3,924,026**	**3,981,370**	**3,924,026**

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.

24 Borrowings

	2021		2020	
	Group	Company	Group	Company
	£	£	£	£
Current borrowings				
Unsecured loan	31,953	-	31,684	-
	31,953	**-**	**31,684**	**-**

In 2017 the Group entered into unsecured loan facility to borrow up to 57 million Russian Rubbles (RUB) 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 RR0.9 million by 31 December 2021. As the contractor's arrangements had been discontinued the Group has no intention to utilise any more funds from this facility. The loan was due for repayment in 2021 but the Group received a court order not to repay the loan due to ongoing court arbitrage between the lender and its creditors. The Group is not a party of this arbitrage and/or not linked to any party.

25 Lease liabilities

Leases
The Group leases certain of its plant and equipment. The average lease term is 3.5 years (2020: 4.5 years). The Group has option to purchase the equipment for a nominal amount at the maturity of the finance lease. The Group's obligation under finance leases are secured by the lessor's title to the leased assets.
Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 21.9% to 23.5% per annum.

	Minimum lease payments		Present value of minimum lease payments	
	2021	2021	2020	2020
	£	£	£	£
Less than one year	200,633	201,392	122,407	101,007
Between one and five years	377,027	572,791	307,136	425,923
More than five years	-	-	-	-
	577,660	774,183	429,543	526,929
Less future finance charges	(148,117)	(247,254)	-	-
Present value of minimum lease payments	**429,543**	**526,929**	**429,543**	**526,929**

Reconciliation of movements in lease liabilities

	2021		2020	
	Group	Company	Group	Company
	£	£	£	£
At 1 January	**526,929**	-	-	-
Lease acquired	-	-	601,033	-
Interest accrued	101,048	-	92,379	-
Interest paid in cash	(101,048)	-	(92,379)	-
Principle paid in cash	(101,674)	-	(81,491)	-
Exchange differences	4,288	-	7,387	-
At 31 December	**429,543**	**-**	**526,929**	**-**

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.

	2021		2020	
	Group	Company	Group	Company
	£	£	£	£
Payments recognised as an expense:				
Minimum lease payments	10,494	-	12,708	-
Non-cancellable operating lease commitments:				
No longer than one year	8,741	-	9,531	-
	8,741	**-**	**9,531**	**-**

The short-term lease commitments represent full commitment by the Company under office lease arrangements.

26 Trade and other payables

	2021		2020	
	Group	Company	Group	Company
	£	£	£	£
Trade payables	210,665	-	-	-
Accruals	161,035	121,565	101,090	82,630
Social security and other taxes	18,751	4,965	18,559	3,745
Other payables	96,107	149,159	167,842	57,729
Due to related party	-	-	-	198,583
	486,558	**275,689**	**287,491**	**342,687**

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

27 Provision

	2021	2020
	£	£
Long term provision:		
Environment rehabilitation	143,268	50,186
Short term provision:		
Environment rehabilitation	57,494	1,951
	200,762	**52,137**

Movement in provision is as follows

	2021	2020
	£	£
At 1 January	52,137	78,103
Recognised in the period	138,020	15,545
Utilised in the period	-	(11,986)
Results of re-measurement or settlement without cost	7,487	(19,301)
Unwinding of discount and effect of changes in the discount rate	2,397	3,921
Exchange differences	721	(14,145)
At 31 December	**200,762**	**52,137**

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 8.39% to 8.66% (2020: 3.87% to 5.08%) 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. Short term provision relates to technical and biological recultivation and forest compensation to be completed by the end of financial year end 2022.

28 Related party transactions

Transactions with subsidiaries
In the normal course of business, the Company provides funding to its subsidiaries for reinvestment into exploration projects.

	2021	2020
	£	£
Receivables from subsidiaries	28,028	23,735
Loans provided to subsidiaries	12,681,450	8,226,176
Payables to subsidiaries	-	(198,583)
Service charges to subsidiary	120,000	120,000

The amounts owed by subsidiaries are unsecured and receivable on demand.

Amount payable to a subsidiary was written off. Subsidiary has been in dormant state for a long period and does not have bank account or prospects of further operations.

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 2021:

	2021	2020
	£	£
Short-term benefits	638,288	254,575
	638,288	**254,575**

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 2021 (2020: nil).

An analysis of remuneration for each Director of the Company during 2021:

Name	Position	Salaries, bonuses and allowances	Directors fees	Total
		£	£	£
C. Schaffalitzky	Executive Chairman	187,504	-	187,504
J. Nieuwenhuys	Executive Director	350,000	-	350,000
I. Rawlinson	Non-Executive Director	-	42,500	42,500
T. Abdikeev	Non-Executive Director	22,620	29,333	51,953
K. Kosaka	Non-Executive Director	-	1,331	1,331
G. FitzGerald	Non-Executive Director	-	5,000	5,000
		560,124	**78,164**	**615,668**

29 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.

	2021	2020
	£	£
Loss attributable to equity holders of the Company	(2,910,479)	(3,080,336)
Weighted average number of ordinary shares in issue	2,803,433,563	2,733,821,972
Basic loss per share (pence)	**(0.10)**	**(0.11)**

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

Number of exercisable instruments:	2021	2020
	£	£
Share options	139,000,000	139,000,000
Warrants	94,838,314	-
	224,838,314	139,000,000

There is no dilutive effect of share options or warrants (2020: nil) as the Group was in a loss position.

30 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 RUB6.68 mln (approximately £165,000) to be paid by November 2023.

During 2020 the Group entered into several lease agreements to lease mining plant and equipment. As at 31 December 2021 the average lease term was 3.5 years and present value of minimum lease payments £429,543 (2020: £526,929).

In 2021 the Group entered into a framework agreement with Rosgeo, a Russian registered exploration company, to develop up to nine projects in a joint venture. The Rosgeo agreement allows the Group to gain a 75% equity stake in these new assets with the remaining 25% equity stakes to be held by Rosgeo and acquired subsequently at Eurasia's option. Eurasia will be the operator of each joint venture asset and will develop the additional assets at its discretion. By 31 December 2021 the Company had invested RUB37,180,000 (£367,464 at a prevailing exchange rate at the reporting date) out of total RUB169,000,000 in respect of the Nyud license and project. Discussions with Rosgeo regarding the project's development are ongoing concurrent with CPR compilation including JORC compliant mineral resource estimation and NPV computation by Wardell Armstrong International, Engineering and Mining consultancy firm. The Nyud project is being used by the Company as the template for the remaining assets, which will only be evaluated after the successful conclusion of the Nyud project.

The Group has no other material commitments.

31 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 and fixed rate borrowings. 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**	
	2021	2020	2021	2020
USD	1.376	1.284	1.348	1.365
RUB	101.37	92.79	101.18	102.04

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 2021				
USD (5% movement)	100,534	69,642	(90,957)	(63,013)
RUB (5% movement)	111,281	43,678	(100,700)	(39,523)

	Strengthening		**Weakening**	
	Equity	Profit or loss	Equity	Profit or loss
	£	£	£	£
31 December 2020				
USD (5% movement)	29,075	7,628	(26,308)	(6,902)
RUB (5% movement)	135,129	108,443	(122,265)	(98,115)

Interest rate risk
As the Group has no significant interest-bearing assets, the group's operating cash flows are substantially independent of changes in market interest rates.
The Group has interest-bearing loans and lease liabilities disclosed in the notes 24 and 25 respectively. 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:

	2021		2020	
	Group	Company	Group	Company
	£	£	£	£
Non-current loans and advances	-	-	-	-
Current loans and advances	-	12,681,450	-	8,226,176
Trade and other receivables	1,681,864	275,689	285,081	106,042
Cash and cash equivalents	22,009,507	21,892,793	5,404,101	5,247,106
	23,691,371	**34,849,932**	**5,689,182**	**13,579,324**

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 2021 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 within 12 months	Non-current 2 to 5 years	later than 5 years
	£	£	£
2021			
Borrowings	31,953	-	-
Lease liabilities	200,633	377,027	-
Trade and other payables	486,558	-	-
	719,144	**377,027**	-
2020			
Borrowings	31,684	-	-
Lease liabilities	201,392	572,791	-
Trade and other payables	287,491	-	-
	520,567	**572,791**	-

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

	Current within 12 months	Non-current 2 to 5 years	later than 5 years
	£	£	£
2021			
Trade and other payables	275,689	-	-
	275,689	-	-
2020			
Trade and other payables	342,687	-	-
	342,687	-	-

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 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:

	2021		2020	
	Group	Company	Group	Company
	£	£	£	£
Total borrowings	461,496	-	558,614	-
Less cash and cash equivalents	(22,009,507)	(21,892,793)	(5,404,101)	(5,247,106)
Net debt	-	-	-	-
Total equity	31,995,270	35,740,089	11,590,173	14,370,390
Total capital	31,995,270	35,740,089	11,590,173	14,370,390
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.

32 Events after the statement of financial position date

The Group's assets are located in Russia. In 2022 additional sanctions to those which had existed since 2014 were imposed on certain activities, entities and individuals connected with Russia, which continue to evolve and which are being carefully monitored by the Group in accordance with the Group's sanctions compliance policy, and with the assistance of its external legal advisers. The Company has satisfied itself that neither of its current activities at the West Kytlim Mine or on the Kola Peninsula are prohibited under UK or EU sanctions rules. Furthermore, the Group does not engage and has not engaged with any sanctioned persons/ entities or agencies.

To date there has been no significant impact on the Group's activities as a result of recent updates to the UK and EU sanctions legislation. Sanctions introduced by the Russian Federal government have also not affected the Group, although this is being closely monitored. The Group closely monitors all regulatory requirements and changes to the laws, rules and regulations, taking steps whenever necessary to ensure compliance with new legislation.

There have been no further adjusting events after the statement of financial position date and the following non-adjusting events.