

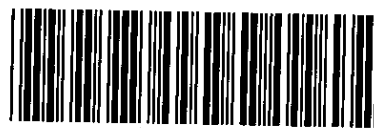
Registration number: 05508246

Angara Mining PLC

Annual Report and Financial Statements
for the Year Ended 31 December 2019

HSJ Audit Limited
Statutory Auditor
Severn House
Hazell Drive
Newport
South Wales
NP10 8FY

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Angara Mining PLC

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Angara Mining PLC

Company Information

Director	Mr Rustam Akuev
Registered office	One Wood Street London EC2V 7WS
Solicitors	Steptoe & Johnson UK LLP 5, Aldermanbury Square London EC2V 7HR
Auditors	HSJ Audit Limited Statutory Auditor Severn House Hazell Drive Newport South Wales NP10 8FY

Angara Mining PLC

Strategic Report for the Year Ended 31 December 2019

The director presents his strategic report for the year ended 31 December 2019.

Principal activity

The principal activity of the company is a holding company for investments in subsidiaries.

Fair review of the business

The company had no operating activity during the year. Its principal activity is to act as a holding company for investments in its subsidiaries and its holding in JSC "Vasilyevsky Rudnik Gold Mine" ("VRGM").

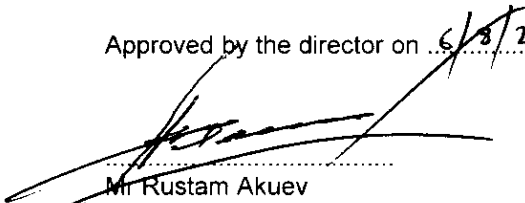
The company has not generated any revenue in either the current or comparative year. The company made a profit in 2019 of USD \$NIL (2018: USD \$NIL). This is due to agreement reached with creditors to write off outstanding items on the anticipated dissolution of the company.

The company has no operating activity. Performance is monitored by reference of actual administrative expenses incurred against budget.

Principal risks and uncertainties

The preparation of consolidated financial statements is deemed by the directors to be unnecessary as the subsidiary entity, Brownypool Trading Limited, is currently inactive. It is the intention of the director to re-instate both Angara Mining PLC and Brownypool Trading Limited in the coming 12 months.

Approved by the director on 6/8/21 and signed on its behalf by:



Mr Rustam Akuev
Director

Angara Mining PLC

Director's Report for the Year Ended 31 December 2019

The director presents his report and the financial statements for the year ended 31 December 2019.

Director of the company

The director who held office during the year was as follows:

Mr Rustam Akuev

Financial instruments

Objectives and policies

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to optimise the weighted average cost of capital and tax efficiency subject to maintaining sufficient financial flexibility to undertake its plans. The capital structure of the Company at 31 December 2019 consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, and accumulated losses.

Price risk, credit risk, liquidity risk and cash flow risk

The Company's activities have historically exposed it to interest rate risk, foreign currency risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Exchange Rate Risk

The Company undertakes certain transactions denominated in foreign currencies, mainly GB Pounds Sterling, and is therefore exposed to exchange rate risk associated with fluctuations in the relative values of US Dollars and GB Pounds Sterling.

Exchange rate risks are mitigated to the extent considered necessary by the Board of Directors, through holding the relevant currencies. At present, the Company does not undertake any foreign currency transaction hedging.

Liquidity Risk

Liquidity risk is the risk that suitable sources of funding for the Company's business activities may not be available. The Company believes it has access to sufficient funding through the support that has been pledged by its shareholders. Effective management of liquidity risk has the objective of ensuring the availability of adequate funding to meet short term requirements and due obligations.

Angara Mining PLC

Director's Report for the Year Ended 31 December 2019

Going concern

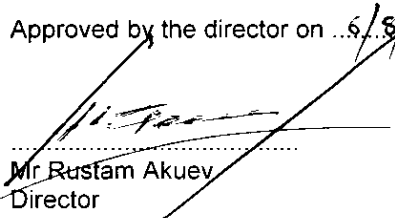
These financial statements have not been prepared on a going concern basis. Steps to strike the company off were commenced with The Registrar of Companies on 19th July 2017 with a final notice that the company had been dissolved on 24th April 2018.

It is the intention of the current management to reverse this decision and have the company re-instated within the coming 12 months.

Disclosure of information to the auditors

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditors are unaware.

Approved by the director on 6/5/21 and signed on its behalf by:


.....
Mr Rustam Akuev
Director

Angara Mining PLC

Statement of Director's Responsibilities

The director acknowledges his responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

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

The director is 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 enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Angara Mining PLC

Independent Auditor's Report to the Members of Angara Mining PLC

Opinion

We were engaged to audit the financial statements of Angara Mining PLC (the 'company') for the year ended 31 December 2019, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for disclaimer of opinion on financial statements

The company has not prepared consolidated financial statements for the company and its subsidiaries ("the Group") for the year ended 31 December 2019. In our opinion consolidated financial statements are required by s.399 of the Companies Act 2006.

The company was dormant for the period 1 January 2016 to 31 December 2018 and was subsequently dissolved on the 24 April 2018. As such the company is not a going concern.

There is material uncertainty over the ownership of the company's primary asset, its' investment in Vasilevsky Rudnik Gold Mine, due to the current inactive position of the holding subsidiary Brownypool Trading Limited.

Disclaimer on view given by the financial statements

Because of the possible effect to the financial statements of the above we are unable to form an opinion as to whether the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Angara Mining PLC

Independent Auditor's Report to the Members of Angara Mining PLC

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

Notwithstanding our disclaimer of an opinion on the view given by the financial statements, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's 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 the director

As explained more fully in the Statement of Director's Responsibilities [set out on page 5], the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Angara Mining PLC

Independent Auditor's Report to the Members of Angara Mining PLC

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Mr Andrew Hill FCCA DChA (Senior Statutory Auditor)
For and on behalf of HSJ Audit Limited, Statutory Auditor

Severn House
Hazell Drive
Newport
South Wales
NP10 8FY

Date: 18/8/2021

Angara Mining PLC

Profit and Loss Account for the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
Turnover		-	-
Gross profit/(loss)		-	-
Operating profit/(loss)		-	-
Profit/(loss) before tax		-	-
Profit/(loss) for the financial year		-	-

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 14 to 20 form an integral part of these financial statements.

Angara Mining PLC

Statement of Comprehensive Income for the Year Ended 31 December 2019

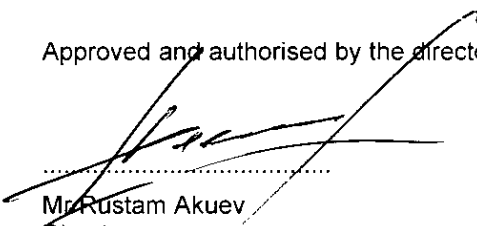
	2019 \$	2018 \$
Profit/(loss) for the year	-	-
Total comprehensive income for the year	-	-

Angara Mining PLC

(Registration number: 05508246)
Balance Sheet as at 31 December 2019

	Note	2019 \$	2018 \$
Capital and reserves			
Called up share capital		80,000	80,000
Profit and loss account		<u>(80,000)</u>	<u>(80,000)</u>
Shareholders' funds/(deficit)		<u>-</u>	<u>-</u>

Approved and authorised by the director on 6/8/21


.....
Mr Rustam Akuev
Director

Angara Mining PLC

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital \$	Profit and loss account \$
At 1 January 2019	80,000	(80,000)
At 31 December 2019	80,000	(80,000)
	Share capital \$	Profit and loss account \$
At 1 January 2018	80,000	(80,000)
At 31 December 2018	80,000	(80,000)

Angara Mining PLC

Statement of Cash Flows for the Year Ended 31 December 2019

	2019 \$	2018 \$
Cash flows from operating activities		
Profit/(loss) for the year	-	-
Net cash flow from operating activities	-	-
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at 1 January	-	-
Cash and cash equivalents at 31 December	-	-

Angara Mining PLC

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

The company is a public company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

One Wood Street

London

EC2V 7WS

The company and its operations

Angara Mining Plc ("Company") was incorporated in England & Wales on 14 July 2005 and changed its name from Angara Mining Limited on 20 July 2005. On 8 November 2005, the Company was reregistered as a public limited company. The principal activity of the Company is to act as a holding company for a group of companies.

On 10 August 2005, the Company acquired 100% of the equity of Brownypool Trading Limited, a company incorporated in the Republic of Cyprus. The cost of the investment was Cyprus Pounds 1,000, equivalent to USD \$2,106. On 6 September 2005 Brownypool Trading Limited acquired the entire issued share capital of VRGM, a Russian incorporated mining company for approximately USD \$1.9 million. In April 2008, a 100% Russian incorporated subsidiary of "Angara Mining Plc", 000 "Angara Management", was formed. The cost of the investment was Roubles 50,000, equivalent to USD \$1,939.

On 14 September 2010, VRGM issued new shares and Brownypool Trading Limited retained a 37.5% interest in VRGM. The directors conclude that the Company does not exert a significant influence over its investment in VRGM and therefore it is not deemed to be an associate at 31 December 2015 or 31 December 2014.

On 1 February 2015, Brownypool Trading Limited sold 24,069 shares in VRGM, representing 11.88% of the total share capital, leaving them with a 25.62% interest in VRGM.

On 19 September 2017 an application for a Members' Voluntary Liquidation ("MVL") was submitted. This application was temporarily suspended on 7 October 2017 and ultimately concluded on 24 April 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Angara Mining PLC

Notes to the Financial Statements for the Year Ended 31 December 2019

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The functional and presentation currency used is the USD\$. The directors have determined the USD\$ as the functional currency as this represents the currency of the primary economic environment in which the company operates.

Departures from Companies Act requirements

The Company has not complied with s.3999 of the Companies Act 2006 which requires the parent company to prepare consolidated financial statements for the year ended 31 December 2019 because the consolidation of the company's subsidiaries is considered not to be beneficial by the directors at this time.

Going concern

The Company has a shareholders' deficit amounting to USD \$NIL (2018: USD \$NIL) at the reporting date. The company was dissolved on 24 April 2018.

The directors have concluded that the circumstances above represent a material uncertainty that casts significant doubt upon the Company's ability to continue as going concern.

Judgements

The Company makes estimates and assumptions regarding the future. Estimates and judgments are evaluated based on prior experience and other external factors. Actual experience may deviate from these estimates and assumptions.

The directors consider that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key sources of estimation uncertainty

The preparation of financial statements requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and operating costs during the reporting period. Actual results could differ from these estimates.

Revenue recognition

Revenue is the total amount receivable by the Company for services provided, excluding VAT and trade discounts. Revenue from services is recognised as services are rendered.

Finance income and costs policy

Interest receivable is recognised on accrual basis in the Statement of Comprehensive Income.

Angara Mining PLC

Notes to the Financial Statements for the Year Ended 31 December 2019

Foreign currency transactions and balances

Transactions denominated in currencies other than the USD ("foreign currencies") are recorded in USD\$ at the exchange rate prevailing on the transaction date. Exchange differences resulting from the settlement of transactions denominated in foreign currency are included in the Statement of Comprehensive Income.

Monetary assets and liabilities denominated in foreign currency are translated into USD\$ at the exchange rate at the reporting date. Foreign currency gains and losses arising from the translation of monetary assets and liabilities are dealt with through profit or loss in the Statement of Comprehensive Income.

Non-monetary items and share capital are reported using the historical exchange rate that prevailed at the date of the transaction.

Tax

Current tax is provided at amounts expected to be paid (or recovered) by using the tax rates and laws that have been enacted at the reporting date.

Deferred tax is provided in full on temporary differences which result in an obligation at the reporting date to pay more tax, or a right to pay less tax, at a future date, at rates that are expected to apply when they crystallise based on current tax rates and law. Temporary differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Investments

Investments in subsidiaries are stated at cost less provision for any permanent diminution in value.

Cash and cash equivalents

Cash comprises cash in hand and cash deposited in banks with a maturity period of less than three months.

Trade debtors

Accounts receivable are recorded inclusive of value added taxes ("VAT"). Trade and other receivables, including prepaid expenses, are adjusted with an allowance made for impairment, if any, of these receivables. Such an allowance for doubtful debts is established if there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Accounts payable are stated inclusive of value added tax which is reclaimable from the tax authorities upon the later of receipt of goods and services or the payment of the associated payable.

Angara Mining PLC

Notes to the Financial Statements for the Year Ended 31 December 2019

Borrowings

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" ("FVTPL") or "other financial liabilities".

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Fair value is obtained through discounting future cash flows at the current market interest rate applied to financial instruments with similar terms. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. Realised and unrealised gains and losses arising from changes in the fair value are included in the financial income or expenses in the statement of comprehensive income in the period in which they arise.

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

Loans are classified as long-term liabilities if they are expected to be realised after more than 12 months from the reporting date. If there is an intention to dispose of loans within 12 months after the reporting date, the carrying amount of loans less the appropriate adjustments may approximate their fair value.

Trade payables are not interest bearing and are recognised and carried at original invoice amount. If there is an intention to dispose of payables within 12 months after the reporting date, the carrying amount of payables is approximating their fair value.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Angara Mining PLC

Notes to the Financial Statements for the Year Ended 31 December 2019

Financial instruments

Classification

Financial assets held by the Company include amounts receivable.

Recognition and measurement

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as receivables. Amounts receivable are recognised and carried at original invoice amount less provision for impairment. Long-term receivables are recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

3 Taxation

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2018 - the same as the standard rate of corporation tax in the UK) of 0% (2018 - 0%).

The differences are reconciled below:

	2019 \$	2018 \$
Profit/(loss) before tax	-	-
Corporation tax at standard rate	-	-
Total tax charge/(credit)	-	-

Angara Mining PLC

Notes to the Financial Statements for the Year Ended 31 December 2019

4 Investments

	2019 \$	2018 \$
Subsidiaries		\$
Cost or valuation		
At 1 January 2019		2,106
Provision		
At 1 January 2019		<u>2,106</u>
Carrying amount		
At 31 December 2019		<u>-</u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Brownypool Limited	Trading Θάσου, 3, DADLAW HOUSE, 1520, Λευκωσία, Κύπρος Cyprus	Ordinary	100%	100%

Subsidiary undertakings

Brownypool Trading Limited

The principal activity of Brownypool Trading Limited is Holding company.

Angara Mining PLC

Notes to the Financial Statements for the Year Ended 31 December 2019

Other matters

The Company holds a 25.62% indirect interest in VRGM via Brownypool Trading Limited.

The most recently available accounts for Brownypool Limited were prepared to 31 December 2013. The investment in Brownypool Trading Limited is valued at \$NIL due to this company becoming inactive on 24 May 2020. An application to reverse this status was submitted on the 11 May 2021.

5 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	\$	No.	\$
Ordinary of £1 each	<u>50,000</u>	<u>80,000</u>	<u>50,000</u>	<u>80,000</u>

6 Off-balance sheet arrangements

JSC "Vasilevsky Rudnik Gold Mine"

Due to the financial statements of the company not being consolidated, the company's share of the net assets in the above are not reflected on the balance sheet as at 31 December 2019.

The company indirectly holds a 25.62% share in JSC through its' immediate subsidiary Brownypool Trading Limited. As at 31 December 2019 25.62% of the current net assets of JSC stood at USD \$(8,670,438). The company's share of reported net assets would be included within the balance sheet of Angara Mining PLC if it were consolidated.