Mauritania Ventures Limited

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2017

(Company No. 5654728)

Mauritania Ventures Limited

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Mauritania Ventures Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Ralph Brown
David Jumpsen
Michael Nott (resigned 3 December 2017)
Sandy Archibald (resigned 3 December 2017)
George Frangeskides (appointed 3 December 2017)
Sarah Potter (appointed 3 December 2017)

SECRETARY
Ben Harber

REGISTERED OFFICE
6th Floor
60 Gracechurch Street
London
United Kingdom
EC3V 0HR

Mauritania Ventures Limited

DIRECTORS' REPORT

The directors present their report and the audited financial statements of Mauritania Ventures Limited (the "Company") for the year ended 30 November 2017.

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £306,330 (2016: £697 loss).

The directors do not recommend the payment of a dividend (2016: £Nil).

DIRECTORS

The directors who served during the year ended 30 November 2017 are set out below.

Michael Nott
Sandy Archibald
Ralph Brown
David Jumpsen

Michael Nott and Sandy Archibald resigned as directors on 3 December 2017, and Sarah Potter and George Frangeskides were appointed as directors on the same date.

The directors' report has been prepared in accordance with the special provisions of Section 415A of the Companies Act 2006 relating to small entities.

Approved by the Board of Directors
and signed on behalf of the Board

Sarah Potter
Director
23 **August 2018**

Mauritania Ventures Limited

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are 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 directors are required to:

- select suitable accounting policies and then apply them consistently;

- make judgments 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;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Mauritania Ventures Limited

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Note	2017	2016
		£	£
Turnover from continuing operations		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(306,330)	(697)
Loss on ordinary activities before taxation		(306,330)	(697)
Tax on loss on ordinary activities	4	-	-
Retained loss on ordinary activities after taxation	10	(306,330)	(697)

There are no recognised gains or losses for the period, other than the loss for the period. The operating loss is attributable to continuing operations.

Mauritania Ventures Limited

BALANCE SHEET

30 NOVEMBER 2017

	Note	2017	2016
		£	£
Fixed assets			
Intangible fixed assets	5	-	569,217
		-	569,217
Current assets			
Cash at bank and in hand		-	-
Debtors	6	95	95
		95	95
Creditors: amounts falling due within one year	7	(253,925)	(516,812)
Net current assets		(253,830)	(516,717)
Total assets less current liabilities		(253,830)	52,500
Capital and reserves			
Called up share capital	8	100,000	100,000
Profit and loss account	9	(353,830)	(47,500)
Equity shareholders' funds	9	(253,830)	52,500

These financial statements were approved by the Board of Directors on 23 August 2018.

Signed on behalf of the Board of Directors

Sarah Potter
Director

Company No. 5654728

Mauritania Ventures Limited

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Note	2017	2016
		£	£
Net cash outflow from operating activities	**10**	(569,217)	(345)
Capital expenditure			
Payments for intangible assets	**5**	(5,443)	(34)
Impairment of intangible assets	**5**	574,660	-
Financing			
New loans	**11**	-	396
Decrease in cash in the year	**11**	-	(17)

Mauritania Ventures Limited

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Principles under the historical cost convention. The principal accounting policies of the Company are set out below.

Going concern

The company is reliant on its shareholders to continue to provide loan funding and to provide additional funding to enable it to meet its future operating and other expenditure. The directors expect the shareholders to continue to provide such support for the foreseeable future. As such, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Company's exploration asset - £nil (2016: £569,217)

The capitalisation and impairment assessment of exploration costs requires management to make estimates and assumptions as to the future events and circumstances, especially in relation to whether an economically viable extraction operation can be established. In making such judgements, the directors take comfort from the findings from exploration activities undertaken, the fact the company intends to continue these activities and expects to be able to raise additional funding to enable it to continue the exploration activities. Such estimates are subject to change and following initial capitalisation, should it become apparent that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the profit and loss account.

The licence for the Mauritania Uranium project expired in May 2015. In February 2016 the Company submitted its application for a new licence, the application being for a smaller area than the previous licence, but to date the new licence has not been awarded. Under Mauritanian law, the application process is lengthy, leading to the current licence hiatus. While the directors are hopeful that the new licence will be granted in due course and that the Company will be able to continue these exploration activities, given the continuing uncertainty regarding precisely when the new licence will be granted and the length of time that has elapsed to date, the directors have decided that the prudent course of action is to impair the deferred exploration costs relating to this project of £574,660, bringing the carrying value of the asset to nil.

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NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (continued)

Deferred Taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing 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 financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Intangible Assets

All costs associated with exploration are capitalised on a project-by-project basis pending determination of the feasibility of the project. Costs include appropriate technical and administrative expenses. If a project is successful, the related expenditures will be amortised over the estimated life of the commercial reserves. Where a permit is relinquished, a project abandoned, or is considered to be of no further commercial value to the Company, the related costs will be written off. Where the future of a project is uncertain due to matters outside the Company's control, such as the current licence application hiatus, the costs will be impaired.

2. DIRECTORS AND EMPLOYEES

There were no employees during the period, or previous period, apart from the directors and the directors did not draw any fees or salaries.

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	2017	2016
	£	£
This is stated after charging:		
(Gain)/loss on foreign exchange	-	-

4. TAX CHARGE ON LOSS ON ORDINARY ACTIVITIES

a) Analysis of charge in the period

	2017	2016
	£	£
United Kingdom corporation tax at 19.33% (2016: 20.00%)	-	-
Deferred taxation	-	-
	-	-

4. TAX CHARGE ON LOSS ON ORDINARY ACTIVITIES (continued)

b) Factors affecting tax charge for the year

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (19.33%). The differences are explained below:

Factors affecting the tax charge for the period:	2017	2016
	£	£
(Loss) on ordinary activities before tax	(306,330)	(697)
(Loss) multiplied by standard rate of tax	(59,213)	(139)
Effects of:		
Expenses not deductible for tax:	58,980	
Loss carried forward/(utilised)	233	139
	-	-

A deferred tax asset has not been recognised in respect of tax losses and accelerated capital allowances as there is insufficient evidence that the potential asset will be recovered. The amount of the asset not recognised, calculated at a rate of 17% is £7,328 (2016: £7,542, calculated at a rate of 18%).

5. INTANGIBLE FIXED ASSETS

Deferred development expenditure	**Mining Properties**	**Total**
	£	**£**
Cost		
At 1 December 2016	569,217	569,217
Additions	5,443	5,443
At 30 November 2017	574,660	574,660
Impairment		
At 30 November 2016	(574,660)	(269,533)
Net book value at 30 November 2017	-	305,127
Net book value at 30 November 2016	569,217	569,217

As detailed in Note 1, the permit to which this expenditure relates has expired and the expenditure only has value to the company if the permit is renewed. Given the delays to the renewal, deferred exploration expenditure has been fully provided.

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NOTES TO THE FINANCIAL STATEMENTS

6. DEBTORS

	2017	2016
	£	£
Amounts due from fellow group companies	95	95
	95	95

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2016
	£	£
Accruals	852	352
Amounts owed to group undertakings	-	263,387
Other loans	253,073	253,073
	253,925	516,812

8. CALLED UP SHARE CAPITAL

	2017 Number of shares	2017 £	2016 Number of shares	2016 £
Allotted, called up and fully paid				
Ordinary shares of £1 each	100,000	100,000	100,000	100,000

9. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital	Profit and loss	Total
	£	£	£
At 1 December 2016	100,000	(47,500)	52,500
Loss for the year	-	(306,330)	(306,330)
At 30 November 2017	100,000	(353,830)	(253,830)

10. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Operating loss	(306,330)	(697)
Change in debtors	-	-
(Increase)/Decrease in creditors	(262,887)	352
	(569,217)	(345)

11. RECONCILIATION OF NET CASH FLOW AND ANALYSIS OF NET DEBT

	Loans	Inter company	Total debt	Cash at bank and in hand	Net debt
	£	£	£	£	£
At 1 December 2016	(253,073)	(263,387)	(516,460)	-	(516,460)
Cash flows	-	263,387	263,387	-	263,387
At 30 November 2017	(253,073)	-	(253,073)	-	(253,073)

12. CAPITAL AND OTHER COMMITMENTS

There were no capital commitments at 30 November 2017 (2016: £nil) and no other commitments (2016: £nil).

13. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 November 2017 (2016: £nil).

14. ULTIMATE PARENT COMPANY

The results of Mauritania Ventures Limited are included in the consolidated financial statements of Alba Mineral Resources plc, being the Company's ultimate parent and controlling company, which is incorporated in England and Wales. The financial statements of Alba Mineral Resources plc can be obtained from that company's registered office, which is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR.

15. RELATED PARTY TRANSACTIONS

Alba Mineral Resources plc and FOSSE Investments Limited, shareholders of the Company, have made loans to the Company. The amounts outstanding at the year-end were £nil (2016: £263,887) and £253,073 (2016: £253,073) respectively. Due to the delays in renewing the permit, in its audited accounts for the year ended 30 November 2017 Alba Mineral Resources plc considered its loan to Mauritania Ventures Limited to be impaired and wrote it down to £nil.

All the loans are interest free and there are no set terms for their repayment. The movements in the loans in the year are detailed in note 11.

Mauritania Ventures Limited

NOTES TO THE FINANCIAL STATEMENTS

16. EVENTS AFTER THE BALANCE SHEET DATE

FOSSE Investments Limited transferred its shareholding in the Company and the benefit of its loan to the Company to Dunes Holdings Limited in April 2018. This was a corporate reorganisation and there was no change in beneficial owner.