

Company Registration No. 10905029 (England and Wales)

OROSUR MINING (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018
PAGES FOR FILING WITH REGISTRAR

OROSUR MINING (UK) LIMITED

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OROSUR MINING (UK) LIMITED

DIRECTOR'S REPORT

FOR THE PERIOD ENDED 31 AUGUST 2018

The director presents his annual report and financial statements for the period ended 31 August 2018.

Director

The director who held office during the period and up to the date of signature of the financial statements was as follows:

Mr P I Salazar Blanco

(Appointed 8 August 2017)

Mr J Walmsley

(Appointed 1 November 2017 and deceased 16 March 2019)

Auditor

Mercer & Hole were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 them 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr P I Salazar Blanco

Director

28 May 2019

OROSUR MINING (UK) LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 \$	\$
Current assets			
Cash at bank and in hand		11,706	
		<u>11,706</u>	
Creditors: amounts falling due within one year	3	(436,834)	
Net current liabilities			<u>(425,128)</u>
Capital and reserves			
Called up share capital	4		130
Profit and loss reserves			<u>(425,258)</u>
Total equity			<u>(425,128)</u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 28 May 2019 and are signed on its behalf by:

Mr P I Salazar Blanco
Director

Company Registration No. 10905029

OROSUR MINING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2018

1 Accounting policies

Company information

Orosur Mining (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 21 Lombard Street, London, EC3V 9AH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in dollars which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest \$.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future following a confirmation of ongoing support from the parent company. In the latest consolidated financial statements of the parent company Orosur Mining Inc. and its subsidiaries, an Emphasis of Matter paragraph was included to draw attention to the going concern disclosure. The disclosure highlighted that the parent company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operations. The parent company has been successful in the past in obtaining sufficient funding and although there is no assurance that it will be able to obtain adequate financing in the future, having reviewed current trading performance and future cash flow projections, the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.4 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

OROSUR MINING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.5 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.6 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.7 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 1.

OROSUR MINING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

3 Creditors: amounts falling due within one year

	2018
	\$
Bank loans and overdrafts	511
Trade creditors	10,538
Amounts owed to group undertakings	326,674
Taxation and social security	1,401
Other creditors	97,710
	<hr/>
	436,834
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4 Called up share capital

	2018
	\$
Ordinary share capital	
Issued and fully paid	
100 Ordinary shares of \$1.30 each	130
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5 Audit report information

As the profit and loss account has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

Material uncertainty related to going concern

Attention was drawn to note 1.2 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt over the company's ability to continue as a going concern. The audit report was not modified in respect of this matter.

The auditor's report was unqualified.

The senior statutory auditor was Miss Helen Cain BA FCA.

The auditor was Mercer & Hole.

6 Parent company

The immediate and ultimate parent company of Orosur Mining (UK) Limited is Orosur Mining Inc., a company registered in Canada. The corporate office is located at Saldanha Da Gama 3622 of. 509, Montevideo, Uruguay, and the address of its registered office is Suite 1010 - 1075 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3C9.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.