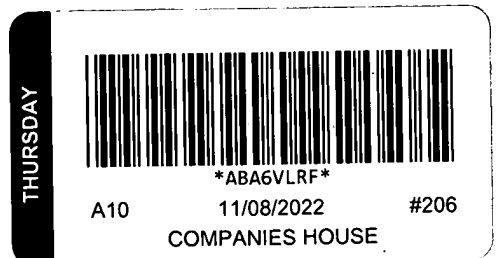


ISIHC LTD

(Incorporated in United Kingdom. Registration Number: 12282765)

UNAUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021



ISIHC LTD

(Incorporated in United Kingdom. Registration Number: 12282765)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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ISIHC LTD

CORPORATE INFORMATION

For the financial year ended 31 December 2021

Directors

Caroline Baker
Ibaera Capital Fund GP Ltd

Registered office

3rd Floor
11 – 12 St James's Square
London
United Kingdom
SW1Y 4LB

Corporate administrator

Vistra (UK) Limited
3rd Floor
11 – 12 St James's Square
London
United Kingdom
SW1Y 4LB

Company Secretary

Accomplish Secretaries Limited
3rd Floor
11 – 12 St James's Square
London
United Kingdom
SW1Y 4LB

Banker

DBS Bank Limited

ISIHC LTD

DIRECTORS' REPORT

For the financial year ended 31 December 2021

Directors' Report

The Directors present their report and the unaudited financial statements of the Company for the year ended 31 December 2021. For the Directors' disclosures in relation to going concern, future developments and financial risks and uncertainties, please refer to the strategic report.

Principle activities

The Company was incorporated in England and Wales on 25 October 2019 as a private company limited by shares under the Companies Act 2006 (the "Act") with company registration number 12282765. The Company is domiciled in the United Kingdom.

The Company's overall investment objective is to invest in pre-construction stage mining assets, namely in South Danube Metals d.o.o. and Tara Gold d.o.o. (Serbia) and Betoota Holdings Ltd, a private company limited by shares incorporated in the United Kingdom.

Results

Results for the year are set out in the statement of comprehensive income on page 4.

Directors and other interests

The Directors of the Company during the year, and unless otherwise indicated, up to the date on which the financial statements were approved are shown on page 1.

The Directors of the Company holding office at end of the financial year had no interests in the share capital of the Company and related corporations except for Ibaera Capital Fund GP which held 1 Subscriber's share of US\$ 1 at end of the financial year.

Subsequent events

Details of subsequent events since the year end are included in Note 15 to the financial statements.

On behalf of the Board of Directors

DocuSigned by:

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Caroline Baker
Director

Date: Jul-27-2022

The Directors are responsible for preparing the Report of the Directors 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 prepared the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.


Under company law, 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 the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable IFRSs as adopted by the European Union have not followed, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and accounting estimates that are reasonable and prudent; and
- 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also 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 Act.

On behalf of the Board of Directors

DocuSigned by:

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Caroline Baker
Director

Date: Jul-27-2022

ISIHC LTD**STATEMENT OF COMPREHENSIVE INCOME***For the financial year ended 31 December 2021*

		For the financial year ended 31 December 2021 US\$	For the financial period from 25 October 2019 (date of incorporation) to 31 December 2020 US\$
	Note		
Net unrealised gain from investments and foreign currency transactions			
Net changes in fair value of financial assets at fair value through profit or loss	4	11,395,056	-
Net realised gains from foreign currency	4	-	2,435
Expenses			
Operating expenses	5	(102,232)	(140,843)
Total expenses		(102,232)	(140,843)
Profit/(loss) before income tax expense		11,292,824	(138,408)
Income tax expense	6	-	-
Profit/(loss) after tax and total comprehensive income		11,292,824	(138,408)

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

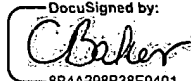
ISIHC LTD**STATEMENT OF FINANCIAL POSITION***As at 31 December 2021*

	Note	2021 US\$	2020 US\$
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	4	21,567,608	5,547,341
Total non-current assets		21,567,608	5,547,341
Current assets			
Cash and cash equivalents	7	761,188	1,228,836
Other receivables	8	557,871	124,091
Total current assets		1,319,059	1,352,927
Total assets		22,886,667	6,900,268
LIABILITIES			
Current liabilities			
Other payables	9	150,178	38,676
Total liabilities		150,178	38,676
NET ASSETS		22,736,489	6,861,592
EQUITY AND RESERVES			
Share capital	10	11,582,073	7,000,000
Retained earnings/(accumulated losses)		11,154,416	(138,408)
Total shareholders' equity		22,736,489	6,861,592

Director's responsibilities:

- For the period ending 31 December 2021, the Company was entitled to exemption from audit under section 477 of the Act relating to small companies.
- The members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Act.
- The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board on _____ and were signed on their behalf by:

DocuSigned by:

 884A208B38E0401...
 Caroline Baker
 Director

Date: Jul-27-2022

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

ISIHC LTD**STATEMENT OF CHANGES IN EQUITY***For the financial year ended 31 December 2021*

	Share Capital US\$	Retained earnings/ (Accumulated losses) US\$	Total US\$
2021			
Balance at 1 January 2021	7,000,000	(138,408)	6,861,592
Issuance of ordinary shares	4,582,073	-	4,582,073
Profit for the year	-	11,292,824	11,292,824
Balance at 31 December 2021	11,582,073	11,154,416	22,736,489
2020			
Balance at 25 October 2019 (date of incorporation)	-	-	-
Issuance of ordinary shares	7,000,000	-	7,000,000
Loss for the period	-	(138,408)	(138,408)
Balance at 31 December 2020	7,000,000	(138,408)	6,861,592

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

ISIHC LTD**STATEMENT OF CASH FLOWS***For the financial year ended 31 December 2021*

	For the financial year ended 31 December 2021 US\$	For the financial period from 25 October 2019 (date of incorporation) to 31 December 2020 US\$
Note		
Cash flows from operating activities		
Profit for the year/period after tax	11,292,824	(138,408)
Adjustments for:		
- Net gains on investments at fair value through profit or loss	(11,395,056)	-
	<u>(102,232)</u>	<u>(138,408)</u>
Changes in working capital:		
- Increase in other receivables*	(83,780)	(124,091)
- Increase in other payables	111,502	38,676
Net cash used in operating activities	<u>(74,510)</u>	<u>(223,823)</u>
Cash flow from investing activities		
Payments to acquire investments	(4,625,211)	(5,547,341)
Net cash used in investing activities	<u>(4,625,211)</u>	<u>(5,547,341)</u>
Cash flow from financing activities		
Proceeds from issuance of ordinary shares*	4,232,073	7,000,000
Net cash provided by financing activities	<u>4,232,073</u>	<u>7,000,000</u>
Net effect in cash and cash equivalents	(467,648)	1,228,836
Cash and cash equivalents at beginning of financial year/period	1,228,836	-
Cash and cash equivalents at end of financial year/period	<u>761,188</u>	<u>1,228,836</u>

***Non-cash transactions**

Capital injection of US\$350,000 was still pending from Ibaera Capital Fund LP Ltd and Ibaera Capital Holdings Pty Ltd as at 31 December 2021.

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

ISIHC LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

The Company was incorporated in England and Wales on 25 October 2019 as a private company limited by shares under the Act with company registration number 12282765. The registered office of the Company is 3rd Floor 11-12, St James's Square, London, United Kingdom, SW1Y 4LB.

The Company's overall investment objective is to invest in pre-construction stage mining assets, namely in South Danube Metals d.o.o. and Tara Gold d.o.o. (Serbia) and Betoota Holdings Ltd, a private company limited by shares incorporated in the United Kingdom.

2. Summary of significant accounting policies

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

(a) Basis of preparation

These financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The COVID-19 pandemic has affected almost all countries of the world and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Company's significant operations are in Serbia, which has been affected by the spread of COVID-19 in 2021.

The Company has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The impact of COVID-19 on the Company's financial performance is minimal and had no material effect on the financial statements reported.

ISIHC LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

(a) Basis of preparation (continued)

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorized for issuance, the Company cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year.

Standards and amendments to existing standards effective on 1 January 2021

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2021 that have a material effect on the financial statements of the Company.

New standards, amendments and interpretations effective after 1 January 2021 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

(b) Going concern

The financial position of the Company, its cash flows and liquidity position are set out in these financial statements. Note 11 to the financial statements includes the Company's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposures to credit, market and liquidity risk.

As at the year end, the Company had net assets of US\$22,736,489 (2020: US\$6,861,592). The Directors have assessed the financial position of the Company and its ability to meet its liabilities as they fall due and are satisfied that the Company is able to continue as a going concern for the foreseeable future. Whilst uncertain, the Directors do not believe, however, that the impact of COVID-19 would have material adverse effect on the Company's financial condition or liquidity. The Company's financial statements have therefore been prepared on a going concern basis.

ISIHC LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

(c) Investment entity

Subsidiaries

Subsidiaries are all entities (including special purpose entities ("SPEs")) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investment entity

The Company has multiple unrelated investors via its parent company. The Company is deemed to meet the definition of an investment entity in accordance with Amendments to IFRS 10 as the following conditions exist:

- The Company has obtained funds for the purpose of providing investors with investment management services.
- The Company's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income.
- The performance of investments made are measured and evaluated on a fair value basis.

As the Company meets the definition of an Investment Entity, it is required to measure investments in its subsidiaries at fair value through profit or loss in accordance with IFRS 10, with changes in the fair value recognised in the Statement of Comprehensive Income in the period of the change. Accordingly, no consolidated financial statements are prepared. These separate financial statements are the only financial statements of the Company.

(d) Dividends

Dividend distributions to the shareholders are recognised in the Company's financial statements in the year in which the dividends are approved. No dividend has been distributed during the year.

(e) Other payables

Other payables are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

ISIHC LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

(f) Income tax expense

Current income tax is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

The taxation of income and capital gains of the Company is subject to the fiscal laws and practice of the United Kingdom and other countries in which the Company invests.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

(g) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each entity are measured using the currency of primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in United States Dollar (US\$), which is the Company's functional currency and presentation currency.

ISIHC LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

(g) Foreign currency translation (continued)

Transactions and balances

Transactions in foreign currencies are translated to US\$ at the exchange rate at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income for the year.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Foreign exchange gains and losses relating to the financial assets carried at fair value through profit or loss are presented in the statement of comprehensive income within "net realized gains from foreign currency".

(h) Cash and cash equivalents

For the purpose of presentation in the statement of financial position and statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

(i) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

(j) Expenses

All expenses are recognised in statement of comprehensive income on an accrual basis.

(k) Organisational fees

Organisational fees are expensed as incurred.

ISIHC LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

(k). Financial assets

The Company classifies its financial as fair value through profit or loss ("FVPL").

(i) At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(ii) At subsequent measurement

Debt instrument

Debt instruments of the Company mainly comprise of cash and cash equivalents and other receivables.

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company managed these group of financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of comprehensive income when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

The Company assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For cash and cash equivalents and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

ISIHC LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Significant accounting policies (continued)

(k) Financial assets (continued)

(ii) At subsequent measurement (continued)

Equity investments

The Company subsequently measures all its equity investments at their fair values. Equity instruments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "net changes in fair value of financial assets at fair value through profit or loss", except for those equity securities which are not held for trading.

Regular way purchases and sales of these financial assets are recognised on trade date - the date on which the Company commits to purchase or sell the asset.

On disposal, the differences between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and the sale proceed amount would be recognised in other comprehensive income and transferred to retained earnings along with the amount previously recognised in other comprehensive income relating to that asset.

(l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(m) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity has some or all of the following features or attributes: (a) restricted activities; (b) a narrow and well defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors; (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and (d) financing in the form of multiple contractually linked instruments to investors the create concentrations or other risks.

ISIHC LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. Critical accounting judgements and key source of estimation uncertainty

The preparation of the Company's financial statements requires the Directors and management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected.

Where applicable, the notes to the financial statements set out areas where the Directors and management have applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations 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.

Determination of fair value of financial assets not quoted in an active market

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

When the fair value of an investment recorded on the statement of financial position cannot be derived from active markets, the fair value is determined using valuation techniques generally recognised as standard within the industry. The inputs to these techniques are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. It also requires the Company to make certain assumptions such as future expected cash flows and earnings multiples. Because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed and the difference could be material to the financial statements. The valuation techniques of financial assets are described in Note 12.

Determination of functional currency

Functional currency is the currency of the primary economic environment in which the Company operates. When indicators of the primary economic environment are mixed, management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. Since the Company conducts most of its transactions in USD, management has determined that the functional currency of the Company is USD.

ISIHC LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. Financial assets at fair value through profit or loss

	2021 US\$	2020 US\$
Financial assets designated at fair value through profit or loss		
- Unquoted equity investments	21,567,608	5,547,341

Net changes in fair value on financial assets at fair value through profit or loss:

	For the financial year ended 31 December 2021 US\$	For the period from 25 October 2019 (date of incorporation) to 31 December 2020 US\$
Changes in fair value on investments at fair value through profit or loss	11,395,056	-
Net realised currency exchange gains	-	2,435
	11,395,056	2,435

The industry and country classification of the financial assets at fair value through profit or loss as at 31 December 2021 and 31 December 2020 are as follows:

<u>Investments</u>	<u>Industry</u>	<u>Country of operations</u>	<u>% holdings of ISIHC</u>	<u>Fair value</u> 2021 US\$	2020 US\$
South Danube Metals d.o.o.	Mining	Republic of Serbia	100%	-	2,369,777
Tara Gold d.o.o.	Mining	Republic of Serbia	100%	160,000	140,000
Betoota Holdings Ltd (Note (a))	Mining	The United Kingdom	100%	21,407,608	3,037,563
				21,567,608	5,547,340

ISIHC LTD

NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 December 2021***4. Financial assets at fair value through profit or loss (continued)****(a) Investment in Betoota Holdings Ltd**

Below shows the breakdown on Betoota's investment:

<u>Investments</u>	<u>Industry</u>	<u>Country of operations</u>	<u>% holdings of Betoota</u>	<u>Fair value</u>	
				2021	2020
				US\$	US\$
Zlatna Reka Resources ("Zlatna")	Mining	Republic of Serbia	100%	21,500,000	3,037,463

5. Operating expenses

	For the financial year ended 31 December 2021	For the period from 25 October 2019 (date of incorporation) to 31 December 2020
	US\$	US\$
Administration fees	52,151	42,661
Professional fees	33,097	75,538
Organisational fees	15,556	15,363
Other operating expenses	1,428	3,615
Disbursement	-	3,666
	102,232	140,843

ISIHC LTD**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2021***6. Income tax expenses**

The tax on the Company's profit or loss before tax differs from the theoretical amount that would arise using the United Kingdom standard rate of income tax as follows:

	For the financial year ended 31 December 2021 US\$	For the period from 25 October 2019 (date of incorporation) to 31 December 2020 US\$
Profit/(loss) before income tax	11,292,824	(138,408)
Tax calculated at tax rate of 19% (2020: 19%)	2,145,637	(26,298)
Effect of:		
- Income not subject to tax	(2,165,061)	-
- Unutilised tax assets not recognised	19,424	26,298
Tax charge	-	-

7. Cash and cash equivalents

For the purposes of presenting the statement of cash flows, cash and cash equivalents comprise the following:

	2021 US\$	2020 US\$
Cash at bank	761,188	1,228,836

As at 31 December 2021 and 31 December 2020, the carrying amounts of cash and cash equivalents approximate their fair values.

ISIHC LTD**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2021*

8. Other receivables

	2021	2020
	US\$	US\$
Due from related parties (note 14)	516,390	67,054
Prepayments	41,481	57,037
	557,871	124,091

The amount due from immediate parent company is unsecured, non-interest bearing and repayable on demand.

9. Other payables

	2021	2020
	US\$	US\$
Due to a related party (note 14)	92,927	-
Accrued expenses	57,251	38,676
	150,178	38,676

The amount due to related party is unsecured, non-interest bearing and repayable on demand.

The carrying amount of accrued expenses approximates its fair value as at 31 December 2021 and 2020.

ISIHC LTD**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2021***10. Share capital**

The share capital consists of 715 (2020: 300) fully paid ordinary shares at a nominal price of US\$ 1 each, of which 1 ordinary share relates to share allocated to Ibaera Capital Fund GP Ltd.

Issued and fully paid:

	No. of ordinary <u>shares</u>	<u>Amount</u> US\$
2021		
Beginning of financial year	300	7,000,000
Shares issued	415	4,582,073
End of financial year	<u>715</u>	<u>11,582,073</u>
2020		
Beginning of financial period	-	-
Shares issued	300	7,000,000
End of financial period	<u>300</u>	<u>7,000,000</u>

The Company's ordinary shares entitle the holder to a pro rata share of the Company's net assets based on the US\$ value of paid in contributions in the event of the Company's liquidation. The shares do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Company's net assets.

11. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk.

Financial risk management is carried out under policies agreed by the Board of Directors. The Board of Directors provides guidelines for overall risk management, as well as policies covering specific areas.

a) Market risk

Market risk is the risk of potential adverse changes to the value of financial instruments because of changes in market conditions such as interest and currency rate movements, availability of financing and volatility in investment prices.

The Company's exposure to market risk is determined by a number of factors, including price risk, currency risk and interest rates risk.

ISIHC LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

11. Financial risk management (continued)

a) Market risk (continued)

(i) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk) whether those changes are caused by factors specific to the financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Company is exposed to price risk for the Company's investments in unquoted equity instruments. At 31 December 2021, the Company has investments in unquoted equity instruments that are currently valued at US\$ 21,567,608 (2020: US\$ 5,547,341).

Twenty-five per cent (25%) (2020: 25%) represents the Directors' assessment of the possible net change in the prices of the investments. A 25% (2020: 25%) increase/(decrease) in the price of the unquoted equity instruments would increase/(decrease) the Company's net assets by US\$5,391,902 (2020: US\$ 1,386,835 which are in quoted and unquoted equity instruments) in financial assets at fair value through profit or loss.

(ii) Currency risk

The Company may hold assets and liabilities (both monetary and non-monetary) denominated in currencies other than the functional currency ("US\$"). It is therefore exposed to currency risk, as the value of the financial instruments denominated in other currency will fluctuate due to the changes in exchange rates.

In accordance with the Company's policy, management monitors the Company's currency position on an ongoing basis.

The Company has minimal currency risk exposure for the year ended 31 December 2021 and 2020.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. At reporting date, the Company does not have significant interest rate risk arising from its financial instruments.

ISIHC LTD**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2021***11. Financial risk management (continued)****b) Credit risk**

The Company's major classes of financial assets subject to credit risk are cash and cash equivalents and other receivables. As at 31 December 2021 and 2020, there are no financial assets past due and/or impaired during the financial year. Credit risk includes the possibility that a loss may occur from the failure of counterparties or issuers to make payments according to the terms of contract.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Company only deals with banks that have high credit-ratings assigned by international credit-rating agencies. As at 31 December 2021, the Company's bank accounts are held by financial institutions with a credit rating of AA- (2020: AA-) as rated by Standard & Poor's. The cash and cash equivalents are measured on 12-months expected credit losses and subject to immaterial credit loss.

The Company uses the following categories of internal credit risk rating for the financial assets which are subject of expected credit losses under the 3-stage general approach. These four categories reflect the respective credit risk and how the loss provision is determined for each of those categories.

Category of internal credit rating	Definition of category	Basis of recognition of expected credit losses
Performing	Borrower or issuer have a low risk of default and a strong capacity to meet contractual cash flows	12- month expected credit losses
Under-performing	Borrower or issuer for which there is a significant increase in credit risk; as significant in credit risk is presumed if interest and/or principal repayment are 30 days past due	Lifetime expected credit losses
Non-performing	Interest and/or principal payment are 90 days past due	Lifetime expected credit losses
Write-off	Interest and/or principal repayments are 120 days past due and there is no reasonable expectation of recovery	Asset is written off

ISIHC LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

11. Financial risk management (continued)

b) Credit risk (continued)

Impairment of financial assets

As at 31 December 2021 and 31 December 2020, impairment of the financial assets under the expected credit loss model was immaterial for the Company.

c) Liquidity risk

Liquidity risk arises where the Company may not be able to meet the obligations as and when these fall due for settlement. The Company manages liquidity risk by obtaining funding from its ultimate holding company.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	On demand US\$	Less than 1 year US\$	Total US\$
2021			
Other payables	92,927	57,251	150,178
2020			
Other payables	-	38,676	38,676

d) Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may call for additional capital contribution from its ultimate holding company. The Company is not subject to any externally imposed capital requirements for the financial year ended 31 December 2021 and 2020.

ISIHC LTD**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2021***11. Financial risk management (continued)****e) Concentration risk**

The Company invests in unquoted debt and equity securities and as a consequence, the aggregate return of the Company may be materially and adversely affected by the unfavourable performance of the investment.

The Company will focus primarily on investments in pre-construction stage mining assets held by companies from Republic of Serbia and the United Kingdom or their related bodies corporate. Thus, the performance of the Company will be closely linked to the performance of the mining industry and the Company could be severely impacted by adverse developments affecting the industry.

As the Company's investment is mainly concentrated in two geographic areas (Republic of Serbia and the United Kingdom), the Company could be severely impacted by adverse developments affecting that geographic area.

12. Fair value measurement**(i) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

	<u>Level 1</u> US\$	<u>Level 2</u> US\$	<u>Level 3</u> US\$	<u>Total</u> US\$
2021				
Financial asset at fair value through profit or loss	-	-	21,567,608	21,567,608
Total assets	-	-	21,567,608	21,567,608
2020				
Financial asset at fair value through profit or loss	-	-	5,547,341	5,547,341
Total assets	-	-	5,547,341	5,547,341

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year (2020: none). For transfers into and out of level 3 measurements see (ii) below.

The group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

ISIHC LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12. Fair value measurement (continued)

(i) Fair value hierarchy (continued)

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 December 2021 and 31 December 2020:

	2021 US\$	2020 US\$
Financial assets at fair value through profit or loss		
Balance at beginning of financial year	5,547,341	-
Purchases during the financial year	4,625,211	5,547,341
Net change in fair value of financial assets at fair value through profit or loss	11,395,056	-
Balance at the end of the financial year	21,567,608	5,547,341
 Change in unrealised gains for the period included in profit or loss for financial asset at the end of the reporting period	 11,395,056	 -

ISIHC LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12. Fair value measurement (continued)

(iii) Transfers between levels 2 and 3

There were no transfers between levels 2 and 3 for recurring fair value measurements during the year (2020: none).

Except for cash and cash equivalents which are classified as Level 1, the Company's assets and liabilities not measured at fair value at 31 December 2021 and 2020 have been classified as Level 2, which include other receivables and other payables. The carrying amounts of these financial assets and liabilities approximate their fair values as at the statement of financial position date.

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements (see (v) below for the valuation techniques adopted):

<u>Investors</u>	<u>Investments</u>	Fair value as at December 31, 2021 <u>US\$</u>	<u>Valuation technique</u>	<u>Key unobservable inputs</u>	<u>Reasonable possible shift +/- (absolute value)</u>	<u>Sensitivity</u>
The Partnership	ISIHC	10,976,099	NAV***	N/A***	N/A***	N/A***
ISIHC	Tara Gold	160,000	Replacement cost***	N/A***	N/A***	N/A***
ISIHC	Betoota	21,407,608	NAV***	N/A***	N/A***	N/A***
Betoota	Zlatna	21,500,000	Market Approach	Resource multiple	10%	(\$2,150,000) - \$2,150,000

*** Significant increase/(decrease) in the NAV/replacement cost of the investments would result in a significantly higher/(lower) fair value movement. No quantitative information has been presented as the fair value measurement is based on the NAV/replacement cost without adjustment. As at statement of financial position date, the carrying value reported approximates its fair value.

ISIHC LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12. Fair value measurement (continued)

(v) Valuation techniques used to determine fair values

At the conclusion of each calendar quarter and at the end of the financial year, the valuation committee (the "Valuation Committee"), established by the Manager of the Company, approves the fair value of each of the Company's investments. The Valuation Committee is made up of members of the investment adviser (the "Investment Adviser") to the Manager who work with their investment teams to prepare valuations and review each investment to determine its fair value as defined by ASC 820 and by following the processes and procedures of the valuation policy (the "Valuation Policy") prepared and adopted by Ibaera Capital Fund LP (the ultimate holding company of ISIHC Ltd).

The Valuation Policy provides that annually and at the end of each calendar quarter the Valuation Committee review and approve each investment held by the fund (or an affiliate) to determine its fair value using one or a combination of the following valuation techniques.

- a) Market Value approach
 - i. Comparable Transactions
 - ii. Performance Multiple
- b) Income or Discounted Cash Flows Approach
- c) Net Asset Approach

With the specific exception of year end reporting, quarterly valuations may, at the discretion of the Valuation Committee, be undertaken by the duly appointed member or representative of the Manager.

For annual reporting, the Manager may use an established, reputable independent valuation party to prepare a valuation report to provide a single value or value range to assist the Manager and the Valuation Committee in determining the Fair Value.

Following the Valuation Policy and in accordance with ASC 820, the Manager will utilise three main valuation techniques, either alone or in combination, as discussed above: (1) the market approach; (2) the income approach and (3) the net asset approach. The choice of which methodology to use will depend upon the nature of the investment and the mechanics for income generation as well as the quality and relevance of the source data, to provide an accurate and reasonable estimate at valuation date. The Manager shall use its judgement and experience in determining the most appropriate methodology to be used by the Investment Adviser and approved by the Valuation Committee in preparing the valuation, given the specific circumstances surrounding the investment.

ISIHC LTD**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2021***12. Fair value measurement (continued)****(v) Valuation techniques used to determine fair values (continued)**

Once agreed, the Investment Adviser obtains enough information to perform their valuation analysis using the approved methodology, data inputs, assumptions and calculations which is then reviewed and approved by the Investment Adviser's own internal investment committee. The Investment Adviser is required to maintain documentation on the inputs that are subject to judgment for use (if requested by the Valuation Committee, and the various regulatory agencies). On each valuation date the Investment Adviser will then present their fair value analyses to the Valuation Committee for their consideration, revisions, and formal approval of the valuation of the investment by the Manager.

(vi) Financial instruments by category

	2021	2020
	US\$	US\$
Financial assets at fair value through profit or loss	21,567,608	5,547,341
Financial assets at amortised cost	1,277,578	1,295,890
Financial liabilities at amortised cost	150,178	38,676

13. Commitments

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties, which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. No such claims have occurred nor are they expected to occur and the Company expects the risk of material loss associated with such contracts to be remote.

As at 31 December 2021, the Company is owned by Aether Real Assets V, LLC, a limited partnership established in the State of Delaware, the United States; Ibaera Capital Fund LP, an exempted limited partnership established in the Cayman Islands; Ibaera Capital Holdings Pty Ltd (as a trustee of Ibaera Investment Trust), a proprietary company registered in Australia and John Rumbo Ltd, an international company established in the Republic of Vanuatu. The total commitments of each owners are as follow:

ISIHC LTD**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2021***13. Commitments (continued)**

	2021 US\$	2020 US\$
Committed*	15,375,000	15,000,000
Funds drawn	<u>(11,582,073)</u>	<u>(7,000,000)</u>
Not yet drawn	<u>3,792,927</u>	<u>8,000,000</u>

*On 1 December 2021, the commitment was increased by US\$375,000 with the admission of John Rumbo Ltd.

14. Related party transactions

The carrying amount of the different categories of financial instruments are as follows:

	Transaction values for the year/period ended 31 December		Balance outstanding as at 31 December	
	2021 US\$	2020 US\$	2021 US\$	2020 US\$
(a) Share capital payable Betoota	-	(100)	(100)	(100)
(b) Fees receivable Betoota	54,966	67,154	122,120	67,154
Ibaera Capital Fund LP	44,370	-	44,370	-
(c) Capital call receivable/(payable)				
Aether Real Assets V, LLC	2,150,000	3,500,000	-	-
Ibaera Capital Fund LP Ltd	2,127,652	3,463,624	346,360	-
Ibaera Capital Holdings Pty Ltd	22,348	36,376	3,640	-
John Rumbo Ltd	282,073	-	(92,927)	-
(d) Loan Ibaera Capital Fund LP Ltd	600,000	250,000	-	-

The key management personnel of the Company are represented by the directors of the Company. The directors do not earn any remuneration from the Company.

All directors of the Company are also the directors of the Administrator.

ISIHC LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15. Subsequent events

On 12 January 2022, the Company received capital injection amounting to US\$350,000 from the shareholders that were due as of 31 December 2021.

On 15 March 2022, the Company received another capital injection amounting to US\$452,780 from the shareholders.

There were no other subsequent events post financial year end and up to the date that the financial statements were available to be issued.

16. Comparative disclosure

The financial statements for 2020 cover the reporting period since 25 October 2019 (date of incorporation) to 31 December 2020. The financial statements for 2021 cover the 12 months ended 31 December 2021. Therefore, the comparative amounts for the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and related notes are not entirely comparable.

Where necessary, comparative figures have been adjusted to conform with the changes in presentation in the current year. The revised presentation does not result in a change in the Company's net assets or profit before and after tax.

ISIHC LTD

APPENDIX A – RECONCILIATION OF IFRS TO US GAAP

For the financial year ended 31 December 2021

17. Reconciliation of IFRS to US GAAP

Since the Company's Shareholders' Agreement stipulates that each party shall be supplied with a copy of the unaudited accounts of the Company prepared in accordance with IFRS and a reconciliation of such accounts to accounting principles generally accepted in the United States of America ("US GAAP"), the Company's annual report on Form 20-F, which is based on US GAAP, may contain additional information next to its Statutory annual report.

For the year presented in this Statutory annual report, the main differences between IFRS and US GAAP for the Company relate to the following:

	For the financial year ended 31 December 2021	For the period from 25 October 2019 (date of incorporation) to 31 December 2020
	US\$	US\$
Net profit/(loss) allocated to shareholders of the Company in accordance with IFRS	11,292,824	(138,408)
Adjustment:		
Development expenditures	-	-
Net profit/(loss) allocated to shareholders of the Company in accordance with US GAAP	<u>11,292,824</u>	<u>(138,408)</u>
	31 December 2021	31 December 2020
	US\$	US\$
Total shareholders' equity in accordance with IFRS	22,736,489	6,861,592
Adjustment:		
Development expenditures	-	-
Total shareholders' equity in accordance with US GAAP	<u>(22,736,489)</u>	<u>(6,861,592)</u>