

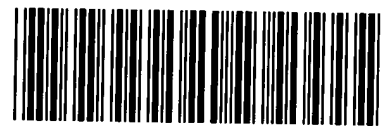
Registered Number 12282765

ISIHC LTD

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 25 OCTOBER 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2020

TUESDAY



AAB2WCSB

A13

17/08/2021

#208

COMPANIES HOUSE

ISIHC LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 25 OCTOBER 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2020

Contents	Page (s)
Corporate information	1
Strategic report	2 - 3
Directors' report	4
Statement of Directors' responsibilities	5
Statement of comprehensive income	6
Statement financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 20

ISIHC LTD

Page 1

CORPORATE INFORMATION

FOR THE PERIOD FROM 25 OCTOBER 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2020

Directors

Caroline Baker (Appointed on 25 October 2019)

Ibaera Capital Fund GP Ltd (Appointed on 25 October 2019)

Registered office

3rd Floor

11-12 St James's Squares

London

United Kingdom

SW1Y 4LB

Corporate administrator

Vistra (UK) Limited

3rd Floor

11-12 St James's Squares

London

United Kingdom

SW1Y 4LB

Company Secretary

Accomplish Secretaries Limited

3rd Floor

11-12 St James's Square

London

United Kingdom

SW1Y 4LB

The directors ("the Directors") present their strategic report together with the unaudited financial statements of ISIHC LTD (the "Company") for the period ended 31 December 2020.

Review of business

The Company was incorporated as a private limited company on 25 October 2019 under the laws of England and Wales. The principal activity of the Company is investment in pre-construction stage mining assets, namely in South Danube Metals d.o.o. and Tara Gold d.o.o. (Serbia) and Beloota Holdings Ltd, a private company limited by shares incorporated in the United Kingdom.

Future developments

The Directors do not anticipate any changes to the present level of activity, or the nature of the Company's business in the near future. The Directors have considered the potential implications of the United Kingdom's decision to leave the European Union, the terms of which are not clear, and have concluded that there is unlikely to be any significant impact on the Company's operations.

Following the outbreak of the coronavirus ("COVID-19") in March 2020 and the uncertainty over the long term impact of the virus, the Directors are closely monitoring its potential impact on the 2020 financial results and cashflows.

Results and performance

The results of the Company for the period, as set out on page 6, show a loss on ordinary activities before tax of USD 138,408. The loss was primarily due to the payment of operating expenses. The Company had shareholders' funds of USD 6,861,592 as at 31 December 2020.

Going concern

The financial position of the Company, its cash flows and liquidity position are set out in these financial statements. Note 13 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 period end, the Company had net assets of USD 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. The Company's financial statements have therefore been prepared on a going concern basis.

Key performance indicators ("KPIs")

The key performance indicator of the business is considered to be the return on investment (ROI) (net profit divided by total investment). During the period, the ROI was -2% calculated by dividing net loss of USD 138,408 by investment value of USD 5,547,341. The net loss is due to the operating expenses incurred by the Company.

Financial instruments and risk management policies

The Company's financial instruments comprise investments, cash and cash equivalents, other receivables and other payables that arise directly from its operations.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's investments and cash and cash equivalents held at bank.

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined mainly by the concentration of its investments in one geographical area.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations arising from its financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's position.

The Company's assets are financed primarily by the issuance of share capital. As at the period end, the Company has sufficient amount of cash in the bank accounts to pay for its operating expenses.

On behalf of the Board of Directors



Caroline Baker
Director

Date: 23 July 2021

Directors' report

The Directors present their report and the unaudited financial statements of the Company for the period ended 31 December 2020. For the Directors' disclosures in relation to going concern, future developments and financial risks and uncertainties, please refer to the strategic report.

Principal 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 period are set out in the statement of comprehensive income on page 6.

Directors and other interests

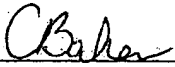
The Directors of the Company during the period and, unless otherwise indicated, up to the date on which the financial statements were approved are shown on page 1.

The Directors of the Company holding office at end of the financial period 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 USD 1 at end of the financial period.

Subsequent events

Details of subsequent events since the period end are included in note 17 to the financial statements.

On behalf of the Board of Directors


Caroline Baker
Director

Date: 23 July 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE PERIOD FROM 25 OCTOBER 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2020

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial period. 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 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 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 been 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 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 Act.

The Directors 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.

On behalf of the Board of Directors



Caroline Baker
Director

Date: 23 July 2021

ISIHC LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 25 OCTOBER 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2020

Page 6

	Note	For the period from 25 October 2019 (date of incorporation) to 31 December 2020 USD
Income	4	2,435
Expenses		
Operating expenses	5	(140,843)
		<u>(140,843)</u>
Loss on ordinary activities before taxation		(138,408)
Income tax expense	6	-
Loss for the period after tax		<u>(138,408)</u>
Other comprehensive income		-
Total comprehensive loss for the financial period		<u><u>(138,408)</u></u>

All items within the total comprehensive loss for the period ended 31 December 2020 related to continuing operations.

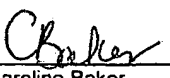
The notes on pages 10 to 20 form part of these unaudited financial statements.

	Note	31 December 2020 USD
Assets		
Non-current assets		
Investments	7	5,547,341
Total non-current assets		<u>5,547,341</u>
Current assets		
Cash and cash equivalents	8	1,228,836
Other receivables	9	124,091
Total current assets		<u>1,352,927</u>
Total assets		<u>6,900,268</u>
Equity and reserves		
Share capital	11	7,000,000
Accumulated losses	12	(138,408)
Total shareholders' equity		<u>6,861,592</u>
Liabilities		
Current liabilities		
Other payables	10	38,676
Total current liabilities		<u>38,676</u>
Total liabilities		<u>38,676</u>
Total equity and liabilities		<u>6,900,268</u>

Director's responsibilities:

- For the period ending 31 December 2020, 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 23 July 2021 and were signed on their behalf by:


Caroline Baker
Director

Date: 23 July 2021

The notes on pages 10 to 20 form part of these unaudited financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 25 OCTOBER 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2020

	Share capital USD	Capital Contributions USD	Accumulated losses USD	Total USD
Balance at 25 October 2019	-	-	-	-
Capital contributions	-	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 notes on pages 10 to 20 form part of these unaudited financial statements.

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 25 OCTOBER 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2020

	Note	31 December 2020 USD
Cash flows from operating activities		
Loss for the period before tax		(138,408)
Increase in other receivables		(124,091)
Increase in other payables		38,676
Net cash used in operating activities		(223,823)
Cash flows from investing activities		
Payments to acquire investments	7	(5,547,341)
Net cash used in investing activities		(5,547,341)
Cash flows from financing activities		
Capital contributions	11	7,000,000
Net cash generated from financing activities		7,000,000
Net effect in cash and cash equivalents		1,228,836
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period		1,228,836

The notes on pages 10 to 20 form part of these unaudited 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. Accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRSs and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union and with the Act as applicable to companies reporting under IFRS. The accounting policies set out below have been applied in respect of the financial period ended 31 December 2020.

(b) Basis of preparation

Except as otherwise indicated, all financial information presented in United States Dollar ("USD") has been rounded to the nearest USD.

The financial statements have been prepared on a historical cost basis.

In accordance with the provisions of Section 479(2) of the Act, the Company qualifies as small and is considered eligible for the exemption of consolidation.

(c) Going concern

The financial position of the Company, its cash flows and liquidity position are set out in these financial statements. Note 13 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 period end, the Company had net assets of USD 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.

(d) Accounting developments

(i) New standards, interpretations and amendments effective from 1 January 2020

All accounting standards which are effective for the current period that are material to these financial statements have been adopted. These standards have not been listed separately.

Standards/interpretations	Effective date
Amendments to IFRS 3: Business Combinations	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS17: Interest Rate Benchmark Reform	1 January 2020
Amendments to IAS 1 and IAS 8: Definition of Material	1 January 2020
Amendments to References to Conceptual Framework in IFRS Standards	1 January 2020

The Company has assessed the impact of the above standards and none are expected to have a material impact on the Company in the current or future reporting period and on foreseeable future transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 25 OCTOBER 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2020

2. Accounting policies (continued)

(ii) Accounting standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Company.

The following new and amended standards and interpretations have been issued and are mandatory for the Company's accounting periods beginning on or after 1 January 2021 or later periods and are expected to be relevant to the Company.

Description	Effective date
Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions (issued on 28 May 2020)	1 June 2020
Amendments to IFRS 4: Insurance Contracts - deferral of IFRS 9	1 January 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform Phase 2	1 January 2021
Amendments to IFRS 16 Leases: Covid 19-Related Rent concessions beyond 30 June 2021 (issued on 31 March 2021)	1 April 2021
Amendments to IAS 16: Property, Plant and Equipment	1 January 2022
Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Amendments to IFRS 3: Business Combinations	1 January 2022
Amendments to annual improvement 2018-2020	1 January 2022
IFRS 17 Insurance Contracts (issued on 18 May 2017); including amendments to IFRS 17 (issued on 25 June 2020)	1 January 2023
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)	1 January 2023

The Directors have considered the new standards, amendments and interpretations as detailed in the above table and do not plan to adopt these standards early. The Directors plan to adopt the new standards on their effective date. The application of all of these standards, amendments or interpretations will be considered in detail in advance of a confirmed effective date by the Company.

The Company has assessed the potential impact of these standards and none are expected to have a material impact on the Company in the current or future reporting period and on foreseeable future transactions.

(e) Foreign currency

(i) Functional and presentation currency

Items included in the Company's unaudited financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The unaudited financial statements are presented to the nearest USD, which is the Company's functional currency and presented currency.

(ii) Transactions and balances

Transactions in foreign currencies are translated to USD 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 period.

2. Accounting policies (continued)

(f) Dividends

Dividend distributions to the shareholders are recognised in the Company's financial statements in the period in which the dividends are approved.

(g) Expenses

All expenses are recognised in profit or loss on an accruals basis.

(h) Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

The Company's financial instruments comprise investments, cash and cash equivalents, receivables and payables that arise directly from its operations.

(i) Investments

Under IAS 27 Separate Financial Statements, when an entity prepares separate financial statements, it shall account for investments in subsidiaries, joint ventures and associates either:

- (i) at cost;
- (ii) in accordance with IFRS 9; or
- (ii) using the equity method as described in IAS 28.

Subsidiaries are those entities controlled by the Company. Control is achieved when the Company is exposed to, or has right to, variable return from its involvement with the entity and has ability to affect these returns through its power over the entity.

Investments in subsidiaries are carried at cost, net of impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

2. Accounting policies (continued)

(j) Impairment

Financial assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired as per IAS 36. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit ("CGU") to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. Financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

(k) Cash and cash equivalents

Cash and cash equivalents are comprised of short term deposits and are measured at amortised cost.

(l) 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.

(m) Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is only recognised if it is probable that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

(n) 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.

3. Critical accounting judgements and key sources 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 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.

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Impairment of non-current assets

Where impairment indicators are present, the recoverable amounts of assets are measured. Asset recoverability requires assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets, using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of uncertain matters, in particular, the performance of the underlying investments in Betoota Holdings Ltd, South Danube Metals d.o.o. and Tara Gold d.o.o.

4. Income

For the period
ended 31
December 2020
USD

Realised foreign currency gain

2,435

5. Operating expenses

For the period
ended 31
December 2020
USD

Professional fees
Administration fees
Organisational fees
Director fees
Disbursement
Other operating expenses

71,038
42,661
15,363
4,500
3,666
3,615

140,843

6. Income tax expense

For the period
ended 31
December 2020
USD

Current tax expense:

Corporation tax charge for the year at a rate of 19%
Total income tax charge in statement of comprehensive income

Reconciliation of total tax charge

Loss for the period before tax

(138,408)

Corporation tax - 19% of profit

(26,298)

Effect of:

Adjustment to tax charge in respect to loss during the period

26,298

Total tax charge

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 25 OCTOBER 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2020

7. Investments

	31 December 2020 USD
Opening balance - cost	-
Acquired during the period	4,690,999
Capitalised costs	856,342
Investments at cost	<u>5,547,341</u>

On 3 December 2019, the Company acquired 100% of South Danube Metals d.o.o and Tara Gold do.o.o. On 12 May 2020, the Company acquired 100% of the shareholding in Betoota Holdings Ltd. An overview of the investments and initial consideration are provided below:

Investments	Registered address	Domicile	Ownership interest	Activity
South Danube Metals d.o.o.	Bulevar Kralja Aleksandra 24, 11101 Belgrade, Serbia	Serbia	100%	Mining
Tara Gold d.o.o.	Bulevar Kralja Aleksandra 24, 11101 Belgrade, Serbia	Serbia	100%	Mining
Betoota Holdings Ltd	3 rd Floor, 11-12 St James's Square, London SW1Y 4LB, United Kingdom	United Kingdom	100%	Investment holding

As of 31 December 2020, there were no indication of impairment on the investments made in the subsidiaries and therefore no impairment has been recognised in the financial statements.

8. Cash and cash equivalents

	31 December 2020 USD
Cash and cash equivalents	<u>1,228,836</u>

The Directors consider that the carrying value of cash and cash equivalents approximates to their fair value.

The Company's cash and cash equivalents are held mainly with DBS Bank Ltd with a credit rating of AA- as rated by Standard and Poor's. The credit rating refers to the long-term default issuer rating of the financial institution.

9. Other receivables

	31 December 2020 USD
Prepayments	57,037
Related party (note 15)	67,054
	<u>124,091</u>

10. Other payables

	31 December 2020 USD
Administration fees payable	29,376
Other payables	9,300
	<u>38,676</u>

11. Stated capital

The share capital consists of 300 fully paid ordinary shares at a price of USD 1 each, of which 1 ordinary share relates to Subscriber's share allocated to Ibaera Capital Fund GP Ltd.

	Investors' Commitment 31 December 2020 USD
Committed	15,000,000
Not yet drawn	(7,000,000)
Funds drawn	<u>8,000,000</u>

The funds have been drawn as follows:

	Investors' drawn funds 31 December 2020 USD
<i>Drawdown on 27 November 2019</i>	3,000,000
<i>Drawdown on 7 August 2020</i>	2,000,000
<i>Drawdown on 20 October 2020</i>	2,000,000
	<u>7,000,000</u>

12. Reserves

Accumulated losses

This relates to the accumulated losses for the current period.

	31 December 2020 USD
Opening accumulated losses	-
Losses for the period	(138,408)
Closing accumulated losses	<u>(138,408)</u>

13. Financial Risk Management

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders. The Company is not subject to any externally imposed capital requirements.

The capital structure of the Company consists of stated capital and accumulated losses.

Significant accounting policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets, financial liabilities and equity instrument are disclosed in note 2 to the financial statements.

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Investments
- Cash and cash equivalents
- Other receivables
- Other payables

13. Financial Risk Management (continued)

Categories of financial instruments

	31 December 2020 USD
Financial assets	
Investments	5,547,341
Cash and cash equivalents	1,228,836
Other receivables at amortised cost	124,091
	<u>6,900,268</u>
Financial liabilities	
Other payables at amortised cost	<u>38,676</u>

Risk Management framework

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Market risk
- Liquidity risk

The Directors of the Company have the overall responsibility for oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by Company, to set appropriate risk limits and the controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(a) Credit risk

Credit risk is the potential loss the Company may incur as a result of the failure of an issuer or counterparty to make payments or fulfil its contractual obligations according to the terms of a contract. Credit risk arises from investment activities in which the Company is exposed to the potential default of debtors in the repayment of principal and interest. The Company's exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The maximum exposure of financial assets to credit risk as at the reporting date is:

	31 December 2020 USD
Investments	5,547,341
Cash and cash equivalents	1,228,836
Other receivables	124,091
	<u>6,900,268</u>

Further details regarding investments can be found in note 7. The Company has invested in the equity shares of Betoota Holdings Ltd, South Danube Metals d.o.o. and Tara Gold d.o.o.

Further details regarding cash and cash equivalents can be found in note 8. In the period cash risk was mitigated by holding cash and cash equivalents with a reputable financial institution. As at 31 December 2020, the cash balance was held with DBS Bank Ltd. Refer to note 8 for the credit rating of this banking institution.

The Company did not have any past due or impaired receivables as at 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 25 OCTOBER 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2020

13. Financial Risk Management (continued)

(b) Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility.

(i) Concentration risk

The Company's ultimate investments are concentrated in one geographical area, namely Serbia. Serbia is deemed to be a high-risk country as high levels of bribery and corruption prevails in the country, especially in the natural resource extraction or mining sector. The country is not on the European Union's White list equivalent jurisdictions and until June 2019 it was included in the Financial Action Task Force Anti-Money Laundering (FATF AML) Deficiency list, and has some limited United Nations/European Union measures in place. The Directors analyse risks applicable in Serbia in respect of the existing investments, but no assurance can be given that investments by the Company would not be affected by political or regulatory risks in the country.

(ii) Interest rate risk

All of the Company's financial assets and financial liabilities are non-interest bearing and as a result the Company is not exposed to interest rate risk.

(iii) Currency risk

Currency risk arises as the value of future transactions and recognised monetary assets and liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The Company is not exposed to currency risk as all the financial assets and financial liabilities are denominated in USD.

(iv) 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 interest rate risk or currency 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 not exposed to price risk as the Company's financial instruments are carried at cost.

(c) Liquidity risk

Liquidity is the ongoing ability to accommodate liability maturities, asset growth and business operations and to meet contractual obligations. Liquidity management involves forecasting funding requirements and maintaining sufficient capacity to meet the needs and accommodate fluctuations in asset and liability levels due to changes in business operations or unanticipated events. Uses of liquidity include operating expenses.

The investment portfolio held by the Company exposes it to a number of relevant risks including liquidity risk. There is no organised financial market available to trade in Betoota Holdings Ltd, South Danube Metals d.o.o. and Tara Gold d.o.o. and as such the investments are highly illiquid.

The maturity analysis of financial instruments at 31 December 2020 are as follows:

	Within one year USD	From one to two years USD	From two to five years USD	Later than 5 years USD	Total USD
Assets					
Investments	-	-	5,547,341	-	5,547,341
Cash and cash equivalents	1,228,836	-	-	-	1,228,836
Other receivables	-	-	124,091	-	124,091
	<u>1,228,836</u>	<u>-</u>	<u>5,671,432</u>	<u>-</u>	<u>6,900,268</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 25 OCTOBER 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2020

13. Financial Risk Management (continued)

(c) Liquidity risk (continued)

	Within one year USD	From one to two years USD	From two to five years USD	Later than 5 years USD	Total USD
Liabilities					
Other payables	38,676	-	-	-	38,676

The Company did not engage in any hedging activities during the period.

14. Holding and ultimate parent company

The Company is jointly 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; and Ibaera Capital Holdings Pty Ltd (as a trustee of Ibaera Investment Trust), a proprietary company registered in Australia.

15. Related party transactions

The Company considers the investors, their principal owners, members of management, and members of their families, as well as entities under common control, to be related parties to the Company.

The following are related party transactions and balances at period end.

Name of company	Nature of relationship	Nature of transactions	Balance 2020 USD (100)
Betootta Holdings Ltd	Investee	Share capital payable	
Betootta Holdings Ltd	Investee	Fees receivable	67,154

16. Subsequent events

On 3 May 2021, the Company issued 50 Class B shares at a price of USD 20,000 each to Aether Real Assets V LLC, 49 Ordinary shares at a price of USD 20,196.06 each to Ibaera Capital Fund LP and 1 Ordinary share at a price of USD 10,393.15 each to Ibaera Capital Holdings Pty Ltd.

There have been no other significant events that require disclosure to the financial statements since the period end and up to the date of approving the financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 25 OCTOBER 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2020

17. Reconciliation of IFRS to US GAAP (continued)

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

	For the period from 25 October 2019 (date of incorporation) to 31 December 2020 USD
Net loss allocated to shareholders of the Company in accordance with IFRS	(138,408)
Adjustment:	
Development expenditures	
Net loss allocated to shareholders of the Company in accordance with US GAAP	(138,408)
	31 December 2020 USD
Total shareholders' equity in accordance with IFRS	6,861,592
Adjustment:	
Development expenditures	
Total shareholders' equity in accordance with US GAAP	6,861,592