

Assore International Holdings Limited
Annual Financial Statements
For the year ended 30 June 2022



Assore International Holdings Limited
Company No: 12617478



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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ADMINISTRATION REPORT:

DIRECTORS

CE Walters (South African) (Appointed on 21/05/2020)
P E Sacco (South African) (Appointed on 21/05 2020)
GCT Karsten (South African) (Appointed on 25/03/2021)
S Postifferi (Italian) (Appointed on 25/03/2021)
TM Mayrides (American) (Appointed on 10/09/2021)
KJ Daly (Irish) (Appointed on 01/10/2021)
RM Wilson (South African) (Appointed on 01/10 2021)

COMPANY SECRETARY

Tricor Corporate Secretaries Limited (Reg No: 07566766)*

Suite 5, 7th Floor
50 Broadway
London
SW1H 0DB
United Kingdom

* Appointed on 1 August 2023

NATURE OF BUSINESS

Investment Holding Company

INDEPENDENT AUDITOR

BDO LLP
55 Baker Street
London, W1U 7EU
United Kingdom

BANKER

HSBC Bank plc
8 Canada Square
Canary Wharf
London
E14 5HQ
United Kingdom

SHAREHOLDERS

Assore Treasury Company (Rf) Proprietary
Limited: 100%

REGISTERED OFFICE

5 Charlecote Mews
Staple Gardens
Winchester
SO23 8SR
United Kingdom

BUSINESS OFFICE

5 Charlecote Mews
Staple Gardens
Winchester
SO23 8SR
United Kingdom

REGISTRATION NUMBER

12617478

**DOMICILE AND COUNTRY
OF INCORPORATION**

United Kingdom

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REPORT OF THE DIRECTORS

The directors have the pleasure in submitting the annual financial statements of Assore International Holdings Limited (hereinafter referred to as the Company) for the year ended 30 June 2022.

Business of the Company

The Company is situated in Winchester, Hampshire, United Kingdom (Company Registration No. 12617478) and was incorporated on 21 May 2020 for the purpose of acquiring investment assets for the benefit of its shareholder.

Nature of the Business

Assore International Holding Limited is currently engaged in investing in companies involved in the mining or trading of rare-earth elements, precious stones or similar. In the future, the company will be assessing other investment opportunities that are in line with its strategic growth internationally.

Board of Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report,

Name:	Date of Appointment
• CE Walters	21 May 2020
• PE Sacco	21 May 2020
• GCT Karsten	25 March 2021
• S Postifferi*	25 March 2021
• TM Mayrides*	10 September 2021
• K Daly*	1 October 2021
• R Wilson*	1 October 2021

*Non-executive

Financial Results

The financial results of the Company for the financial year ended 30 June 2022 are set out in the accompanying financial statements, which reflect a net profit of \$7 748 175 (2021: loss \$584 375).

The Company encountered challenges in providing sufficient information regarding the valuation of certain of its investments recorded in the financial statements as at 30 June 2022, resulting in the auditors disclaiming their opinion on the financial statements, brought about by a limitation in the scope of the audit, which was agreed to by management.

The financial reporting processes adopted by the Company adhere to stringent standards, however, the complexity and nature of certain of its investments, presented unforeseen difficulties. Despite management's diligent efforts, management were unable to furnish the auditors with the necessary audit evidence to satisfy the audit requirements to express an opinion on these investments and the impact these may have had on the financial statements.

Capital

There were no changes in the authorised capital since incorporation. There were shares issued during the year totalling 345 shares. See note 1.12.

Parent Company

The Company is a wholly owned subsidiary of Assore Treasury Company (Rf) Proprietary Limited, registered in South Africa.

Qualifying Indemnity Provision

A qualifying indemnity provision is in force for the benefit of the directors.

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Going Concern

For the year ended 30 June 2022, based on their assessment of the company's financial position, future performance liquidity and risks, the directors have a reasonable expectation that the company has adequate resources to adopt the going concern basis of accounting. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

A stress test had been performed on the planned cashflow over the next 12 months from the date of signing of the financial statements and there is sufficient funding to sustain the company.

Ukraine/Russia exposure

The company has continued to review its exposure due to that Ukraine/Russia war and ascertained that there is no significant exposure.

Auditor

The auditor, BDO LLP, was appointed on 15 March 2021 and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small Company

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A Directors' report of the Companies Act 2006.

The directors have also taken advantage of the small companies' exemptions by section 414B of the Companies Act 2006 and have not prepared a strategic report.

Statement of Director's Responsibilities

The directors acknowledge their responsibilities 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 elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS's) in conformity with the requirements of the Companies Act 2006. 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 and loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

On behalf of the directors.



P E Sacco
Director



C E Walters
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSORE INTERNATIONAL HOLDINGS LIMITED

Disclaimer of opinion

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matter described in the Basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We were engaged to audit the financial statements of Assore International Holdings Limited ("the Company") for the year ended 30 June 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards.

Basis for disclaimer of opinion

The company has £350.1 million in quoted and unquoted investments on the statement of financial position as at 30 June 2022. We were unable to verify the accuracy and valuation of investment balances of £311m, which represent over 84% of the company's net assets as at 30 June 2022. The company also recognised the following related transactions and balances which we were also unable to verify the accuracy thereof:

- day-one fair value gains on investments as other liabilities in the statement of financial position; and
- subsequent measurement of fair value changes on the statement of comprehensive income.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of investment balances, and other liabilities in the Statement of Financial position, and the elements making up the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows.

We concluded that the impact of our inability to obtain sufficient appropriate audit evidence relating to the matters set out above, and any possible effects of any undetected misstatements in respect of the matters stated above, if any, could be both material and pervasive to the financial statements.

Other Companies Act 2006 reporting

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the directors' report.

Arising from the limitation on the scope of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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**Independent Auditor's Report to The Members of Assore International Holdings Limited
(continued)**

Other Companies Act 2006 reporting (continued)

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Capability of the audit to detect irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on;

- Our understanding of the company and the industry it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the company's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be UK-adopted international accounting standards, UK tax legislation and the Companies Act 2006.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be UK tax legislation.

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**Independent Auditor's Report to The Members of Assore International Holdings Limited
(continued)**

Our procedures in respect to the above include:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion among the engagement team as to how and where fraud might occur in the financial statements; and
- Obtaining an understanding of the company's internal controls and how they detect, prevent, and mitigate risks related to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and management bias regarding the following key accounting estimates and judgments:

- Determining the fair value of equity investments; and
- Impairment indicator assessment for investments held at cost.

Our procedures in respect to the above included:

- Identifying and testing a sample of journal entries, in particular journal entries posted with unusual account combinations, to supporting documentation;
- Reviewing minutes of board meetings throughout the year; and
- Assessing the judgements made by management when making key accounting estimates and judgements, and challenging management on the appropriateness of these judgements.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. In addition, the extent to which the audit was capable of detecting irregularities, including fraud was limited by the matter described in the basis for disclaimer of opinion section of our report.

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**Independent Auditor's Report to The Members of Assore International Holdings Limited
(continued)**

Use of our report

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

DocuSigned by:
Jill MacRae
6103657B0565403...

Jill MacRae (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
Date: 26 October 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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Statement of Comprehensive Income

	<i>Note</i>	<i>For the Year 1 July 2021 to 30 June 2022 \$</i>	<i>For the Period 21 May 2020 to 30 June 2021 \$</i>
Finance and other Income	1.1	3 921 306	1 424 494
Income from Investments	1.2	8 170 273	-
Operating costs		<u>(2 857 604)</u>	<u>(1 975 398)</u>
Gross profit/(loss)		9 233 975	(550 904)
Impairment of investment	1.3	(929 777)	(73 698)
Other (losses)/gains net		<u>(397 536)</u>	<u>(28 836)</u>
Profit/(Loss) from operations		7 906 662	(653 435)
Finance costs	1.4	<u>(3 257)</u>	<u>(113)</u>
Profit/(Loss) before taxation		7 903 405	(653 548)
Taxation	1.5	<u>(155 230)</u>	<u>69 172</u>
Profit/(loss) for the period		7 748 175	(584 376)
Other Comprehensive Income net of taxation		(18 373 956)	-
Total comprehensive (expense) for the period, net of tax		<u>(10 625 782)</u>	<u>(584 376)</u>

The financial statements should be read in conjunction with the accompanying notes on pages 20 to 29.

Statement of Financial Position

	Note	As at 30 June 2022 \$	As at 30 June 2021 \$
ASSETS			
Non-current assets		350 390 401	237 605
Property, plant and equipment	1.7	2 768	3 083
Investments	1.8	350 149 773	165 350
Deferred tax asset	1.13	24 386	69 172
Deposit – Office rental		11 847	-
Right-of-use assets		201 627	-
Current assets		90 723 967	124 479 107
Other asset	1.9	-	4 972 000
Receivables	1.9	63 357	48 360 177
Cash and cash equivalents		90 660 610	71 146 930
TOTAL ASSETS		<u>441 114 368</u>	<u>124 716 712</u>
Non-current liabilities		10 222 044	-
Other Liabilities	1.10	10 020 253	-
Leases	1.6	201 791	-
Current liabilities		68 806 898	216 722
Trade and Other Payables	1.11	68 806 898	216 722
EQUITY AND LIABILITIES			
Equity			
Share capital	1.12	546	202
Share premium	1.12	373 295 036	125 084 164
Retained earnings / (accumulated deficit)		7 163 748	(584 376)
Other non-distributable reserve – VBR		(18 373 956)	-
Total equity		<u>362 085 425</u>	<u>124 499 990</u>
TOTAL EQUITY AND LIABILITIES		<u>441 114 368</u>	<u>124 716 712</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on:

Signed by: Patrick Eugenio Sacco
Signed at: 2023-10-26 15:00:40 +02:00
Reason: Witnessing Patrick Eugenio Sacco

Signed by: Charles Edward Walters
Signed at: 2023-10-26 13:28:55 +02:00
Reason: Witnessing Charles Edward Walters

Director: 

Director: 

26 October 2023

The financial statements should be read in conjunction with the accompanying notes on pages 20 to 29.

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Statement of Changes in Equity

	As at 30 June 2022				
	\$				
	Share Capital \$	Share Premium \$	Non- distributable reserve \$	Retained earnings \$	Total Equity \$
Issued capital and share premium					
Balance at beginning of the year	202	125 084 164	-	(584 376)	124 499 990
Issue of shares	344	248 210 872	-	-	248 211 216
Profit for the year	-	-	-	7 748 175	7 748 175
Other Comprehensive Income	-	-	(18 373 956)	-	(18 373 956)
Total as at 30 June 2022	546	373 295 036	(18 399 098)	7 163 799	362 085 425

	As at 30 June 2021				
	\$				
	Share Capital \$	Share Premium \$	Non- distributable reserves \$	Accumulated deficit \$	Total Equity \$
Issued capital and share premium					
Balance at beginning of the period	-	-	-	-	-
Issue of shares	202	125 084 164	-	-	125 084 366
Loss for the year	-	-	-	(584 376)	(584 376)
Other Comprehensive Income	-	-	-	-	-
Total as at 30 June 2021	202	125 084 164	-	(584 376)	124 499 990

The financial statements should be read in conjunction with the accompanying notes on pages 20 to 29.

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Statement of Cash Flows	Note	For the Period 1 July 2021 to 30 June 2022 \$	For the Period 21 May 2020 to 30 June 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	1.16	8 039 332	(522 905)
Finance income		-	19
Finance costs		(340)	(113)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES		<u>8 038 992</u>	<u>(522 999)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(299)	(3 388)
Investment in associate company		-	(239 047)
Investment in a Loan to SCP Shamwari		-	(53 172 000)
Acquisition of investments		(204 267 565)	-
Deposit on Office lease		(11 848)	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(204 279 712)</u>	<u>(53 414 435)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issues of shares		215 754 400	125 084 365
NET CASH INFLOW FROM FINANCING ACTIVITIES		<u>215 754 400</u>	<u>125 084 365</u>
CASH AND CASH EQUIVALENTS			
- net increase for the period		19 513 680	71 146 930
- at beginning of year		<u>71 156 930</u>	<u>-</u>
CASH AND CASH EQUIVALENTS at end of year		<u>90 660 610</u>	<u>71 146 930</u>

The financial statements should be read in conjunction with the accompanying notes on pages 20 to 29.

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Significant accounting policies

1. CORPORATE INFORMATION

The Company's financial statements for the period ended 30 June 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 26 October 2023.

Currency

The functional currency and presentation currency of the company is US dollars

Incorporation

The company is incorporated in the United Kingdom and its registered address is: 5 Charlecote Mews, Staple Gardens, Winchester, SO23 8SR, United Kingdom.

Principal activity

The principal activities of the Company is currently engaged in investing in companies involved in the mining or trading of rare-earth elements, precious stones or similar.

2. BASIS OF PREPARATION

These general-purpose financial statements have been prepared in accordance with the UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

Historical cost conversion

The financial statements have been prepared under the historical cost basis, except for certain in investments measured at fair value.

3. GOING CONCERN

For the period ended 30 June 2022, based on their assessment of the company's financial position, future performance liquidity and risks, the directors have a reasonable expectation that the company has adequate resources to adopt the going concern basis of accounting. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

A stress test had been performed on the planned cashflow over the next 12 months from the date of signing of the financial statements and there is sufficient funding to sustain the company.

4. Income from investments

Investment

The company's income is primarily derived from investment. The timing of income recognition is dependent on the investment contracts terms.

Other income

Interest received

Interest received is recognised using the effective interest rate method, i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

5. PROPERTY, PLANT AND EQUIPMENT

General

Property, plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met. The carrying amounts of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, in accordance with IAS 36 *Impairment of assets*.

An item of property, plant and equipment is derecognised upon disposal or when future economic benefits are no longer expected from its use or disposal. Any gain or loss arising

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on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

Items of property, plant and equipment are depreciated over its assessed useful lives, except for owner-occupied buildings and mining properties of which the residual value is higher than its carrying value, as these assets' remaining carrying value will be recovered with the eventual disposal thereof (at the estimated residual value), rather than the continued use of these items of property, plant and equipment.

When an item of plant and equipment comprises several significant components each with different useful lives, these components are recorded and depreciated separately. Expenditure incurred to replace or modify a significant component of plant is capitalised and the remaining book value of the original component is derecognised in the income statement.

Assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end.

The costs of adding to, replacing part of, or servicing an item, following a major inspection, are recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

Depreciation

Depreciation of the various categories of property, plant and equipment is determined on the following bases:

Furniture, fittings and office equipment

This category includes several different assets, depreciated as follows:

- Computer hardware, depreciated on the straight-line basis for which the annual depreciation rates over three years; and
- Office equipment depreciated on the straight-line basis for which the annual depreciation rates used over five years.

Items of furniture, fittings and office equipment are not re-assessed for a new useful life when it reaches the end of its initial useful life.

The remaining carrying value is written off to the income statement as a non-tax-deductible expense, and the asset is retired from the fixed asset register and included to a small asset register maintained. The above is performed as it is in managements' view not cost-beneficial or practical to attach a re-assessed useful life to these short-lived items of property, plant and equipment.

6. FINANCIAL INSTRUMENTS

Recognition and measurement

Financial assets

The recognition and measurement of financial instruments depend on their classification as described below. Financial assets are either classified as amortised cost, fair value through profit or loss or fair value through other comprehensive income.

The classification depends on the business model for managing the financial assets and whether the instrument's contractual cash flows represent "Solely Payments of Principal and Interest" (SPPI) on the principal amount outstanding.

A financial asset can only be measured at amortised cost if both of the following criteria are satisfied:

- business model: the objective of the business model is to hold the financial asset for the collection of the contractual cash flows; and
- contractual cash flows: the contractual cash flows under the instrument relate solely to Payments of Principal and Interest.

Financial assets held at fair value through other comprehensive income:

Some or certain equity investments are classified as financial assets measured at fair value

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through other comprehensive income.

Some of the equity investments are initially and subsequently recognised at fair value. Gains and losses on subsequent measurement are recognised in other comprehensive income.

The fair value of equity investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the date of the statement of financial position. For investments where there is no active market, fair value is determined using valuation techniques such as discounted cash flow analysis.

Financial assets held at fair value through profit or loss:

Some of the equity investments are classified as financial assets measured at fair value through profit or loss are classified in their entirety based on how their performance is managed and evaluated (business model), and the characteristics of their contractual cash flows. All investments are initially and subsequently recognised at fair value. Gains and losses on subsequent measurement are recognised in profit or loss.

The fair value of equity investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the date of the statement of financial position. For investments where there is no active market, fair value is determined using valuation techniques such as discounted cash flow analysis.

Loans (interest and non-interest-bearing)

The loan issued by the company is classified as fair value through profit or loss. The loan is classified as fair value through profit or loss under IFRS 9 due to failing the SPPI test as the repayment of the loan is in shares. The loan is measured at fair value initially as well as subsequently. The fair value loss in relation to the loan is recognised as a deferred asset on the balance sheet. Any change in the day one loss deferred is recognised in the income statement only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability. All transaction costs are expensed.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently at amortised cost and are classified as financial assets at amortised cost.

Cash resources

Cash resources comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less but exclude any restricted cash that is not available for use by the company and therefore is not considered highly liquid.

Cash resources up are initially recognised at fair value and subsequently stated at amortised cost and satisfy the criteria to be classified as financial assets at amortised cost.

Trade and other payables

Trade and other payables are initially recognised at fair value, including any transaction costs directly associated with the payable, and subsequently measured at amortised cost.

Investment

Investments in subsidiaries and associates are measured at cost less impairment.

Derecognition of financial assets and liabilities

Financial assets

A financial asset is derecognised when the right to receive cash flows from the asset has expired or the company has transferred its rights to receive cash and either has transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset. On derecognition of a financial asset, the difference between the proceeds received or receivable and the carrying amount of the asset is included in the income statement.

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Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the liability extinguished or transferred to another party and the amount paid is included in the income statement.

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 a derecognition of the original liability and the recognition of a new liability, with any resulting differences being recognised in the income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Company recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Company applies the simplified approach in calculating ECLs recognising a loss allowance based on the financial asset's lifetime ECL at each reporting date, adjusted for forward-looking factors specific to the debtors and the economic environment.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when Company considers reasonable and supportable information that is relevant and available without undue cost Company is unlikely to receive the outstanding contractual amounts in full, without recourse by the Company.

7. TAXATION

Current taxation

Taxation assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The taxation rates and taxation laws used to compute the amount are those that are enacted or substantively enacted at the date of the statement of financial position. Income taxation relating to items recognised directly in other comprehensive income or equity is recognised in the statement of other comprehensive income or equity and not in the income statement.

Deferred taxation

Deferred taxation is provided, using the balance sheet method on temporary differences at the date of the statement of financial position, between the taxation bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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Deferred taxation liabilities are recognised for all taxable temporary differences except:

- where the deferred taxation liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent, investor or venturer and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred taxation assets are recognised for all deductible temporary differences, and unused tax credits and unused taxation losses carried forward to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused taxation credits and unused taxation losses carried forward can be utilised except:

- where the deferred taxation asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred taxation assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred taxation assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred taxation relating to items recognised directly in other comprehensive income or equity is recognised in the statement of other comprehensive income or equity and not in the income statement.

Deferred taxation assets and deferred taxation liabilities are offset if a legally enforceable right exists to set off current taxation assets against current taxation liabilities and the deferred taxation relate to the same taxable entity and the same taxation authority.

Value added taxation (VAT)

Income, expenses, assets and liabilities are recognised net of the amount of VAT except:

- where the VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- where receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

8. LEASES

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;

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- the exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

9. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In applying the company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Deferred Tax

The Company recognizes deferred tax assets and liabilities on timing differences between the accounting treatment of certain items in the financial statements and the corresponding tax treatment. The deferred tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply when the timing differences reverse. The key assumptions concerning the future and other key sources of estimation uncertainty affecting the carrying value are the future profitability of the Company, the tax rates and laws that will apply when the timing differences reverse, and the ability to release the deferred tax assets.

Loan receivable ECL analysis

The Company assesses the recoverability of its debtors at the end of each reporting period. Management looks at a number of factors, including the creditworthiness of the debtors, the age of the debts, the overall business and economic climate and the financial performance of the

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counterparty.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Fair value measurements and valuation processes

The method of determining the fair value of financial instruments is analysed into the following categories:

Level 1 inputs - quoted prices in an active market that are unadjusted for identical assets or liabilities. For listed equity investments management uses the quoted market prices in the active markets in which the instruments are traded on the measurement date. The quoted market prices are sensitive to foreign currency exchange rates, market sentiments and events and the general business and economic environment.

Level 3 inputs - valuation techniques based on data that is not observable. Management uses the enterprise value based on the discounted cash flow of the unquoted equity investments. The value of the instruments is sensitive to foreign currency exchange rates, discount rates, inflation rates and the general business and economic environments.

10. DEFINITIONS

Cash resources

The cash resources disclosed in the statement of cash flow comprise cash on hand, deposits held on call with banks and highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant changes in value.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	For the year 1 June 2021 to 30 June 2022 \$	For the period 21 May 2020 to 30 June 2021 \$
1.1 FINANCE INCOME		
Interest received from SCP Shamwari	571 184	1 363 827
Interest received from financial institutions	<u>156 520</u>	-
	<u>727 794</u>	<u>1 363 827</u>
1.2 INCOME FROM INVESTMENTS		
	For the year 1 June 2021 to 30 June 2022 \$	For the period 21 May 2020 to 30 June 2021 \$
Dividends received	<u>8 170 273</u>	-
	<u>8 170 273</u>	-
1.3 PROFIT/ LOSS FROM OPERATIONS		
	For the year 1 June 2021 to 30 June 2022 \$	For the period 21 June 2020 to 30 June 2021 \$
Profit/Loss from operations is calculated after charging/(crediting):		
Foreign exchange losses	562 000	28 836
Depreciation	13 670	305
Lease Payments – Office	2 917	
Auditors' remuneration		
- audit fees	156 000	55 255
- corporate tax	8 610	3 600
- tax advisory expenses	202 296	7 861
Finance costs – financial institutions	3 257	113
Impairment of Investment in Assore Internation Private Ltd	53 703	73 698
Loss on investment	876 074	-
1.4 DIRECTORS AND EMPLOYEE COST		
	For the year 1 June 2021 to 30 June 2022 \$	For the period 21 May 2020 to 30 June 2021 \$
Staff costs including directors' remuneration, were as follows:		
Wages and salaries	1 064 856	1 213 829
Social security costs	147 260	166 192
Pension costs	12 681	15 735
Other payroll costs	<u>11 654</u>	<u>11 824</u>
	<u>1 236 451</u>	<u>1 407 580</u>

The average monthly number of employees,

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including the directors, during the period was as follows:

Management and Administration	2	1
The highest paid director's emoluments	912 753	1 407 580
Staff costs include the following emoluments in respect of directors of the Company:		
Aggregate emolument	1 212 116	1 380 020
Pension costs	12 681	5 735
Benefits in kind	11 654	11 824
	<u>1 236 451</u>	<u>1 407 580</u>

1.5 TAXATION

	For the year 1 June 2020 to 30 June 2022 \$	For the period 21 May 2020 to 30 June 2021 \$
Current tax expense		
Current tax on profits for the year	110 444	-
Total current tax	<u>110 444</u>	<u>-</u>
Deferred tax	41 166	69 172
Adjustments:		
Under provision in prior periods	<u>3 620</u>	<u>-</u>
Total deferred charge	<u>44 786</u>	<u>69 172</u>
Tax charge/(credit) for the year	<u>155 230</u>	<u>69 172</u>
Analysis of tax charge/(credit) for the year:		
Current tax:		
- Profit on ordinary activities before tax	7 903 405	(653 408)
- UK corporation tax at 19.00% (PY:19.00%)	1 501 647	(124 174)
Effects of:		
- Expenses not deductible for tax purposes	218 808	55 002
- Non-taxable income	(1 552 352)	-
- Other adjustments	(12 873)	-
Tax on profit on ordinary activities	<u>155 230</u>	<u>(69 172)</u>

1.6 LEASES

The balance sheet contains the following amounts related to leases:

Right-of-use asset

Right-of-use asset held at 30 June 2022 related to a business office leased at 5 Charlecote Mews, Staple Gardens, Winchester. The lease commenced on 15 March 2022 and is contracted to terminate on 31 January 2027. There is a break clause date 31 January 2025.

	For the year 1 June 2021 to 30 June 2022 \$	For the period 1 May 2020 to 30 June 2021 \$
Cost	214 069	-

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Less: Accumulated depreciation	(12 442)	-
Closing net book value	<u>201 627</u>	<u>-</u>

Lease Liability

	For the year 1 June 2021 to 30 June 2022	For the period 1 May 2020 to 30 June 2021
Balance at the beginning of the year	-	-
Additions for the year	214 069	-
Payments made against lease liabilities	(15 194)	-
Interest on lease liabilities	<u>2 916</u>	<u>-</u>
Balance at the end of the year	<u>201 791</u>	<u>-</u>
Recorded as part of non-current liabilities	170 590	-
Recorded as part of current liabilities	31 201	-
As above	<u>201 791</u>	<u>-</u>

1.7 PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Computer Equipment	Total
	\$	\$	\$
Cost			
At beginning of period	1 522	1 866	3 388
Additions	-	299	299
Balance at the end of the period	<u>1 522</u>	<u>2 165</u>	<u>3 687</u>
Accumulated Depreciation			
At beginning of period	37	268	305
Depreciation	<u>220</u>	<u>394</u>	<u>614</u>
Balance at the end of the period	<u>257</u>	<u>662</u>	<u>919</u>
Carrying value at 30 June 2022	1 265	1 503	2 768

1.8 INVESTMENTS

	As at 30 June 2022	As at 30 June 2021
	\$	\$
Assore International Private Limited	111 647	165 350
Assore Holdings Limited	93 142 305	-
Gemfields Group Limited	71 652 835	-
Minmet SAM	52 500 000	-
Atlantic Lithium Limited	38 078 704	-
Vision Blue Resources	93 799 324	-
Ricca Resources Limited	<u>864 958</u>	<u>-</u>
Total Investments	<u>350 149 773</u>	<u>165 350</u>

1.9 RECEIVABLES

As at 30 June 2022	As at 30 June 2021
\$	\$

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Loan Facility to SCP Shamwari	-	48 200 000
Accrued interest on fixed deposits	43 412	160 177
Other Receivables	19 945	-
	<u>63 357</u>	<u>48 360 177</u>

As at 30 June 2022
\$

As at 30 June 2021
\$

1.10 OTHER LIABILITIES

As part of the fair valuation, the Company recognised a Day-One gain of \$12 198 421 relating to the NAV of the funds upon acquisition.

Non-current portion	10 020 253	-
Current portion (refer note 1.11)	<u>1 786 141</u>	<u>-</u>
	<u>11 806 394</u>	<u>-</u>

1.11 PAYABLES

As at 30 June 2022
\$

As at 30 June 2021
\$

Accounts payable	297 197	100 396
Other taxes and social security	96 769	28 695
Other current liability	1 786 141	-
Other payables*	<u>66 626 791</u>	<u>87 631</u>
	<u>68 806 899</u>	<u>216 722</u>

* The majority amount of \$66 516 347 relates to the undrawn portion of the subscription agreement with VBR.

1.12 SHARE CAPITAL

Shares issued are recognised at their fair value received with the excess nominal value of the shares credited to share premium. Ordinary shares entitle the holder to vote in shareholder meetings and to receive dividends.

	As at 30 June 2022	As at 30 June 2021
Authorised Capital		
1 000 ordinary shares of \$1 each	USD1 000	
1 000 ordinary shares of £1 each	GBP1 000	USD1 000 GBP1 000
Issued Capital		
546 ordinary shares of \$1 each	USD546	USD201
1 ordinary share of £1 each	USD 1	USD 1

Share Premium

Share premium represents the excess of proceeds received over the nominal value of new shares issued. Incremental costs directly attributable to the issuance of new shares are shown in share premium as a deduction, net of tax, from the proceeds.

	As at 30 June 2022	As at 30 June 2021
Share Premium	<u>373 295 036</u>	<u>125 084 164</u>
Issued during the year	Share Capital	Share Premium
Allotment of shares: 20 September 2021	\$ 80	\$53 736 276
Allotment of shares: 27 September 2021	\$100	\$32 456 817
Allotment of shares: 27 September 2021	\$100	\$75 719 896
Allotment of shares: 27 September 2021	\$ 10	\$13 049 709
Allotment of shares: 27 September 2021	\$ 25	\$32 981 863
Allotment of shares: 19 January 2022	\$ 15	\$19 668 981
Allotment of shares: 24 January 2022	\$ 15	\$20 597 307
Allotment of shares: 20 February 2022		
Allotment of shares: 29 March 2022		
		Total
		\$53 736 356
		\$32 456 917
		\$75 719 996
		\$13 049 719
		\$32 981 888
		\$19 668 996
		\$20 597 322

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Total	\$ 345	\$ 248 210 849	\$ 248 211 194
Other Reserves:			
Fair value adjustment arising on financial assets classified as fair value through other comprehensive income:			
Gains on fair value adjustment - VBR	18 399 098		-

1.13 DEFERRED TAXATION

	<i>As at 30 June 2022</i> \$	<i>As at 30 June 2021</i> \$
At year end:		
Provision at the start of the year	(69 172)	-
Deferred tax charge in the income statement for the year	<u>44 786</u>	<u>(69 172)</u>
At the end of the period	<u>(24 386)</u>	<u>(69 172)</u>
Charge to the income statement for the period:		
Origination and reversal of timing differences	61 867	(69 172)
Adjustments in respect of prior periods	3 620	-
Effect of increase tax rate on opening balance	<u>(20 701)</u>	<u>-</u>
Total deferred tax charge/(credit)	<u>44 786</u>	<u>-</u>
Provision for deferred tax:		
Fixed asset temporary differences	692	586
Short term temporary differences	(25 078)	(16 650)
Losses and other deductions	-	(53 108)
Total deferred tax Asset	<u>(24 386)</u>	<u>(69 172)</u>

1.14 RELATED PARTY TRANSACTIONS

Related party transactions are concluded in terms of the agreement between Assore Limited and SCP Shamwari.

The following entities were identified as related parties to the Company and the following transactions occurred during the year:

Amounts received from related parties (\$):

SCP Shamwari	- Interest received	30 June 2022	571 184
		30 June 2021	1 363 827

Amounts paid to related parties (\$):

Assore Holding Proprietary Limited - Parent Company - South Africa	- Payment of invoices	30 June 2022	-
		30 June 2021	27 952

Balance as at year-end:

SCP Shamwari	- Interest	30 June 2022	-
		30 June 2021	141 130
SCP Shamwari	- Loan	30 June 2022	-
		30 June 2021	53 172 000

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1.15 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial instruments:

	Financial assets measured at fair value through other comprehensive income \$	Financial assets measured at fair value through profit and loss \$	Financial assets at amortised cost \$	Financial liabilities at amortised costs \$	Total carrying value \$
2022					
Financial assets					
Trade and other receivables	-	-	63 357	-	63 357
Financial assets at FVPL	-	864 958	-	-	864 958
Financial assets at FVOCI	186 941 629	-	-	-	186 941 629
Cash and cash equivalent	-	-	90 660 061	-	90 660 061
	<u>186 941 629</u>	<u>864 958</u>	<u>90 723 418</u>	<u>-</u>	<u>278 530 005</u>
Financial Liabilities					
Trade and other payables	-	-	67 031 626	-	67 031 626
	-	-	<u>67 031 626</u>	-	<u>67 031 626</u>
2021					
Financial assets					
Trade and other receivables	-	-	53 332 176	-	53 332 176
Cash and cash equivalent	-	-	124 318 930	-	124 318 930
	-	-	<u>177 651 106</u>	-	<u>177 651 106</u>
Financial Liabilities					
Trade and other payables	-	-	216 722	-	216 722
	-	-	<u>216 722</u>	-	<u>216 722</u>

The following tables detail the Company's remaining undiscounted contractual maturity of its financial liabilities.

	Contractual cash flows \$	3 to 12 months \$
Trade and other payables	<u>68 806 899</u>	<u>68 806 899</u>

Determination of fair values

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Investments disclosed as financial assets measured at fair value through other comprehensive income are determined using unobservable inputs. The carrying amounts of all other financial assets and liabilities approximate their fair values.

The fair values of the unquoted equity instruments are based on expected cash flows discounted at a rate based on the market interest rates and the risk premium specific to the unquoted equity instruments. Fair value changes in the statement of profit and loss and other comprehensive income are recognized net of the tax effects.

Fair value changes in the statement of profit and loss and other comprehensive income include the following:

	As at 30 June 2022	As at 30 June 2021
	\$	\$
Profit and loss:		
Minmet SAM	672 000	-
Ricca Resources	<u>204 074</u>	<u>-</u>
	<u>876 074</u>	<u>-</u>
Other Comprehensive Income:		
Vision Blue Resources (Note 1.12)	<u>18 399 098</u>	<u>-</u>

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value inputs of financial instruments:

Level 1: quoted prices in an active market that are unadjusted for identical assets and liabilities;

Level 2: valuation techniques using inputs, which are directly or indirectly observable; and

Level 3: valuations based on data that is not observable.

The values of all other instruments recognised, but not subsequent measured at fair value, approximate fair value.

The fair value of the loan is disclosed below and is classified as Level 3 in the fair value hierarchy:

	Carrying value as at 30 June 2022	Fair Value as at 30 June 2021
Receivables	-	\$48.2m

Financial risk management

The Company is exposed to certain financial risks in the normal course of its operations. To manage these risks, a treasury risk management committee monitors transactions involving financial instruments. The Company does not acquire, hold or issue derivative instruments for trading purposes.

The main risks arising from financial instruments are foreign currency risk, credit risk, liquidity risk, fair value risk and interest rate risk. The Directors review and agree policies for managing each of these risks which are summarised on the following pages.

Currency risk

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Foreign currency risk is the risk that the fair value of cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

A material portion of the Company's income is in currencies other than the company's functional currency, which gives rise to transactional currency risk.

Certain amounts of cash in currencies other than the company's functional currency is held to act as an economic hedge against foreign exchange movements.

Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Company minimises credit risks by evaluating counterparties before concluding transactions in order to ensure the creditworthiness of such counterparties. Cash is only deposited with institutions which have good credit ratings with the amounts distributed appropriately among the institutions to minimise credit risks through diversification.

Market Risks

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates primarily to the Company's cash balances and other receivables (Shamwari Loan). The Company manages its interest rate risks by ensuring adequate positive cash balances are maintained. The company analyses the interest rate exposure on a daily basis. As sensitivity analysis is performed on the loan receivable. The information is then to evaluate renewal of existing terms and positions.

Equity price risk

The company's exposure to price risks arises from investments held by the company and classified in the balance sheet either at fair value through other comprehensive income.

To manage its price risk arising from equity investments, the company diversifies its portfolio within the limits set by the board.

Interest rate risk table

The following table demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Company's profit before tax. The sensitivity arises from interest-earning cash balances which are exposed to variable interest rates.

Financial period	Increase/decrease in interest rate %	Effect on profit before tax \$
2022		-
2021	+0.3%	159 516
2021	-0.3%	(159 516)

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1.16 CASH GENERATED BY OPERATING ACTIVITIES

	For the period 1 June 2021 to 30 June 2022	For the period 21 May 2020 to 30 June 2021
Cash generated by operating activities:		
Operating profit (loss):	7 903 405	(653 548)
Adjustments for:		
Depreciation	614	305
Impairment of Investment in Assore International Private Limited	53 703	73 698
Foreign exchange loss on translation of lease liabilities balances	165	-
Loss on investment	876 074	-
Dividend in Specie	(1 069 032)	
Adjusted for items accounted elsewhere in the statement of cash flows:		
Finance income	-	(19)
Finance cost	340	113
Movements in working capital:		
Increase/(Increase) in accounts receivable	96 819	(160 176)
Increase in accounts payable	177 244	216 722
Generated from/(used for) by operating activities	<u>8 039 322</u>	<u>(522 905)</u>

1.17 Subsequent events after reporting period:

Issue of Shares subsequent to 30 June 2022:

The Company issued 10 shares at \$1.00 per share (share premium \$11 194 105) on 3 October 2022; 20 shares at \$1.00 per share (share premium \$27 786 198) on 3 October 2022; 100 shares at \$1.00 per share (share premium \$14 237 783) on 1 January 2023; 15 shares at \$1.00 per share (share premium \$26 256 418) on 1 March 2023; 15 shares \$100 per share (share premium \$27 062 099) on 13 March 2023; 90 shares at \$1.00 per share (share premium \$122 785 926) on 6 June 2023 and 4 share at \$1.00 per share (share premium \$5 179 298).

Acquisition of additional interests in Gemfields Group Limited ("Gemfields"):

Gemfields is a leading supplier of responsibly sourced coloured gemstones, with Emerald operations in Zambia and Ruby operations in Mozambique.

At the date of these financial statements, Company made further investment in Gemfields amounted to USD3.4 million (acquired at the fair value thereof, based on the underlying share price). The additional number of shares purchased was 16 607 380 at a price of \$0.2047 taking the total shares in Gemfields 328 147 940.

Acquisition of interests in Atlantic Lithium Limited ("Atlantic"):

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At the date of these financial statements, Company made further investment in Atlantic amounted to USD9.31 million (acquired at the fair value thereof, based on the underlying share price). On 15 November 2022 the Company purchased 14 581 241 shares from Sumitomo Corporation at \$0.5554 per share. From 18 January to 23 February 2023 the Company purchased 2 923 215 at an average price of \$0.4498 (acquired at the fair value thereof, based on the underlying share price). This takes the Company shareholding to 154 733 450 (25.54%).

Acquiring Shares in Vision Blue Resources ("VBR"):

The purpose of VBR is to create a portfolio of strategic and high returning investments in clean energy related metal and mineral resources companies essential to the clean energy transition.

On 3 February 2023, the Company acquired an additional commitment of 12 626 833 shares in VBR via a subscription agreement taking the total shares in VBR to 48 703 496 (27.01%).

The total investment will be \$135 million of which \$122 million will be for investment purposes (base fee subscription) and \$13 million will be for management fee subscription. The funding will be drawn down when required by VBR.

Dividends received from investments:

On 14 September 2022, the Company received dividends to an amount of \$3 565 297 and on 14 March 2023 a further dividend to an amount of \$2 263 466 from Assore Holdings Limited.

On 29 September 2022, Gemfield Group Limited declared a dividend that was payable to the Company on 10 October 2022 to an amount of \$4 186 155 (£3 679 786).

On 21 October 2022, the Company received dividends to an amount of \$2 931 111 and on 19 January 2023 a further dividend to an amount of \$3 222 712 from Minmet SAM.

On 24 March 2023, Gemfield Group Limited declared a dividend that was payable to the Company on 14 April 2023 to an amount of \$9 374 535 (£7 532 061).

Shares acquired from Assore Treasury Company (RF) Proprietary Limited:

On 13 April 2023, the Company acquired the following shares from its holding company: Anglo American Corporation 400 000 share (\$13.38 million), BHP 400 000 (\$12.53 million) and S32 400 000 (\$1.15 million)

Setting up of a subsidiary:

On 11 April 2022, Ore & Metal International Limited ("OMI") was incorporated in Winchester, Hampshire, the United Kingdom (Company Registration No. 14039674) with the Company acquiring 100 shares to an amount of \$14 237 783. The marketing business of the Company it to eventually move all its marketing related business from the Company to OMI.

1.18 Controlling Party

Assore International Holdings Limited's immediate parent is Assore Treasury Company (RF) Proprietary Limited and ultimate controlling party is Oresteel Investment (Pty) Limited, both are a register company in South Africa.