

Assore International Holding Limited  
Annual Financial Statements  
For the period ended 30 June 2021

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Assore International Holdings Limited  
Company No: 12617478



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## **ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021**

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**ADMINISTRATION REPORT:**

**DIRECTORS**

CE Walters (South African) (Appointed on 21/05/2020)  
PE 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**

Hackwood Secretaries Limited  
One Silk Street  
London  
United Kingdom  
CE2Y 8HQ

**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**

C/O Hackwood Secretaries Limited  
One Silk Street  
London  
EC2Y 8HQ  
United Kingdom

**REGISTRATION NUMBER**

12617478

**DOMICILE AND COUNTRY  
OF INCORPORATION**

United Kingdom

# Assore International Holdings Limited Annual Financial Statements

## For the period ended 30 June 2021

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### REPORT OF THE DIRECTORS

The directors have pleasure in submitting the annual financial statements of Assore International Holdings Limited (hereinafter referred to as the Company) for the period ended 30 June 2021.

### 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 investment in 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 period 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 are disclosed in these financial statements. The Company recorded a loss before taxation of USD653,548.

### Capital

No changes have been made to the authorised capital since incorporation. 201 shares were issued during the period. See note 1.9

### Dividend

The Company declared a dividend of USD Nil during the financial period to its shareholders.

### 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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### Board meetings

The board met on two occasions in the period under review and attendance at these meetings was as follows:

	Possible Attendance	Attended
CE Walters	2	2
PE Sacco	2	2
GCT Karsten	1	1
S Postifferi	1	1

### Going Concern

The outbreak and unprecedented spread of the Coronavirus pandemic across the globe has had a profound impact on local and global markets and is expected to continue to shape the economic landscape for the immediate future. Careful consideration has been made by the directors of the forecasted financial performance of the company, adjusted for in response to the impact of the ongoing Coronavirus pandemic. Based on this, the company's funding requirement for the going concern period is adequately covered. 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.

For the period ended 30 June 2021, 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.

### Brexit

The directors continue to monitor the "Brexit" negotiations but in view of the uncertainties cannot predict the impact any eventual resolution will have on the company's financial position.

### Ukraine/Russia exposure

The company has reviewed its exposure due to that Ukraine/Russia war and ascertained that there is no exposure except for one customer in Russia and sales to them have been suspended.

### 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 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 not prepared a strategic report.

### Statement of Director's Responsibilities

The directors acknowledge their responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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.

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## For the period ended 30 June 2021

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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.

### **Events after reporting period:**

#### **Issue of Shares subsequent to 30 June 2021:**

The Company issued 80 shares at USD1.00 per share (share premium USD53 736 276) on 20 September 2021; 100 shares at USD1.00 per share (share premium USD32 456 817) on 27 September 2021; 100 shares at USD1.00 per share (share premium USD75 719 896) on 27 September 2021; 10 shares at USD1.00 per share (share premium USD13 049 709) on 19 January 2022; 25 shares at USD1.00 per share (share premium USD32 981 863) on 24 January 2022; 15 shares at USD1.00 per share (share premium USD19 668 981) on 20 February 2022 and 15 shares at USD1.00 per share (share premium USD20 597 307) on 29 March 2022.

#### **Acquisition of interests in Gemfields Group Limited ("Gemfields"):**

After various share purchases from 8 September 2021 to 4 October 2021 in Gemfields, the Company has acquired an interest of 26.66% in Gemfields, which is incorporated in Guernsey, and is listed on the JSE and AIM. The shareholding as at the date of this report is 26.33%.

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

By acquiring this stake in Gemfields, the Company became the largest shareholder in Gemfields Group Limited and have secured one directorship on its board.

At the date of these financial statements, the Company's investment in Gemfields amounted to USD71 million (acquired at the fair value thereof, based on the underlying share price) plus USD1 million in share expenditure. The number of shares purchased was 311 540 560 at an average price of USD0.2259 per share.

#### **Acquisition of interest in Minmet SAM:**

On 1 November 2021, the Company called up the loan facility of USD53.172 million provided to SCP Shamwari, in exchange for shares in its subsidiary, Minmet SAM, registered in Monaco, in which SCP Shamwari holds an interest of 99.7%. As from this date, Minmet SAM will be accounted for as a subsidiary of the Company.

#### **Acquisition of interests in Assore Holdings Proprietary Limited ("Assore Holdings"):**

On 1 December 2021, the Company purchased 3 449 715 ordinary shares in Assore Holdings (4.37%), which is incorporated in South Africa, from Great Bear Ventures Limited for an amount of USD93.142 million.

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

On 27 September 2021, the Company acquired an interest of 20.9% (120 016 667 shares) in Atlantic Lithium, previously IronRidge Resources Limited), which is incorporated in Australia, from its holding company by means of a share issue. The previously-named entity unbundled its portfolio, resulting the Company being awarded 15 002 083 ([10.4%) shares in a private entity, Ricca Resources Limited.

On 13 April 2022, the Company acquired an additional 17 212 327 shares from Sumitomo Corporation for an amount of USD5.621 million. The total shareholding in Atlantic Lithium amounts to 137 228 994 shares (23.66%).

#### **Registering of a new subsidiary:**

On 11 April 2022, the Company registered a new subsidiary, Ore & Metal International Limited, in the United Kingdom (company number 2600095). The directors intend of this entity to conduct the operational affairs for the Company.

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

On 11 April 2022, the Company commitment to the acquisition of 36 076 663 shares in VBR via a subscription agreement.

VBR is an investment vehicle, with the intention of creating a portfolio of strategic and high returning investments in clean energy related metal and mineral resources companies essential to the clean energy transition.

The commitment amounts to USD100 million, of which USD90 million is aimed at an equity stake (base fee subscription) and a further USD10 million will be for a subscription of management fees. The first drawdown in the amount of USD33.5million took place on 23 May 2022. The funding of the commitment for remaining amount (USD66.5 million) will be met from the Company's existing cash resources. As of the first drawdown, the Company has a 26.5% shareholding in VBR, which will reduce to approximately 14.7%, once the investment build has been completed.

### **Dividends received from investments**

On 14 March 2022, the Company received dividends in the amount of USD2 050 864 from Assore Holdings Limited.

On 25 March 2022, Gemfields a divided that was payable to the Company on 6 May 2022 in the amount of USD5 299 585 (GBP4 042 500).

### **Disclosure of information to the Auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. This conformation is given and should be interpreted in accordance with the provisions of section 330 of the Companies Act 2014.

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**

**Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the Companies Act, 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Assore International Holdings Limited ("the Company") for the period ended 30 June 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cashflows 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 international accounting standards in conformity with the requirements of the Companies Act 2006 and as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

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.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



### **Other Companies Act 2006 reporting**

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.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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:

- adequate accounting records have not been kept, or 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
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' 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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *Extent to which the audit was capable of detecting 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:

Based on our understanding of the entity, we considered the laws and regulations, such as the Companies Act 2006 that have a direct impact on the preparation of the financial statements.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to revenue, management bias in accounting estimates and the adoption of inappropriate accounting policies.

The audit procedures performed by the engagement team included:

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- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- discussion amongst the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud. Furthermore, we communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- challenging assumptions and judgements made by management in their critical accounting estimates.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### 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.

Laura Pingree (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
55 Baker Street  
London  
UK  
W1U 7EU

### Date

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 Period 21 May 2020 to 30 June 2021 USD</i>
Operating costs		<u>(2 049 113)</u>
<b>Gross loss</b>		(2 049 113)
Other operating expenses		<u>(28 836)</u>
<b>Loss from operations</b>	1.1	(2 077 949)
Income from Investments	1.3	1 424 514
Finance costs	1.1	<u>(113)</u>
<b>Loss before taxation</b>		(653 548)
Taxation	1.1	<u>69 172</u>
<b>Loss for the period</b>		<u>(584 376)</u>
<b>Total comprehensive loss for the period, net of tax</b>		<u><u>(584 376)</u></u>

There is no other comprehensive income or expenses for the period.

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**Statement of Financial Position**

	Note	As at 30 June 2021 USD
<b>ASSETS</b>		
<b>Non-current assets</b>		3 083
Office equipment	1.5	3 083
<b>Non-current financial assets</b>		234 522
Investment	1.6	165 350
Deferred tax asset	1.10	69 172
<b>Current assets</b>		124 479 107
Other asset	1.7	4 972 000
Receivables	1.7	48 360 177
Cash and cash equivalents		71 146 930
<b>TOTAL ASSETS</b>		<u>124 716 712</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		216 722
Payables	1.8	216 722
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1.9	202
Share premium	1.9	125 084 164
Retained loss		(584 376)
<b>Total equity</b>		<u>124 499 990</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>124 716 712</u>

The financial statements have been prepared in accordance with the provision applicable to companies subject to the small companies' regime.

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: 2022-06-27 13:26:59 +02:00  
Reason: Witnessing Patrick Eugenio Sacco

Director:  Date: 27/06/22

Signed by: Charles Edward Walters  
Signed at: 2022-06-27 13:24:06 +02:00  
Reason: Witnessing Charles Edward Walters

Director:  Date: 27/06/22

Assore International Holdings Limited  
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**Statement of Changes in Equity**

	<i>As at 30 June 2021</i>			
	<i>USD</i>			
	Share Capital USD	Share Premium USD	Comprehensive Loss USD	Total Equity USD
<b>Issued capital and share premium</b>				
Balance at beginning of the period	-	-	-	-
Movement for the period	<u>202</u>	<u>125 084 164</u>	<u>(584 376)</u>	<u>124 499 990</u>
<b>Total as at 30 June 2021</b>	<u><b>202</b></u>	<u><b>125 084 164</b></u>	<u><b>(584 376)</b></u>	<u><b>124 499 990</b></u>

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<b>Statement of Cash Flows</b>	<b>Note</b>	<b>For the Period 21 May 2020 to 30 June 2021 USD</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	1.14	(583 593)
Finance income		19
Finance costs		(113)
		<u>(583 687)</u>
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>		<u>(583 687)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment		(3 388)
Investment in associate company		(239 047)
Investment in a Loan to SCP Shamwari		(53 172 000)
Investment Income		60 687
<b>NET CASH OUTFLOW FROM INVESTINGACTIVITIES</b>		<u>(53 353 748)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net increase in shareholding funding		125 084 365
Dividends paid		-
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>		<u>125 084 365</u>
<b>CASH AND CASH EQUIVALENTS</b>		
- net increase for the period		71 146 930
- at beginning of period		<u>-</u>
<b>CASH AND CASH EQUIVALENTS at end of year</b>		<u><u>71 146 930</u></u>

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## For the period ended 30 June 2021

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### Accounting Policies

#### 1. CORPORATE INFORMATION

The Company's financial statements for the period ended 30 June 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 21 May 2022.

##### 1.1 Currency

The functional currency and presentation currency of the company is US dollars. The company is limited by shares.

##### 1.2 Incorporation

The company is incorporated in the United Kingdom and its registered address is: C/o Hackwood Secretaries Limited, One Silk Street, London, EC2Y 8HQ, United Kingdom.

##### 1.3 Principal activity

The principal activities of the company are to invest in mining or similar ventures that could incorporate rare earth or similar minerals.

#### 2. BASIS OF PREPARATION

These general-purpose financial statements have been prepared in accordance with United Kingdom adopted International Accounting Reporting Standards ("IFRS").

##### Historical cost conversion

The financial statements have been prepared under the historical cost conversion.

##### Critical accounting estimates

The preparation of the financial statements requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

#### 3. GOING CONCERN

The outbreak and unprecedented spread of the Coronavirus pandemic across the globe has had a profound impact on local and global markets and is expected to continue to shape the economic landscape for the immediate future. Careful consideration has been made by the directors of the forecasted financial performance of the company, adjusted for in response to the impact of the ongoing Coronavirus pandemic. Based on this, the company's funding requirement is adequately covered from funding sources available to the company. Subsequent to the year-end, the company had received significant cash injection from its parent company and has made investments in non-related parties. A stress test has been performed on the cashflow taking into account these investments over the next 12 months and there is sufficient funding to sustain the company.

The financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the settlement of liabilities in the ordinary course of business. At the reporting date the company is in net asset position and has significant cash balances. The directors considered forecasted cashflows and are confident that the company can meet its liabilities as they fall due for the foreseeable future and therefore the going concern basis is the appropriate basis of preparation. The directors do not anticipate any significant adverse effects of the coronavirus pandemic (COVID-19) on the company's ability to continue as a going concern.

#### 4. Income from investments

##### 4.1 Investment

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

##### 4.2 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.

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### 5. PROPERTY, PLANT AND EQUIPMENT

#### 5.1 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 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:

#### 5.2 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

#### 6.1 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.



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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**

The equity investments are classified as financial assets measured at fair value through other comprehensive income.

All 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.

### **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 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.

## **6.2 Investment**

Investments are measured at cost less impairment.

The Company assess at each reporting date whether there is an indication of impairment of its 100% interest in Assore International Private Limited. If any indication exists, the Company will make an estimate of its recoverable amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

## **6.3 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

# Assore International Holdings Limited Annual Financial Statements

## For the period ended 30 June 2021

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receivable and the carrying amount of the asset is included in the income statement.

### **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.

### **6.4 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.

### **6.5 Impairment of financial assets**

The company recognises an allowance for expected credit losses (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 company expects to receive, discounted at an approximation of the original effective interest rate (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 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.

For any other financial assets carried at amortised cost (i.e. long-term loan balances which are due in more than 12 months), the ECL is based on the 12-month ECL. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. For trade receivables, this includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment including forward-looking information. The company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The company considers a financial asset in default when:

- contractual payments are 90 days past due; or
- internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full, without recourse by the company.

### **Related party transactions**

An assessment of the expected credit losses relating to related party receivables is undertaken upon initial recognition and each financial year by examining the financial position of the related party and the market in which the related party operates applying the general approach of the ECL impairment model of IFRS 9.

## **7. FOREIGN CURRENCY TRANSLATION**

The annual financial statements are presented in United States Dollar (USD), which is the company's functional and presentation currency. Transactions in other currencies are dealt with as follows:

### **7.1 Foreign currency balances**

Transactions in foreign currencies are converted to USD at the spot rate at the date the transactions first qualify for recognition. Monetary assets and liabilities denominated in a foreign currency at the end of the financial year are translated to USD at the functional currency spot rates of exchange at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated using functional currency spot rates on the date when the fair value was determined.

Foreign exchange gains or losses arising from foreign exchange transactions, whether realised or unrealised, are included in the determination of profit or loss. Exchange differences arising on the translation of non-monetary items carried at fair value are included in the income statement for the year. However, where fair value adjustments of non-monetary items are recognised in other comprehensive income, exchange differences arising on the translation of these non-monetary items are also recognised in other comprehensive income.

### **7.2 Foreign entities**

The assets and liabilities of subsidiaries with a different functional currency are translated at the rate of exchange ruling at the date of the statement of financial position. The income statements of these subsidiaries are translated at weighted average exchange rates for the year. The exchange differences arising on the retranslation are recognised in other comprehensive income. On disposal of a foreign entity, accumulated exchange differences are reclassified in the income statement as a component of the gain or loss on disposal of foreign subsidiaries.

## **8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

### **8.1 Fair value measurement**

Assets and liabilities in the Company's financial statements require measurement at and disclosure of fair value.

The fair value measurement of the Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data)

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

The Company measures a number of items at fair value:

- Related party loan (Shamwari)

#### **Fair value of financial instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

### **8.2 Liquidity risk**

Prudent liquidity risk management involves maintaining sufficient cash and access to funding through an adequate amount of committed credit facilities.

Projects will be monitored on a cash flow basis. Since the regular incoming cash is known from the start of a project/investment, the financing is structured to match the incoming cashflow taking the desired cash on cash return into account.

The Company's liquidity position is monitored on a monthly basis and is reviewed by the

# Assore International Holdings Limited Annual Financial Statements

## For the period ended 30 June 2021

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directors on a quarterly basis.

### 8.3 Credit Risks

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 30 days when they fall due.

- (i) **Exposure to credit risks**  
At the end of the year, the Company's maximum exposure to credit risk was represented by the carrying amount of each class of financial assets recognised in the balance sheet.
- (ii) The Company determines its credit risk by monitoring individual debtors to its other receivables on an ongoing basis. Financial assets that were neither past due nor impaired. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings
- (iii) There were no amounts which were either past due or impaired as at 30 June 2021.

## 9. 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.

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.

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## For the period ended 30 June 2021

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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)**

Revenues, 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.

## **10. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

### **Estimates and Judgements**

The most significant critical accounting judgement relates to the assessment of the SCP Shamwari loan to be accounted for under IFRS 9 financial instruments. The loan is classified as fair value through profit or loss due to failing the SPPI test as the repayment of the loan is in shares. There is also a key judgement as to whether this transaction should be accounted for as a business combination. Due to the fact that the repayment of the loan will be in shares an assessment has been made as to whether the group have control of the shares under IFRS 10. The directors have judged that the transaction should not be accounted for under IFRS 10 as there is no control in the relationship with the counterparty and the transaction did not create control.

### **Judgements**

In applying the company's accounting policies, management has made the following judgements, including those involving estimations, which could have a significant effect on the amounts recognised in the annual financial statements.

### **Estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of the statement of financial position have a significant risk of requiring a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below:

### **Impairment of non-financial assets**

The company assesses each cash-generating unit annually to determine whether any indicators of impairment exist, in accordance with IAS 36 *Impairment of assets*. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is the higher of the fair value less cost to sell and value-in-use. These assessments require the use of estimates and assumptions such as commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Cash flows are discounted at an appropriate discount rate to determine the net present value.

### **Provision for expected credit losses (ECLs) of trade receivables**

The company's trade and other receivables are non-interest-bearing and payment terms range between 30 and 90 days. The company does not have a history of credit losses as it applies very stringent credit policy and outstanding debtors being monitored on a weekly basis in order to ensure that payment terms are being met.

## **11. DEFINITIONS**

# Assore International Holdings Limited Annual Financial Statements

## For the period ended 30 June 2021

### 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.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 1.1 LOSS FROM OPERATIONS

For the Period 21 May 2020 to  
30 June 2021

Loss from operations is calculated after charging/(crediting):	USD
Foreign exchange losses	28 836
Depreciation	305
Auditors' remuneration	
- audit fees	55 255
- corporate tax	3 600
- advisory expenses	27 861
Finance costs – financial institutions	113
Impairment of Investment in Assore International Private Ltd	73 698

### 1.2 DIRECTORS AND EMPLOYEE COST

For the Period 21 May 2020 to  
30 June 2021

Staff costs including directors' remuneration, were as follows:	USD
Wages and salaries	1 213 829
Social security costs	166 192
Pension costs	15 735
Other payroll costs	11 824
	<u>1 407 580</u>

The average monthly number of employees, including the directors, during the period was as follows:

Management and Administration	1
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The highest paid director's emoluments	1 407 580
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Staff costs include the following emoluments in respect of directors of the Company:

Aggregate emolument	1 380 020
Pension costs	15 735
Benefits in kind	11 824
	<u>1 407 580</u>

### 1.3 INCOME FROM INVESTMENTS

For the Period 21 May 2020 to  
30 June 2021

Interest received from SCP Shamwari	USD
Interest received from financial institutions	1 363 827
	60 687
	<u>1 424 514</u>

### 1.4 CURRENT TAXATION

For the Period 21 May 2020 to  
30 June 2021

Loss on ordinary activities before tax	USD
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19%:	(653 548)
	<u>(124 174)</u>

# Assore International Holdings Limited Annual Financial Statements

## For the period ended 30 June 2021

Effect of:

- Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment

55 002  
(69 172)

On 3 March 2021, it was announced that the UK Corporation tax rate would increase to 25% from 1 April 2023. The deferred tax balance included in the financial statements has been calculated with reference to the rate of 19%, being the prevailing rate as at 30 June 2021.

### F1.5 OFFICE EQUIPMENT

	Office Equipment USD	Computer, Equipment USD	Total As at 30 June 2021 USD
Cost			
At beginning of period	-	-	-
Additions	1 522	1 866	3 388
Balance at the end of the period	<u>1 522</u>	<u>1 866</u>	<u>3 388</u>
Accumulated depreciation			
At beginning of period	-	-	-
Charge for the period	37	268	305
Balance at the end of the period	<u>37</u>	<u>268</u>	<u>305</u>
Carrying value at 30 June 2021	<u>1 485</u>	<u>1 598</u>	<u>3 083</u>

### 1.6 INVESTMENT

Investment in Assore International Private Limited  
Impairment of the investment

As at 30 June 2021  
USD  
239 047  
(73 698)  
165 350

A 100% investment was made during May 2021 in Assore International Private Limited registered in Singapore to an amount of USD239 048. An impairment of USD73 698 was charged to the investment at year-end and the carrying value is USD165 350.

### 1.7 RECEIVABLES

Loan Facility to SCP Shamwari  
Accrued interest on fixed deposits

As at 30 June 2021  
USD  
48 200 000  
160 177  
48 360 177

On 22 September 2020, a loan with a fair value of USD48.2m was issued to SCP Shamwari. The loan bears interest at LIBOR USD 12-month plus 3%. The loan was initially and subsequently recognised under IFRS 9 at fair value through profit or loss in the financial statements due to the loan agreement requiring the repayment of the loan in shares. A deferred loss has been recognised on the fair value. This has been recognised as an asset on the statement of financial position of USD4.972m (refer to note 6.1). The asset will be recovered on the carrying value of the investment once the option is exercisable. The above loan has been classified in level 3 of the fair value hierarchy. The repayment date is at the discretion of the company and the earliest repayment date of the loan is 22<sup>nd</sup> September 2021. This is a related party loan due to the relationship between the majority shareholder of SCP Shamwari and chairman of Assore Holdings Limited. Refer to note 1.12. Subsequent to the year end, the company recalled the loan and received shares of a 99.7% holding in Minmet SAM. Refer to note 1.15

**Assore International Holdings Limited Annual Financial Statements**  
**For the period ended 30 June 2021**

**1.8 PAYABLES**

*As at 30 June 2021*

	USD
Accounts payable	100 396
Other taxes and social security	28 695
Other payables	<u>87 631</u>
	<u>216 722</u>

**1.9 SHARE CAPITAL**

**Authorised Capital**

*As at 30 June 2021*

1 000 ordinary shares of USD1 each	USD1 000
1 000 ordinary shares of GBP1 each	<u>GBP1 000</u>

**Issued Capital**

201 ordinary shares of USD1 each	USD201
1 ordinary share of GBP1 each	<u>USD1</u>

**Share Premium**

USD125 084 164

	Share Capital	Share Premium	Total
Allotment of shares: 26 August 2020	USD100	USD59 999 900	USD60 000 000
Allotment of shares: 11 December 2021	USD100	USD65 084 264	USD65 084 364

**1.10 DEFERRED TAX ASSET**

*As at 30 June 2021*

	USD
Origination and reversal of timing differences	<u>(69 172)</u>
Taxation on profit on ordinary activities	(69 172)
Provision for deferred tax:	
Fixed asset timing differences	586
Short term timing differences	(16 650)
Losses and other deductions	<u>(53 108)</u>
Total	<u>(69 172)</u>

**1.11 CAPITAL MANAGEMENT**

Capital is defined as the total equity available to management for the utilisation in future enterprises by the Company. The Company currently maintains no external long-term financing and has no intention of raising long term debt in its current operating environment.

	USD
Capital available to the entity as at 30 June 2021:	<u>124 499 990</u>

**1.12 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 (USD):

SCP Shamwari	- Interest received	1 363 827
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**Assore International Holdings Limited Annual Financial Statements**  
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Amounts paid to related parties (USD):

Assore Holding Proprietary Limited - Parent Company - South Africa	- Payment of invoices	27 952
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Balance as at year-end:

SCP Shamwari	- Interest	141 130
SCP Shamwari	- Loan	53 172 000

\*SCP Shamwari is registered in Principality of Monaco and is owned by Ms S Dufour-Berte.

### 1.13 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

**Categories of financial instruments:**

**Financial assets**

*As at 30 June 2021*

USD

Loans and receivables	53 332 176
Trade and other receivables	160 176
Loan to Shamwari SCP	53 172 000

**Financial liabilities**

*As at 30 June 2021*

USD

Other financial liabilities	216 722
Trade and other payables	216 722

*Fair value measurement*

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 2021	Fair Value as at 30 June 2021
Receivables	USD48.2m	USD48.2m

The fair value has been determined by an independent valuation expert, using a discounted cash flow approach. Significant inputs include the discount rate to reflect the associated credit risk and the judgement that this contract or a similar contract would remain in place in perpetuity. The sensitivity analysis of a reasonably possible change in one significant unobservable input, holding other inputs constant, of level 3 financial instruments is provided below:

	Carrying value USD'000	Impact on profit or loss	Impact on other comprehensive income net of tax
Discount rate [Reduction by 1 percentage point]	USD45,900	N/A	N/A
Discount rate [Reduction by 5 percentage points]	USD38,600	N/A	N/A
Undiscounted cash flow [Reduction by 10 percentage points]	USD48,000	N/A	N/A

There is no impact on the profit or loss or the other comprehensive income given that the loss resulting from the fair value accounting of the loan to Shamwari is recognised as a deferred liability.

# Assore International Holdings Limited Annual Financial Statements

## For the period ended 30 June 2021

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### 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, commodity price 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

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. The Company's markets are predominantly priced in US Dollars which exposes the Company's cash flows to foreign exchange currency risks, which is managed by the treasury committee of Assore Limited.

#### 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 credit worthiness 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.

#### Liquidity risk

Liquidity risk is defined as the risk that the Company would not be able to settle or meet its obligations on time or at a reasonable price.

This risk is controlled and monitored by the preparation of detailed cash flow forecasts and budgets which are reviewed by management. Banking facilities are established in advance with reputable banks to ensure that forecast cash flow shortfalls can be met from borrowings if needed.

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

	Contractual cash flows	3 to 12 months
	USD	USD
Trade and other payables	<u>216 722</u>	<u>216 722</u>

#### Fair value risk

The assets on the balance sheet have been assessed at fair value hierarchy level 3 due to the unobservable inputs which may have significant impact on market value of the loan receivable.

The estimated fair value of the Company's financial instruments as at 30 June 2021 was estimated to be the amounts reflected in the statement of financial position

#### Interest rate risk

**Assore International Holdings Limited Annual Financial Statements**  
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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. The Company manages its interest costs by ensuring adequate positive cash balances are maintained.

*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	For the period 21 May 2020 to 30 June 2021	
	Increase/ decrease in interest rate	Effect on profit before tax USD
2021	+0.3%	159 516
2021	-0.3%	(159 516)

**1.14 CASH GENERATED BY OPERATING ACTIVITIES**

For the period 21  
May 2020 to 30  
June 2021

Cash generated by operating activities:

Operating Loss:	(653 548)
Adjustments for:	
Depreciation	305
Impairment of Investment in Assore International Private Limited	73 698
Adjusted for items accounted elsewhere in the statement of cash flows:	
Finance income	(19)
Investment Income	(60 687)
Finance cost	113
Movements in working capital:	
(Increase) in accounts receivable	(160 176)
Increase in accounts payable	<u>216 722</u>
Cash generated by operating activities	<u>583 593</u>

**1.15 Subsequent events after reporting period:**

**Issue of Shares subsequent to 30 June 2021:**

The Company issued 80 shares at USD1.00 per share (share premium USD53 736 276) on 20 September 2021; 100 shares at USD1.00 per share (share premium USD32 456 817) on 27 September 2021; 100 shares at USD1.00 per share (share premium USD75 719 896) on 27 September 2021; 10 shares at USD1.00 per share (share premium USD13 049 709) on 19 January 2022; 25 shares at USD1.00 per share (share premium USD32 981 863) on 24 January 2022; 15 shares at USD1.00 per share (share premium

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## For the period ended 30 June 2021

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USD19 668 981) on 20 February 2022 and 15 shares at USD1.00 per share (share premium USD20 597 307) on 29 March 2022.

### **Acquisition of interests in Gemfields Group Limited ("Gemfields"):**

After various share purchases from 8 September 2021 to 4 October 2021 in Gemfields, the Company has acquired an interest of 26,66% in Gemfields, which is incorporated in Guernsey, and is listed on the JSE and AIM. The shareholding as at the date of this report is 26.33%.

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

By acquiring this stake in Gemfields, the Company became the largest shareholder in Gemfields Group Limited and have secured one directorship on its board.

At the date of these financial statements, the Company's investment in Gemfields amounted to USD71 million (acquired at the fair value thereof, based on the underlying share price) plus USD1 million in share expenditure. The number of shares purchased was 311 540 560 at an average price of USD0.2259 per share.

### **Acquisition of interest in Minmet SAM:**

On 1 November 2021, the Company called up the loan facility of USD53.172 million provided to SCP Shamwari, in exchange for shares in its subsidiary, Minmet SAM, registered in Monaco, in which SCP Shamwari holds an interest of 99.7%. As from this date, Minmet SAM will be accounted for as a subsidiary of the Company.

### **Acquisition of interests in Assore Holdings Proprietary Limited ("Assore Holdings"):**

On 1 December 2021, the Company purchased 3 449 715 ordinary shares in Assore Holdings (4.37%), which is incorporated in South Africa, from Great Bear Ventures Limited for an amount of USD93.142 million.

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

On 27 September 2021, the Company acquired an interest of 20.9% (120 016 667 shares) in Atlantic Lithium, previously IronRidge Resources Limited), which is incorporated in Australia, from its holding company by means of a share issue. The previously-named entity unbundled its portfolio, resulting the Company being awarded 15 002 083 (10.4%) shares in a private entity, Ricca Resources Limited.

On 13 April 2022, the Company acquired an additional 17 212 327 shares from Sumitomo Corporation for an amount of USD5.621 million. The total shareholding in Atlantic Lithium amounts to 137 228 994 shares (23.66%).

### **Registering of a new subsidiary:**

On 11 April 2022, the Company registered a new subsidiary, Ore & Metal International Limited, in the United Kingdom (company number 2600095). The directors intend of this entity to conduct the operational affairs for the Company.

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

On 11 April 2022, the Company commitment to the acquisition of 36 076 663 shares in VBR via a subscription agreement.

VBR is an investment vehicle, with the intention of creating a portfolio of strategic and high returning investments in clean energy related metal and mineral resources companies essential to the clean energy transition.

The commitment amounts to USD100 million, of which USD90 million is aimed

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### For the period ended 30 June 2021

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at an equity stake (base fee subscription) and a further USD10 million will be for a subscription of management fees. The first drawdown in the amount of USD33.5million took place on 23 May 2022. The funding of the commitment for remaining amount (USD66.5 million) will be met from the Company's existing cash resources. As of the first drawdown, the Company has a 26.5% shareholding in VBR, which will reduce to approximately 14.7% once the investment build has been completed.

#### **Dividends received from investments**

On 14 March 2022, the Company received dividends in the amount of USD2 050 864 from Assore Holdings Limited.

On 25 March 2022, Gemfields a divided that was payable to the Company on 6 May 2022 in the amount of USD5 299 585 (GBP4 042 500).

#### **1.16 Controlling Party**

The immediate parent and ultimate controlling party of Assore International Holdings Limited is Assore Treasury Company (RF) Proprietary Limited, registered in South Africa. The largest group into which the results of the Company are consolidated is headed by Oresteel Investments Proprietary Limited.