

Company Registration No. 07931518 (England and Wales)

ANGLO SAXONY MINING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

MONDAY



A8F3U1LS

A43

30/09/2019

#301

COMPANIES HOUSE

ANGLO SAXONY MINING LIMITED
COMPANY INFORMATION

Directors

Mr M Thompson
Mr A Truelove
Mr A Collette
Mr G D Stanley
Mr S L Fabian

Company number

07931518

Registered office

2 Duke Street
Manchester Square
London
W1U 3EH

ANGLO SAXONY MINING LIMITED

CONTENTS

	Page
Directors' report	1
Stâtément of comprehensive income	2
Statement of financial position	3
Statement of changes in equity	4
Statement of cash flows	5
Notes to the financial statements	6-18

ANGLO SAXONY MINING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements of Anglo Saxony Mining Limited ("the Company") for the year ended 31 December 2018.

Principal activities

The principal activity of the Company continued to be that of the exploitation of mineral rights.

Results and dividends

No ordinary dividends were paid during the year. The directors do not recommend payment of a final dividend.

Directors

The directors who served throughout the year and up to the date of signing of the annual report were as follows:

Mr M Thompson
Mr A Truelove
Mr A Collette
Mr G D Stanley
Mr S L Fabian (Appointed 9 August 2018)

Events after the reporting period

With regards to the Company's Cornish assets, discussions are ongoing with regards to the sale of these for a cash consideration of £100,000 plus additional progress payments of US\$1,000,000 upon commercial production and a NSR royalty of 2.0%.

Going concern

The Company has net assets of £2,548,708 (2017: £3,067,605) and a cash balance of £423,277 (2017: £286,604) as at 31 December 2018, and as a result the directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Small company provisions

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. The directors have not prepared a Strategic Report in accordance with the small companies exemption.

Audit exemption

For the year ending 31 December 2018, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

On behalf of the board on 30th September 2019.


.....
Mr S Fabian
Director

ANGLO SAXONY MINING LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Administrative expenses	4	(119,290)	(85,278)
Operating loss		(119,290)	(85,278)
Other interest receivable and similar income	6	107,487	116,845
Other gains and losses	7	(38,752)	-
Finance costs	8	(28,015)	(2,290)
(Loss)/Profit before taxation		(78,570)	29,277
Income tax expense	9	-	(12,389)
(Loss)/Profit for the year		(78,570)	16,888
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss</i>			
Changes in the fair value of available-for-sale financial assets	12	-	59,495
<i>Items that will not be reclassified to profit or loss</i>			
Changes in the fair value of equity instruments at fair value through other comprehensive income	12	(619,380)	-
Total comprehensive (loss)/income for the year		(697,950)	76,383

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

ANGLO SAXONY MINING LIMITED
STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2018

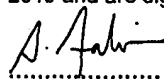
	Notes	2018 £	2017 £
Assets			
Non-current assets			
Intangible assets	10	200,000	200,000
Property, plant and equipment	11	-	114
Financial assets at fair value through other comprehensive income	12	74,370	693,750
Investments	14	<u>2</u>	<u>2</u>
		274,372	893,866
Current assets			
Trade and other receivables	15	2,903,673	1,905,700
Cash and cash equivalents		<u>423,277</u>	<u>286,604</u>
		3,326,950	2,192,304
Total assets		<u>3,601,322</u>	<u>3,086,170</u>
Liabilities			
Current liabilities			
Convertible loan note	13	(1,038,752)	-
Trade and other payables	16	<u>(13,862)</u>	<u>(18,565)</u>
		(1,052,614)	(18,565)
Net current assets		2,274,336	2,173,739
Total assets less current liabilities		2,548,708	3,067,605
Net assets		<u>2,548,708</u>	<u>3,067,605</u>
Equity			
Called up share capital	19	55,876	53,584
Share premium account		8,558,228	8,407,331
Shares to be issued		25,864	-
Accumulated losses		<u>(6,091,260)</u>	<u>(5,393,310)</u>
Total equity		<u>2,548,708</u>	<u>3,067,605</u>

For the year ending 31 December 2018, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 30th September 2019 and are signed on its behalf by:



.....
 Mr S Fabian
 Director

ANGLO SAXONY MINING LIMITED
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £	Share premium account £	Shares to be issued £	Retained earnings £	Total equity £
At 1 January 2018	<u>53,584</u>	<u>8,407,331</u>	-	<u>(5,393,310)</u>	<u>3,067,605</u>
Loss for the year	-	-	-	(78,570)	(78,570)
Other comprehensive loss	-	-	-	(619,380)	(619,380)
Total comprehensive loss	-	-	-	(697,950)	(697,950)
Issue of share capital	2,292	150,897	-	-	153,189
Shares to be issued	-	-	25,864	-	25,864
At 31 December 2018	<u><u>55,876</u></u>	<u><u>8,558,228</u></u>	<u><u>25,864</u></u>	<u><u>(6,091,260)</u></u>	<u><u>2,548,708</u></u>

ANGLO SAXONY MINING LIMITED
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Operating loss		(119,290)	(85,278)
Depreciation and impairment of property, plant and equipment		114	1,407
Decrease/(Increase) in trade and other receivables		1,169	(3,126)
Increase/(Decrease) in trade and other payables		7,380	(723)
<i>Cash absorbed by operations</i>		<u>(110,627)</u>	<u>(87,720)</u>
Interest paid		(2,150)	(2,290)
Tax paid		(12,389)	(37,693)
Net cash outflow from operating activities		<u>(125,166)</u>	<u>(127,703)</u>
Investing activities			
Loan advanced to subsidiary		(891,350)	(360,740)
Net cash generated used in investing activities		<u>(891,350)</u>	<u>(360,740)</u>
Financing activities			
Proceeds from issue of shares		153,189	582,432
Proceeds from issue of convertible loans		1,000,000	-
Net cash generated from financing activities		<u>1,153,189</u>	<u>582,432</u>
Net increase in cash and cash equivalents		<u>136,673</u>	<u>93,989</u>
Cash and cash equivalents at beginning of year		286,604	192,615
Cash and cash equivalents at end of year		<u>423,277</u>	<u>286,604</u>

ANGLO SAXONY MINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 General Information

Anglo Saxony Mining Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2 Duke Street, Manchester Square, London, W1U 3EH.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with applicable International Financial Reporting Standards (IFRSs) adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

In accordance with Section 399(2A) of the Companies Act 2006, group financial statements have not been prepared on the grounds that the Company is subject to the small company's regime.

The functional currency of the Company is UK Sterling.

2.1 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.2 New and Amended IFRS Standards

From 1 January 2018, the following new and revised Standards have been adopted by the Company. Aside from IFRS 9, the adoption of these standards has not had a significant impact on the Company's financial statements. Please refer to note 21 for the details regarding the impact of the adoption of IFRS 9 on the Company's financial statements.

Annual Improvements	2014 - 2016 Cycle
IFRS 9	Financial instruments
IFRS 15	Revenue from Contracts with Customers

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards were in issue but not yet effective, and as result have not yet been applied in these financial statements:

IFRS 16, effective 1 January 2019	Leases
-----------------------------------	--------

This is not expected to have a significant effect on the financial statements of the Company.

3 Significant accounting policies

3.1 Intangible assets other than goodwill

Intangible assets are recognised in accordance with IFRS 6 under which the Company has capitalised expenses on exploration and evaluation of mineral resources. At the point at which the Company begins commercially mining, these assets will be amortised over the expected period over which an economic benefit is to be extracted from these capitalised expenses.

ANGLO SAXONY MINING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Significant accounting policies (continued)

3.2 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	3-5 years
Computers	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

3.3 Non-current investments

Investments are stated at cost less any impairment.

The financial statements present information about the Company as an individual undertaking and not about its group. The Company and its subsidiary undertaking comprise a small-sized group. The Company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts.

3.4 Impairment

At each reporting date, the Company assesses whether there is any indication that an asset, other than inventories and deferred tax assets, may be impaired. Where an indicator of impairment exists, the Company makes an estimate of the recoverable amount. An impairment loss is recognised in the income statement whenever the carrying amount of the asset or cash generating unit exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount greater than cost, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.5 Cash and cash equivalents

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

ANGLO SAXONY MINING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Significant accounting policies (continued)

3.6 Financial assets

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

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI), which are measured at fair value.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and which the group has irrevocably elected at initial recognition to recognise in this category.

In the prior financial year, the Company had designated equity investments as available for sale where management intended to hold them for the medium to long term.

Changes in the fair value of these are recognised in other comprehensive income.

Impairment of financial assets

Financial assets, other than those at FVTPL and FVOCI, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

ANGLO SAXONY MINING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Significant accounting policies (continued)

3.7 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including trade and other payables, are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

3.8 Equity instruments

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

3.9 Derivative financial instruments

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. It is the Company's accounting policy to present the embedded derivatives and their host contract together as one hybrid instrument.

3.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

ANGLO SAXONY MINING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Significant accounting policies (continued)

3.10 Taxation (continued)

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

3.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases, less any lease incentives received are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

3.12 Foreign exchange

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

3.13 Critical accounting estimates and judgements

Details of the Company's significant accounting judgements and critical accounting estimates are set out in these financial statements and include:

• Recoverability of intangible exploration and evaluation assets (note 10)

Where a project is sufficiently advanced the recoverability of intangible exploration and evaluation assets is assessed by comparing the carrying value, to internal and operator estimates of the net present value of projects. Intangible exploration assets are inherently judgemental to value. The amounts for intangible exploration and evaluation assets represent active exploration projects. These amounts will be written-off to the income statement as exploration costs unless commercial reserves are established, or the determination process is completed and there are no indications of impairment.

• Fair value of financial instruments (note 17)

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. See note 17 for details regarding the valuation methods used.

4 Operating loss

Operating loss before taxation is stated after charging:

	2018	2017
	£	£
Treliver mineral rights payment	8,407	10,998
Depreciation of property, plant and equipment	<u>114</u>	<u>1,407</u>

ANGLO SAXONY MINING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5 Employees costs and Directors' remuneration

The directors received no remuneration for their services to the Company (2017: £nil). The Company has no employees (2017: nil).

6 Other interest receivable and similar income

	2018 £	2017 £
Interest on loan to subsidiary	80,126	60,064
Foreign exchange gain	27,361	56,781
	<u>107,487</u>	<u>116,845</u>

7 Other gains and losses

	2018 £	2017 £
Loss on fair value of conversion option (Note 13)	38,752	-

8 Finance costs

	2018 £	2017 £
Interest on convertible loan (Note 13)	25,863	-
Other interest payable	2,152	2,290
	<u>28,015</u>	<u>2,290</u>

9 Income tax expense

Corporation tax	2018 £	2017 £
Current year	-	12,389

The charge for the year can be reconciled to the profit/(loss) per the statement of comprehensive income as follows:

	2018 £	2017 £
(Loss)/profit before taxation on continued operations	<u>(78,570)</u>	<u>29,277</u>
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2017 – 19.25%)	<u>(14,928)</u>	<u>5,636</u>
Tax effect of expenses that are not deductible in determining taxable profit	4,089	6,482
Depreciation on assets	22	271
Unrecognised tax losses carried forwards	10,817	-
	<u>14,928</u>	<u>6,753</u>
Tax expense for the year	<u>-</u>	<u>12,389</u>

ANGLO SAXONY MINING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10 Intangible assets

	Exploration and evaluation assets under IFRS 6 £
Cost	
At 31 December 2017 & 31 December 2018	<u>2,482,956</u>
Amortisation and impairment	
At 31 December 2017 & 31 December 2018	<u>2,282,956</u>
Carrying amount	
At 31 December 2017 & 31 December 2018	<u>200,000</u>

11 Property, plant and equipment

	Plant and equipment £	Computers £	Total £
Cost			
At 1 January 2018 & 31 December 2018	<u>759</u>	<u>5,602</u>	<u>6,361</u>
Accumulated depreciation and impairment			
At 1 January 2018	759	5,488	6,247
Charge for the year	-	114	114
At 31 December 2018	<u>759</u>	<u>5,602</u>	<u>6,361</u>
Net book value			
At 31 December 2018	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2017	<u>-</u>	<u>114</u>	<u>114</u>

12 Financial assets at fair value through other comprehensive income

	Shares held in AIM listed companies £
At 1 January 2018 (restated)	693,750
Change in fair value	<u>(619,380)</u>
At 31 December 2018	<u>74,370</u>

At year end, the Panthera investment was re-valued based on the quoted share price, as at 31 December 2018, of Panthera in the Alternative Investment Market. The resulting loss has been recognised in other comprehensive income.

In the 2017 financial statements, these assets were classified as available for sale financial assets. As a result of the adoption of IFRS 9 in the current financial year, these assets have been re-classified to financial assets at fair value through other comprehensive income. See note 21 for further details.

ANGLO SAXONY MINING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

13 Convertible loan note

	2018 £	2017 £
Convertible loan	<u>1,038,752</u>	<u>-</u>

In 2018 the Company issued 5-year convertible loan notes (CLN) for £1m. The notes carry an interest rate of 10% per annum, payable in fixed number of Company's shares. On maturity, the CLN are converted into Company's shares, unless the Company exercises its option to redeem the CLN at par. There are further conversion provisions in the event of an IPO or a change of control and the noteholders have the option to convert the CLN into Company's shares early.

The Company's option to redeem the CLN at par is an embedded derivative asset which not closely related to the host contract and is thus accounted for separately. The conversion option has a fair value of £419,016 at inception, falling to £380,264 at 31 December 2018, with the loss recognised in profit or loss. The host contract is a financial liability and is initially recognised at fair value of £1,419,016. The interest payments in fixed number of shares is an equity instrument recognised directly in equity in Shares to be issued reserve.

14 Investments

	Other investments £
At 1 January 2018 and 31 December 2018	<u>2</u>

No provision for impairment was recognised as at 31 December 2018 (2017: £nil).

The Company's investments as at the end of 31 December 2018 consist of the following:

Name	Company of operation	Principal activity	Shareholding
Saxore Bergbau GmbH	Germany	Mineral exploration	100%
Anglo Saxony Minerals (UK) Limited	United Kingdom	Dormant	100%

15 Trade and other receivables

	2018 £	2017 £
Other receivables	720	720
VAT recoverable	3,403	1,985
Amounts due from fellow group undertakings	2,896,376	1,897,234
Prepayments	<u>3,174</u>	<u>5,761</u>
	<u>2,903,673</u>	<u>1,905,700</u>

ANGLO SAXONY MINING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

16 Trade and other payables

	2018 £	2017 £
Trade payables	6,364	1,965
Accruals	7,176	3,910
Corporation tax	-	12,389
Other payables	322	301
	<u>13,862</u>	<u>18,565</u>

17 Financial instruments

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

Financial assets

	2018 £	2017 £
<i>Convertible loan option</i>		
Fair value through the profit and loss account	<u>380,264</u>	<u>-</u>

	2018 £	2017 £
<i>Loans and receivables</i>		
Cash and cash equivalents	423,277	286,604
Amounts due from fellow group undertakings	2,896,376	1,897,234
Other receivables	720	720
	<u>3,320,373</u>	<u>2,184,558</u>

	2018 £	2017 £
<i>Financial assets at fair value through other comprehensive income</i>		
Shares held in AIM listed companies	<u>74,372</u>	<u>693,750</u>

Fair value hierarchy

Some of the Company's financial assets are measured at fair value at the end of each reporting period.

There were no transfers between fair value hierarchies during 2018 or 2017.

Quoted market prices - Level 1

Fair value is determined by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions on an arm's length basis. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

ANGLO SAXONY MINING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

17 Financial instruments (continued)

The following financial assets are recognised in the financial statements at fair value through other comprehensive income and are classified within the level 1 category:

	2018 £	2017 £
<i>Financial assets at fair value through other comprehensive income</i>		
Shares held in AIM listed companies	<u>74,372</u>	<u>693,750</u>

Valuation technique using observable inputs - Level 2

Fair value is calculated using inputs other than quoted prices as described for Level 1 but which are observable for the asset or liability, either directly or indirectly.

Valuation technique using significant unobservable inputs - Level 3

Fair value of level 3 financial instruments incorporates significant inputs for the asset or liability that are not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on observable inputs of a similar nature, historic observations on the level of the input or analytical techniques.

The following financial asset are recognised in the financial statements at FVTPL and are classified within the level 3 category:

	2018 £	2017 £
<i>Financial assets at fair value through profit and loss</i>		
Convertible loan option	<u>380,264</u>	<u>-</u>

Financial liabilities

	2018 £	2017 £
<i>Financial liabilities at fair value through profit and loss</i>		
Convertible loan note	<u>1,419,016</u>	<u>-</u>

	2018 £	2017 £
<i>Other liabilities measured at amortised cost</i>		
Other payables	322	301
Trade and other payables	6,364	1,965
Accruals	<u>7,176</u>	<u>3,910</u>
	<u>13,862</u>	<u>6,176</u>

All financial assets and liabilities are due within one year.

ANGLO SAXONY MINING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

17 Financial instruments (continued)

The main risks arising from the Company's activities are market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair value of future cash flows will fluctuate because of changes in market price. This risk is primarily comprised of interest risk and foreign currency risk. Interest rate risk is deemed minimal due to the fixed element of interest on intercompany loans, as explained in note 18.

Foreign currency risk management

As highlighted earlier in these financial statements, the functional currency of the Company is UK sterling. The Company has foreign currency denominated assets and liabilities. Exposures to exchange rate fluctuations therefore arise. The Company pays for invoices denominated in a foreign currency in the same currency as the invoice therefore suffers from a level of foreign currency risk. The Company does not enter into any derivative financial instruments to manage its exposure to foreign currency risk.

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at 31 December 2018 is as follows:

Euros

	2018 £	2017 £
Amounts due by fellow group undertakings	<u>2,685,000</u>	<u>1,777,276</u>

At 31 December 2018, if all foreign currencies in which the Company transacts, had strengthened or weakened by 10% against UK sterling with all other variables held constant, post-tax loss for the year would have increased/(decreased) by:

	Strengthened by 10% increase in post-tax loss £	Weakened by 10% (decrease) in post-tax loss £
2017	<u>177,728</u>	<u>(177,728)</u>
2018	<u>268,500</u>	<u>(268,500)</u>

10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number above indicates an increase in loss (increase in profit) or other equity where the £ strengthens by 10% against the relevant currency. For a 10% weakening of the £ against the relevant currency, there would be an equal and opposite impact on the profit (loss) and other equity.

ANGLO SAXONY MINING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

17 Financial instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises principally from the Company's cash balances and intercompany receivables.

The Company gives careful consideration to which organisations it uses for its banking services in order to minimise credit risk.

The concentration of the Company's credit risk is considered by counterparty, geography and currency. The Company does not have any significant concentrations of credit risk at the reporting date related to external third parties. The Company is exposed to credit risk in relation to a loan to a group company but, as this is with a wholly owned and controlled subsidiary, the credit risk is deemed to be low.

At 31 December 2018, the Company held no collateral as security against any financial asset. No financial assets were past their due date and there were no problems with the credit quality of any financial assets in the year. As a result, there has been no impairment of financial assets during the year.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Management considers the above measures to be sufficient to control the credit risk exposure.

Liquidity risk

Liquidity risk is the risk that an entity may not be able to generate sufficient cash resources to settle its obligations as they fall due. The directors monitor cash flow requirements regularly and adopt a prudent liquidity risk management approach to ensure sufficient cash is available for operational expenses.

Fair values

The Directors consider that the carrying amount of loans and receivables and other financial liabilities approximates to their fair value because of the short-term nature of such assets the effect of discounting is negligible.

18 Related party transactions

At 31 December 2018 £69,818 (2017: £69,818) was due to the Company from Treliver Minerals Trustees Limited, which held a minority interest position in the Company. The loan is unsecured, interest free and repayable on demand.

At 31 December 2018 the Company was owed £50,140 (2017: £50,140) by Anglo Saxony Minerals (UK) Limited, a company incorporated in England and Wales, a wholly owned subsidiary of the Company.

The Company is also owed €3,095,429 (£2,776,418) (2017: €2,002,990 (£1,777,276)) by Saxore Bergbau GmbH, a wholly owned subsidiary incorporated in Germany. In the year to 31 December 2018 €900,000 (£799,932) (2017: €410,000 (£360,740)) in cash was transferred from the Company to Saxore Bergbau GmbH, and interest of €90,517 (£80,125) (2017: €68,507 (£60,064)) was accrued in respect of the loan provided to Saxore Bergbau GmbH. Interest is accrued based on a fixed rate of 4% plus Euro LIBOR.

ANGLO SAXONY MINING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

19 Share capital

Ordinary share capital Issued and fully paid	2018 £	2017 £
55,876,013 (2017: 53,583,556) ordinary £0.001 shares	<u>55,876</u>	<u>53,584</u>

During the year the Company issued 2,292,457 ordinary shares of £0.001 each (2017: 6,625,338). The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

20 Operating lease commitments

At the reporting date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	-	8,407
Between two and five years	<u>-</u>	<u>-</u>
	<u>-</u>	<u>8,407</u>

During 2018 the Company terminated its option in respect of the land at Treliver Farm, Cornwall, UK, where some of the Company's tin exploration activities were previously carried out. No payments were due on the termination of the option.

21 Adoption of IFRS 9

As a result of the adoption of IFRS 9 by the Company as at 1 January 2018, the following restatements have been made in the financial statements:

Equity investments previously classified as available-for-sale

The Company elected to present, in other comprehensive income, changes in the fair value of all its equity investments previously classified as available-for-sale, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, assets with a fair value of £693,750 were reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income as at 1 January 2018.