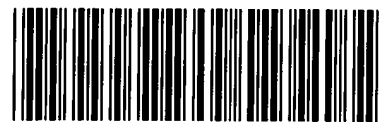


Eastinco Mining and Exploration PLC

Annual Report and Consolidated Financial Statements

For the year ended 31 December 2021

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COMPANIES HOUSE

Eastinco Mining and Exploration Plc**CONTENTS**

	Page
Strategic Report	1
Directors' Report	15
Statement of Directors' Responsibilities	21
Corporate Governance Report	22
Report of the Independent Auditor	29
Consolidated Statement of Comprehensive Income	37
Consolidated and Company Statements of Financial Position	38
Consolidated Statement of Changes in Equity	40
Company Statement of Changes in Equity	41
Consolidated and Company Statements of Cash Flows	42
Notes to the Financial Statements	43
Company Information	65

Eastinco Mining and Exploration Plc

STRATEGIC REPORT YEAR ENDED 31 DECEMBER 2021

Dear Shareholder,

2021 was an encouraging year for Eastinco Mining and Exploration Plc (the "Company") and subsidiaries (together the "Group"), as we continued to advance toward our goal of becoming an ethical, integrated exploration, development, and trading company across multiple mineral assets and jurisdictions.

During this reporting period, we benefitted greatly from having independent experts on the Musasa mine, supported by external laboratory analysis, to evaluate and provide specialist metallurgical analysis and engineering on the wash plant. In December 2021, we signed a Metallurgical and Services Agreement with Quiver Limited, a heavy mineral separation and processing consultancy. Quiver is providing a Process Manager based on-site to control and manage daily operations and a metallurgical consultant to develop short and long-term process improvements and associated plant upgrade strategies to increase and optimise plant production, with further material testing and analysis at approved laboratories. The addition of Quiver has been instrumental in achieving a better understanding of the metallurgy of the Musasa Deposit and how to achieve optimum recoveries from the existing wash plant infrastructure.

We successfully concluded an additional joint venture agreement with HCK Mining Company Limited over an exciting new exploration play in southern Rwanda, which we are hopeful shall deliver positive near-term results. We have expanded the number of potentially mineralised zones for further evaluation work on this project (from two known occurrences when signing the joint venture to 18 targets after preliminary prospecting by the Group). An independent geologists' report for the area concluded that our licences in the south may prove to represent a significant new tantalum-bearing pegmatite field in Rwanda. We look forward to demonstrating this and developing the strategic and local stakeholder relationships to fully develop this asset.

During the period we suffered from what we hope to be the last COVID-related operational delays affecting the commissioning of the Musasa Mine wash plant in Rwanda.

Morocco Acquisition - Aterian Resources

On the 22nd of November 2021, the Group signed a SPA to acquire 100% of the share capital of Aterian Resources Limited, a 100% owned indirect subsidiary of AIM and TSX-listed Altus Strategies Plc ("Altus"). Upon the successful completion of the acquisition, which is conditional upon the Company listing on the LSE, Altus will become a significant beneficiary shareholder. This proposed transaction transforms the Group into a multi-jurisdiction, multi-commodity, critical and strategic metals exploration and development company; and, we are excited to have Altus become a key shareholder.

The rationale for this acquisition is to acquire assets that will fit into our strategy of focusing on critical and strategic metals. Currently, the renewable energy, automotive and electronic manufacturing sectors are driving the requirement to develop secure supply chains of these key critical and strategic minerals. The exploration conducted to date by Altus on the Moroccan assets highlights the strong potential for the discovery of strategic metals deposits, in particular copper and silver. We firmly believe the market fundamentals for copper are excellent and specifically linked to the anticipated growing demand for renewable energy and the related electrification of transportation globally. We are keen to invest in Morocco to demonstrate the potential of our assets there. Importantly, the proposed listing on the LSE will provide us with exposure to a broader investor profile and greater liquidity in our shares, providing a more solid platform to support the Company's continued growth.

Eastinco Mining and Exploration Plc**STRATEGIC REPORT (continued)
YEAR ENDED 31 DECEMBER 2021****Financial Review**

During the period under review the Group made a loss before taxation of £1,341,000 (2021: loss £467,000).

Post Balance Sheet Events

The Group will, upon completion of the acquisition of Aterian Resources, the Altus' Moroccan business, change its name to Aterian plc. The new name reflects the broad and important shift from a single asset to a multi-jurisdictional, multi-asset mining exploration and trading company with a pan-African focus. As part of the acquisition, the Company will appoint Mr Alister Masterton-Hume, the Chief Investment Officer of Altus, to the Board of Directors.

In line with our growth plans, the Board announced the appointment of Mr Kasra Pezeshki, the Chief Investment Officer of Britishvolt, to the Board of Directors. The appointment will take place immediately on the Company's admission to the Standard Segment of the LSE. Mr Pezeshki has over 17 years of experience in investment banking, structured finance, and private equity at institutions such as UBP, Morgan Stanley, Adveq, Bank of America and Enveq in London, New York, Geneva, and Zurich. He brings C-suite experience and a global network and perspective to the Board.

The Company will produce a prospectus (to be available on the Company's website) related to the proposed listing on the London Stock Exchange. Additionally, to support the costs associated with the listing and for working capital purposes, the Company has raised £519,567 of new funds through the placement of equity at 1p (GB pence) per share. The Company also secured a £500,000 working capital facility from a related party lender related to the Chairman of Eastinco, Mr Charles Bray.

Previously, in December 2020, our 100% owned Rwandan subsidiary, Eastinco Limited, was granted a Trading Licence by the Rwanda Mines, Petroleum and Gas Board (RMB), allowing the Company to purchase and sell metal ore from our production, as well as third-party producers. With the Musasa operation nearing production, we have decided to activate the Trading Licence and, in May 2022, initiated the process to gain membership to iTSCI, the responsible supply chain initiative that monitors the production and sale of metals in Central Africa. The focus initially is on the trading of coltan concentrate (tantalum), however, we shall seek to develop our trading expertise across the major minerals being mined and traded throughout the Great Lakes region. Ultimately, the decarbonisation of the global economy will boost demand across multiple mineral assets, including nickel, tungsten, tin, and copper. We intend to offer clients a verified ESG compliant product with material sourced solely from responsibly managed and certified mine and processing sites. Given the dominant role played by artisanal small-scale mining (ASM) entities across the region, it is vital to work closely with those who hold responsible supply chain certification and are demonstrably ESG compliant, ensuring the supply of responsibly sourced products.

COVID-19 Statement

The COVID pandemic continued to intermittently disrupt the Group's operations in Rwanda during 2021, with the Office of the Prime Minister imposing strict lockdown measures, including the restriction of movement across district boundaries and closing of the airport and international land borders. These measures were eased in late Q4, but some restrictions remain in place. The safety and well-being of EME's employees remain the highest priority for the Group, with the management of EME continuing to actively monitor the situation and the local government guidance being issued.

Eastinco Mining and Exploration Plc

**STRATEGIC REPORT (continued)
YEAR ENDED 31 DECEMBER 2021**

Strategic shift

The Group is a critical and strategic metal focused exploration and development company focused on African metal resource investment opportunities. Our objective is to create and build an integrated critical and strategic mineral exploration, development and trading company to meet the expected shortfall in the supply of “green” metals required to satisfy the global demand for renewable energy sources and decarbonisation targets. We will continue to review and evaluate new strategic opportunities that would support us in meeting this objective.

Director Changes

Mr Mike Staten resigned as an Executive Director on the 1st of February 2021, and Mr Simon Rollason officially joined the Board of Directors as a Director on the 14th of June 2021. Mr Rollason was previously announced as the Company CEO on the 30th of October 2020.

Outlook

The Company is at a critical juncture with the acquisition of a portfolio of critical and strategic assets in Morocco and the expansion of the Rwandan portfolio. Market fundamentals remain strong for the Group, and the wash plant commissioning, once operational, will contribute to funding exploration efforts. I remain firmly optimistic about the Group’s prospects going forward. We have gained very valuable processing experience over the past two years and look forward to putting this experience to good use on our new projects in Southern Rwanda, where we work to evaluate and define the various targets on the licence. Furthermore, the launch of our trading operations will allow us to develop critical relationships to drive product trading and sales with other ESG conscious and compliant.

On behalf of the Group, I would like to take this opportunity to once again thank my fellow Board members, employees, and our shareholders for their continued support and patience.

Eastinco Mining and Exploration Plc**STRATEGIC REPORT (continued)
YEAR ENDED 31 DECEMBER 2021****Principal Activities**

The Group operates in Rwanda through its 100% owned subsidiary, Eastinco Limited ("EME Ltd"), a Rwanda incorporated tantalum, tin and tungsten explorer and miner. EME Ltd currently operates a small-scale surface mine and mineral processing unit together with its joint venture partner, Kuaka Cooperative, close to the eastern shore of Lake Kivu, near the village of Musasa, within the Western Province of Rwanda.

The Group seeks to support ethical and sustainable supply chains by developing its asset portfolio of critical and strategic mineral resources into production assets.

The EME strategy aims to bring near-term projects in Rwanda into production, whilst improving safety at existing and formerly artisanal operating mine sites. The generated revenues will support and fund further exploration across the asset base of strategic and critical metal projects. The deployment of in-house generated revenues on our projects will minimise capital risk to shareholders, thus preserving optionality and generating superior risk-mitigated returns. At the same time, we will continue to seek M&A opportunities across Africa to build a portfolio of strategic and critical metal assets with exploration, development, and production, with the growth of the metal trading potential in Rwanda.

Critical and strategic metals are those metals considered strategically essential to the economy, where any supply disruption may have a significant impact on the production of important end products such as alloys, EV batteries, IT equipment, etc. The renewable energy, automotive and electronic manufacturing sectors are driving the requirement to develop and build secure supply chains for these key metals.

Strategic Plan

The Group strategic plan incorporates a business model based on stakeholder interests, business or commercial planning, and growth. Effectively combining the interests of all stakeholders allows for us to competently execute plans promoting the company's best commercial interests and allowing for future growth.

Group Overview

Aim	Strategy	Principal Activities
Increase shareholder value through the discovery, development, and trading of valuable mineral deposits.	Build, explore and develop a pipeline of projects to expand and de-risk the project portfolio.	The identification, acquisition, evaluation, and development of mineral deposits, with an initial focus on critical and strategic metals across Africa.

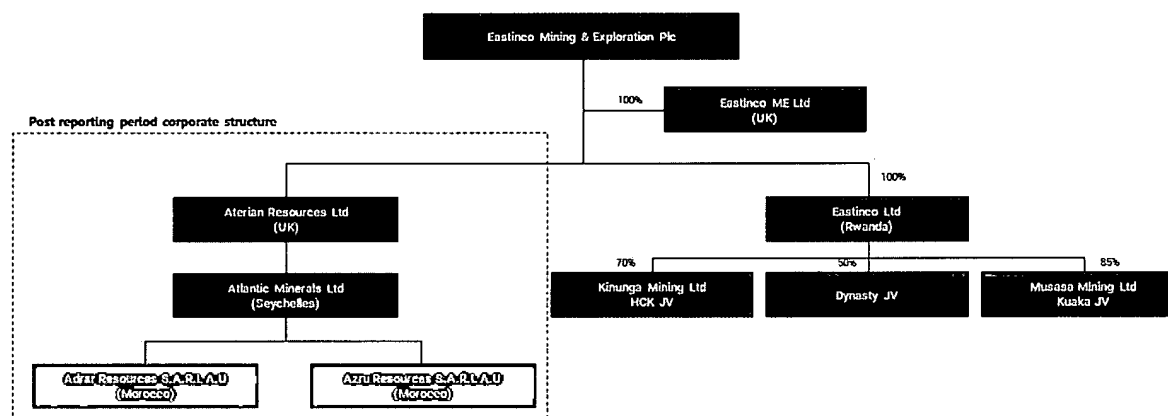
Operational Statement, 2021**Introduction**

The Group, through its 100% owned Rwanda registered subsidiary, Eastinco Limited, is actively engaged in mineral exploration and development of its portfolio of critical metals in Rwanda, with the focus is extracting and the recovery of tantalum and tin. Eastinco Ltd also holds a metal trading licence, issued by the authorities in Rwanda, which, once activated, will allow for the trading of metals from our

own supply and also third-party producers and suppliers. Eastinco Limited is currently operating three separate joint ventures.

Eastinco Mining and Exploration Plc

STRATEGIC REPORT (continued) YEAR ENDED 31 DECEMBER 2021



Musasa Joint Venture

This is a Joint Venture and Operating Agreement (“Agreement”) with the Kuaka Cooperative (“Kuaka”), the holder of a small-scale mining licence in western Rwanda, located approximately 85 km west of Kigali. An application for a new 400-hectare mining licence, in the name of the joint venture company, Musasa Mining Limited, has been submitted and is pending approval with the Rwanda Government. Eastinco to date has funded the acquisition of a mechanised wash plant and heavy earth moving equipment and is now responsible for managing daily on-site operations. Eastinco will retain an 85% share in the net operating profits with the right to purchase 100% of the Ta-Nb-Sn produced at favourable local market prices.

HCK Joint Venture

Eastinco has a Joint Venture Agreement (“Agreement”) with HCK Mining Limited, a private non-related Rwanda registered entity and the holder of a 2,750-hectare exploration licence in southern Rwanda. Eastinco will fund and manage the exploration activities over the project and will retain a 70% share in the net operating profits with the right to purchase 100% of the Ta-Nb-Sn from any future production.

Dynasty Construction Joint Venture

Eastinco entered a Joint Venture Agreement (“Agreement”) with Dynasty Construction Ltd, a private and non-related Rwanda registered entity and the holder of a 400-hectare exploration licence in the Huye District of southern Rwanda. Eastinco will fund and manage the exploration activities over the project and will retain a 50% share in the net operating profits with the right to purchase 100% of the Ta-Nb-Sn future production. Dynasty will contribute 50% of any future capital costs associated with the mine development.

Project Review

Musasa Joint Venture

This is the principal project for the Company and is a Joint Venture and Operating Agreement with our partners, the Kuaka Cooperative. The Musasa Ta-Nb-Sn project is located close to Lake Kivu within the Western Province of Rwanda.

Eastinco Mining and Exploration Plc**STRATEGIC REPORT (continued)
YEAR ENDED 31 DECEMBER 2021**

COVID related disruptions, once more featured in 2021, with associated restrictions on travel and the trans-border and internal movement of goods and services. Consequently, the Company decided to suspend operations in Rwanda for 6-months, ending 1st of December 2021, due to COVID- 19 imposed restrictions and the resulting knock-on delays in importing critical components for the wash plant.

In 2021, two separate processing engineering groups were on-site to evaluate the wash plant's operational capability and performance. Both groups recommended several changes and modifications to the process, which have been implemented. The most significant change in the year was the installation of six new imported slurry pumps to ensure improved material flow and, more significantly, the recycling of washed material, particularly focusing on the tailings, to allow for multiple passes through the separation process.

Additional work was undertaken to improve the quality of the process wash water, which previously had a high clay content, with the installation of 2 up-current classifiers and improved material settling processes in the river dam. The clay-rich water effectively strips out the ultra-fine mineralisation, resulting in metal losses.

Laboratory analysis was completed on ore-grade samples to identify the mineral composition and the preferential mineralised size fractions. The objective was to enhance the equipment optimisation and consequently improve metal recoveries. Workstreams focused on the fines (sub-1mm) to ultra-fines (sub-0.05mm) circuit, which historically was lost and unrecovered from artisanal mining operations within Rwanda. These size fractions potentially represent a significant uplift to future metal recoveries.

Test work on shaking-table concentrates, conducted at the University of Ljubljana, Slovenia, returned tantalum values of 10.3 % Ta, which is very encouraging from feed material running 150-200 ppm Ta. X-Ray Diffractometry (XRD) and Scanning Electron Microscopy (SEM-EDS) analyses to determine the chemical composition of the different mineral phases was undertaken. The primary Ta-bearing mineral was identified as iron-rich tapiolite or tapiolite-(Fe), with the predominant Nb-rich phase being iron-rich columbite. The geochemical results from plant feed samples collected from the open cut at the Rich Back starter pit returned grades averaging 192 ppm Ta and 117 ppm Sn.

In late 2021, the Company engaged the service of Quiver Limited ("Quiver") to manage and oversee wash plant operations. Quiver is an African focused mineral processing consultancy specialising in fine-grained heavy mineral separation. Quiver is providing a resident Plant Manager to supervise daily operations in addition to a metallurgical consultant who will be on-site periodically to help develop short- and long-term process improvements and associated plant upgrade strategies.

Post-reporting period changes on the wash plant have included the removal of the duplex jig circuit. The washed material is now screened after the trommel to -1mm for processing through the hydrocyclone, separation spirals and shaking tables. Material greater than 1mm is fed to the cone crusher on a continuous choke-feed circuit to reduce the material to sub 1mm. Significantly the changes have resulted in a reduction in power demand by an estimated 26% and water consumption by 46%.

The Company contracted the UK-based mineral exploration consultancy, Xplore Global Ltd, to review the existing assets under Joint Venture. Xplore Global is experienced with LCT (lithium-cesium-tantalum) pegmatites, particularly in Rwanda. The Musasa site visit confirmed sufficient evidence for a mineralised (tantalum-niobium) pegmatite swarm present on the property, comprising at least five separate pegmatite zones or occurrences with significant extension and therefore anticipated tonnage, once further conformational exploration work is completed. To this end, post the reporting period, the

Company initiated surface exploration work on the Kassava Prospect, which lies 300m south of the wash plant.

The Company, together with its joint venture partner, the Kuaka Co-operative, submitted a licence application to the Rwanda Mines, Petroleum and Gas Board ("RMB"), which would increase the land area at Musasa from 50 hectares to 400 hectares with the issuance of a new mining licence. The new licence application is in the name of the joint venture company, Musasa Mining Ltd, with Eastinco holding 85% and Kuaka 15% of the share capital.

Southern Joint Ventures

HCK Joint Venture

In June 2021, Eastinco entered into a joint venture agreement with HCK Mining Ltd to conduct geological exploration and evaluate their 2,750-hectare exploration licence. The licence is located approximately 65 km southwest of Kigali, within the Southern Province, straddling the Nyanza and Huye District boundaries, and shares a common border with the neighbouring Dynasty joint venture licence. Under the terms of the agreement, Eastinco funds and manages the exploration activities on the project and retains a 70% share in any future net operating profits, with the right to purchase 100% of the future Ta-Nb-Sn production.

Before concluding the joint venture, the licence area was known to host two zones of mineralised pegmatite. One of the occurrences, referred to as HCK-1, was described by Xplore Global Ltd as a 30m-wide, partially artisanally-mined, kaolinized pegmatite striking NW-SE along a prominent ridgeline. The minimum extension, at that time, was estimated to be 650m along the ridge, with a further 150m of strike potential to the NW of the ridgeline. A second occurrence, HCK-2, is an E-W trending, 5-10m wide pegmatite that is currently less well understood, occurring in a structurally complex setting.

In late 2021, the Company commenced field operations, implementing a geochemical survey, with samples collected at 200m intervals along east-west profiles spaced 400m apart. Although the sample results are pending from this work, 16 new potentially mineralised pegmatite dyke zones have been reported during field traversing. Typically, these occurrences host abandoned, and in some locations active, small-scale artisanal and illegal workings, indicating the presence of tantalum mineralisation. Post reporting period activity has focused on HCK-1, where the Company is manually excavating shallow vertical pits to define the strike and width potential of this occurrence.

In early 2022, the Company commissioned a local, government registered, environmental consultancy to complete an Environmental Management Plan for the licence area. The work identified the baseline characteristics of the area and the effects that some current, and past illegal artisanal mining has had on the local environment.

Dynasty Joint Venture

This is a 50 / 50 Joint Venture with Dynasty Construction Ltd, which holds the title to a 400-hectare exploration licence located 18 km northwest of the town of Huye in the Southern Province of Rwanda. The local region is considered prospective for near-surface tantalum mineralisation, hosted by weathered and altered pegmatite dykes. This licence has a common boundary on the east with the adjacent HCK licence.

The licence area is underlain by schists, and minor intrusive bodies of the Palaeoproterozoic granitic-metamorphic Butare Complex, which occurs to the west of the Gitarama granitic massif. The Complex

Eastinco Mining and Exploration Plc**STRATEGIC REPORT (continued)
YEAR ENDED 31 DECEMBER 2021**

is surrounded by low-grade metasedimentary terrains and is bordered to the north by a major NW-SE left-lateral shear zone, the Mwogo Structure.

There is no data or evidence to suggest any earlier or historical detailed exploration has occurred on the licence area. Reconnaissance level geological traversing has identified four localities, with potentially mineralised pegmatite dykes observed. Additional follow-up work is scheduled once the HCK exploration pitting is completed. Artisanal mining activity in the region is limited to occasional shallow pits, but nothing as extensive as can be observed in other areas of tantalum mineralisation within Rwanda.

The pegmatite dykes identified on the southern joint venture properties form a very encouraging exploration target with considerable upside exploration potential if the tantalum grade distribution along the strike and depth extensions can be proven. If so, the Company believes that the landholding in the Huye District will comprise a significant new pegmatite field in Rwanda.

Morocco Acquisition – Aterian Resources

On the 22nd of November 2021, the Company announced the proposed acquisition of battery metals focused explorer Aterian Resources Ltd (“Aterian”). Aterian is a wholly-owned subsidiary of Altus Strategies Plc and holds a portfolio of 15 highly prospective copper-silver and other base metal exploration projects totalling 794 km² in Morocco.

Most of the projects occur within the Anti-Atlas Mountain chain in Morocco which is host to numerous world-class mineral deposits including the Imiter Silver Mine (131 Moz at 500g/t Ag) and Bouazzer Cobalt Mine (16 Kt at 1.0% Co). The Anti-Atlas is dominated by Palaeoproterozoic to Neoproterozoic age inliers overlain unconformably by Cambrian to more recent sedimentary sequences and volcanic units. The Lower Cambrian Adoudounian formation is comprised of sediments known to host major sedimentary copper deposits in the Western and Central Anti-Atlas that include the Tizert mine (56.8 Mt at 1.03% Cu and 23 g/t Ag) and the Agjgal mine (5 Mt at 1% Cu and 20 g/t Ag) operated by Managem.

Several projects lie in the Central Moroccan Hercynian Massif, which contains several large granitic plutons that intruded into a sequence of Ordovician to Devonian aged sediments. The region hosts numerous active and historic mines and development projects for copper, tin, tungsten, lead, zinc and fluorite. Nearby operations include ONHYM's Rhourat N'Has tungsten-copper project and the Sokhret Allal tin-tungsten deposit, with active projects elsewhere in the region including Managem's El Hamman fluorite mine and Kasbah Resources (ASX: KAS) tin development projects at Achmmach and Bou El Jaj.

The Business Model

Our strategy is to develop a business model based on cooperation and seeking new partnerships with proven, profitable producers to improve production and health & safety while evaluating and acquiring new greenfield opportunities. By entering into joint venture agreements, which effectively pay royalties to the existing license holders, Eastinco can deploy capital on existing producing and profitable mines to significantly increase productivity while greatly improving safety standards. This strategy allows the local community to secure the long-term future of the mine.

By assuming operational control and providing the Cooperative held mining sites with working capital, health and safety oversight, and mechanised equipment, the opportunity exists to consolidate inefficient but producing and profitable small-scale mines to create a tin, tungsten, and tantalum mining stalwart in Central Africa. Relatively small capital expenditure on mechanisation, technology and safety equipment

is needed to upgrade the sector to a safer and semi-mechanised state, thereby significantly increasing production, which is low compared to the proven potential. We aim to generate the revenues required

to support and fund further exploration across the Company's asset base of ethically sourced strategic and critical metal projects.

The Company remains active in identifying and evaluating further opportunities across a range of commodities and jurisdictions. The Company intends to achieve these goals while maintaining corporate governance principles in line with those outlined in the QCA Code.

		2021 Achievable	Risks
Stakeholders	<ul style="list-style-type: none"> •Community, including social & environmental, matters are of critical importance. Thus, workers, suppliers, community member stakeholders are in regular communication with management and vice versa to promote community engagement. •Regulatory bodies communications are critical to ensure world-class site development, environmental standards and operational compliance. •Worker and Management training to ensure proper safety, health and security policies and on-going training and human resource investment. •Culture is stakeholder focussed, emphasising a safe, optimal-performance work environment with accountability. •Flat management structure looking to incorporate local employees in management training and key operational roles. •Limited social media activity, emphasis on stakeholder communication. 	<ul style="list-style-type: none"> •Environmental Planning •Up-to-date regulatory filings •Inspections completed •Rwandan site managers •Clean Water initiative •Community Engagement 	External & Operational Risks
Business	<ul style="list-style-type: none"> •Switch from artisanal mining to mechanised industrial surface mining. •Development of the largest tantalum processing plant in sub-Saharan Africa. •Development of Great Lakes trading operation and strategic relationships. •Aim to produce productivity efficiencies from capital investments to maximise cash-flows and value to the Company, mining sector and local community. 	<ul style="list-style-type: none"> •Artisanal mining ceased •Wash plant optimisation •Joint-Venture expansion •Off-take agreement 	Financial & Operational Risks
Growth	<ul style="list-style-type: none"> •Self-sustaining model as cash-flows support exploration and reserves growth •New project evaluation and joint-venture investment in exploration to increase operational reserves. •Acquisition of Aterian Resources •Regular corporate and project searches to evaluate pan-African growth opportunities 	<ul style="list-style-type: none"> •Huye joint-ventures in (HCK & Dynasty) exploration and metallurgical analysis •Reserve estimation •License expansion applications pending 	Financial, Strategic & External Risks

ESG and CSR

Our Communities

We believe it is our corporate responsibility to deliver returns by being a responsible investor in all the communities in which we engage. Integrating ESG matters into our investment decision-making process and active ownership practices are important elements of being a responsible investor. Minimising our impact on the environment is a strong company focus, and this includes reducing our carbon footprint and water usage, reforestation and protecting biodiversity. To this end, we expect to be a carbon neutral business in 2022.

Eastinco Mining and Exploration Plc**STRATEGIC REPORT (continued)
YEAR ENDED 31 DECEMBER 2021**

EME is committed to being a responsible corporate body by managing the environment and the social impact of our mining operations diligently and sensitively. Our strategy is to ensure that relations with national, regional, and local authorities, the local and broader community, and the environment are led by transparency in our commercial activities, the appropriate degree of interaction with stakeholders and maximum responsibility and accountability in all our operations.

2021 was particularly important to our communities as we initiated significant changes to mining operations. The Company participates in a meaningful clean water programme to allow members of the local community to access a source of clean drinking water. We also participate in community support programmes that help feed vulnerable members of our community as Covid restrictions impacted the local economy.

At EME, we recognise the importance of the UN Sustainable Development Goals (UN SDG), and we indirectly contribute, in some way, to the majority of these goals. We have prioritised the SDGs that align most directly with our business, corporate strategy, sustainability efforts, and stakeholder expectations while also representing our greatest opportunities to contribute further to the goals.

Sustainable Development

EME is committed to achieving development that provides benefits to those geographical areas in which we operate without compromising the ability of future generations to meet their own needs both economically and environmentally. EME will endeavour to achieve continual excellence in environmental performance, abiding by all expected environmental standards and respecting the environment and the rights of our neighbours.

Our People

EME operates within a favourable framework for labour relations based on a non-discriminatory, equal opportunities employment system that respects diversity and facilitates communication at all levels of the Group. The Group provides a healthy and safe working environment by implementing the best available international practices and procedures.

Communication

EME promotes and encourages the establishment of broad communication channels and continually seeks opportunities for conversation with its various stakeholders to ensure that business objectives remain in tune with social needs and expectations. The Company will always seek to provide relevant, transparent, and accurate information about its activities and encourage continuous improvement in this area.

Eastinco currently provides the maintenance on 65 solar water purification units that are donated free of cost to schools in Rwanda. Each unit is 100% solar-powered and can provide safe UV-filtered and bacteria-free drinking water for up to 400 school children and teachers. This clean water initiative helps to provide safe drinking water to over 26,000 children.

Risks

Risk management is one of the core responsibilities of the Board and it is central to the decision-making process. The Board's fundamental duties as to management are:

- Assessing (quantitatively and qualitatively) the principal risks to the Company. Principal risks are those risks or combination of risks that could seriously affect the performance, future prospects or reputation of the Company;
- Recognising and assessing emerging risks. Emerging risks are those which have not yet occurred but are at an early stage and anticipated to increase in significance over the medium to long term time horizon;
- Risk management oversight and promotion of a risk mitigation culture.

Principal Risks and Uncertainties

The Group operates in an uncertain environment and is subject to several risk factors. The Directors have carried out a robust assessment of the principal risks facing the Group, including those that threaten its business model, future performance, solvency or liquidity. They consider that the following are the principal risk factors that could materially and adversely affect the Group's future operating results or financial position.

Deterioration in the metal markets in particular

There is a risk that changes in the relevant law and legislation could have an adverse effect on the Group's future performance, expected return and or feasibility of the project. The Group is also exposed to general economic risk, including changes in the economic outlook in its principal markets and government changes in industrial, fiscal, monetary or regulatory policies. The Board continues monitoring developments in the market in order that it can adapt its strategy. The management team has wide-ranging expertise in mineral exploration which, together with a flexible cost structure, enable the Group to adapt its organisation to changes in circumstances.

Funding risk

Although the Group has sufficient working capital for at least 12 months from the date of this report, the Group may not be able to obtain additional financing as and when needed which could result in a delay or indefinite postponement of exploration and development activities. In common with many exploration entities, the Group will need to raise further funds to progress the Group from the exploration phase into feasibility and eventually into the production of revenues.

Dependence on key personnel

The Company has a small management team, and the loss of a key individual could have an adverse effect on the future of the Group's business. The Group's future success will also depend in large part upon its ability to attract and retain highly skilled personnel. There can be no assurance that the Group will be successful in attracting and retaining such personnel. The Group seek to create a workplace that attracts, retains, and engages its workforce. Efforts are also made to attract new talent and skilled people.

Environmental risk

There may also be unforeseen environmental liabilities resulting from both the future and/or historic exploration or mining activities, which may be costly to remedy. In addition, potential environmental liabilities as a result of unfulfilled environmental obligations by the previous owners may impact the Group. If the Group is unable to fully remedy an environmental problem, it may be required to stop or suspend operations or enter interim compliance measures pending completion of the required remedy. Environmental management systems are in place to mitigate environmental hazard risks. The Group

uses advisors with specialist knowledge in mining and related environmental management for reducing the impacts of environmental risk.

Political Risk

All countries carry a political risk that can lead to interruption of activity. Politically stable countries can have enhanced environmental and social risks, risks of strikes and changes to taxation, whereas less developed countries can have, in addition, risks associated with changes to the legal framework, civil unrest and government expropriation of assets. The Company has working knowledge of Rwanda, through our subsidiary management team and our local joint venture partner have the experience to assist the Company in the management of its investment in order to help reduce possible political risk.

Estimates of mineral reserves and resources

Mineral resources are estimates and no assurance can be given that any particular grade or tonnage will be realised or that they will be converted into ore reserves or will ever qualify as a commercially mineable (or viable) deposit that can be legally and economically exploited. As a result of these uncertainties, there can be no assurance that any potential mineral resources defined by the Group's exploration programmes will result in profitable commercial mining operations. The Directors are confident that they have put in place a strong management team capable of dealing with the above issues as they arise.

Eastinco Mining and Exploration Plc

STRATEGIC REPORT (continued)
YEAR ENDED 31 DECEMBER 2021

Business Risks

RISKS

Type	Description	Level	Mitigation	
Strategic	Single asset Single commodity Single country	Mining operations are focussed on a single asset: Musasa. We intend to produce and sell coltan with minimal by-products (tin, sand, and chromium). Any interruption in coltan production and/or processing may impact results	High	Seeking acquisitions to diversify assets, commodity and country
Strategic	Mineral resources and reserves	EME must continually replace and expand the mineral resources and mineral reserves. The depletion of our mineral reserves may not be offset by future discoveries and/or acquisitions	Low	Applications pending to expand existing license areas
Strategic	Project Expenditure	Capex requirements at Musasa site and/or Huye site may require more capital than originally anticipated and/or we may have difficulty obtaining required capital equipment, licenses, permitting and financing, which could cause project delays.	Medium	Seeking third-party consulting relationships and new diversified suppliers
Commercial	Commodity Pricing	Commercial viability is dependent upon the commodity pricing being above minimal levels;	Medium	Seeking to hedge/forward sell production
Commercial	Customers	The global market for Tantalum is relatively small and a limited number of off-takers and/or traders will be purchasing the ore. Any reduction to the number of customers could impact pricing	Low	Seeking to establish trading arm to increase customer base and improve price transparency
Commercial	Inputs & Equipment	Replacement capital equipment, perishables, and inputs, such as grid electrical power, diesel are critical to operations and the ready supply and pricing of such items is influenced by factors outside of our control.	High	Seeking alternative sources of capital equipment and inputs
Commercial	Taxation & Government Stability	The companies are subject to laws and regulations relating to taxation, customs and excise, and potential foreign exchange controls that could have an adverse effect on our business, financial conditions and results of operations	Low	Diversification of jurisdiction will reduce exposure to any single country tax/foreign exchange
Commercial	Economic conditions	Global economic conditions or changes in consumption patterns relating to renewable or green metals and/or specialty metals may adversely affect our growth and profitability.	Low	Monitor market fundamentals and look to diversify metal portfolio
Operational	Dependence on key Infrastructure	We are dependent on transportation facilities, logistical supply lines, infrastructure and certain suppliers, a lack of which could impact our production and development projects.	Medium	Seeking alternative logistical routes for product and material supply import and export
Operational	Operational risks and hazards	Operational risks and hazards may adversely impact our business, financial condition and result of operations, particularly: floods, natural disasters, industrial accidents, labour disputes, structural collapses, transportations delays and earthquakes.	Medium	Insurance
Operational	Water, electricity and other key supplies	Our mining operations depend on the continual availability of water, electricity and other key inputs	Medium	Diversification of supplies where applicable
Operational	JV & Labour Disputes	We may be adversely affected by labour disruptions and/or disputes with partners over the terms and conditions of any joint venture agreement.	Medium	Actively seeking EOC advisor to assist with community engagement and employee training

Eastinco Mining and Exploration Plc

STRATEGIC REPORT (continued) YEAR ENDED 31 DECEMBER 2021

Corporate Responsibility

We have defined the scope of our Group's responsible business practices as falling within the following key focus areas:

- Health and Safety – ensuring the safety and well-being of our staff
- Environment – managing our environmental impact areas of waste, energy and water
- Employees – supporting our people to develop and flourish within the business
- Community – positive interaction with the communities in which we operate
- Ethical Standards – operating to the highest ethical standards

We remain committed to ensuring these activities become embedded in how we operate and contribute to the success of our business. These include not only identifying and managing business risk but exploring opportunities to add value to the business.

Health and Safety

The Group has maintained strict compliance with its Health and Safety Policy and is pleased to report that there were no lost-time accidents during the year.

Environment

No Group Company has had or been notified of any instance of non-compliance with environmental legislation.

Key Performance Indicators

EME uses multiple strategic key performance indicators ("KPI's") to measure our financial and non-financial performance. The KPI's, to be utilised from 2022 following the completion of our wash plant development, are linked to our strategic objectives to help assist in the measure of business performance.

The following ten measures are considered by management to be some of the most important in evaluating the overall performance of the Group year on year.

1. Feed Tonnes (tonnes mined)
2. Ore Production
3. Tantalum Concentration %
4. Operational Hours
5. Operational Expense
6. Equipment Usage
7. Water Usage
8. Power Usage
9. Incident Rate (Accidents, Insurance Claims)
10. Hectares under License (Exploration & Mining)



Charles G Bray
Director
30 June 2022

Eastinco Mining and Exploration Plc**DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2021**

The Directors present their report and the audited consolidated financial statements for the year ended 31 December 2021.

General Information

The Company is a public limited company which is quoted on Aquis Exchange and is incorporated and domiciled in the UK. The address of its registered office is 27-28 Eastcastle Street, London W1W 8DH.

The registered number of the company is 07496976.

Substantial Interests

As at 31 December 2021, the significant shareholders of the Company were as follows:

CONCERT PARTY (BRAY, HOGAN, KNOEF, STATEN)*	18.319%
SPREADEX LIMITED	12.018%
SUMMERHILL TRUST COMPANY (ISLE OF MAN) LTD	10.635%
JIM NOMINEES LIMITED	8.315%
THE BANK OF NEW YORK (NOMINEES) LIMITED	6.216%
<i>CHARLES BRAY & PARTIES* (Chairman)</i>	6.010%
<i>DANIEL L HOGAN* (Eastinco Ltd CEO)</i>	4.880%
MR STEPHAN C M KNOEF*	4.513%
JAMES KREITMAN	4.502%
<i>SIMON ROLLASON (CEO)</i>	4.093%
BARNARD NOMINEES LTD	3.952%
LUNA NOMINEES LIMITED	3.465%
PEEL HUNT HOLDINGS LIMITED	3.019%
REBA GLOBAL PTY LTD	3.002%

Management is italicised

Concert Party Holding

As of 31 December 2021, C Bray, M Staten, D Hogan and S Knoef together, forming a Concert Party, hold 89,525,500 ordinary shares of 1 pence or 18.32% of the outstanding share capital.

Beneficial Interest in Employee Benefit Trust

The Company has a beneficial interest in its own shares which were, during the year 2018 and in 2021, through a nominee company. The shares are held in an Employees Benefit Trust (The Equatorial EBT) for the benefit of its employees. This is intended to constitute an employee's share scheme within the meaning of the section 1166 of the Companies Act 2006. The shares are held by Summerhill Trust Company and administered by IQ-EQ, formerly First Names Trust Company (Isle of Man) Limited and total 51,974,000 or 10.635% as noted in the above table. The shares have nominal value of £519,740 of the called up share capital of the company.

Eastinco Mining and Exploration Plc**DIRECTORS' REPORT (continued)
YEAR ENDED 31 DECEMBER 2021**

To date options to purchase 51,907,400 of the shares have been granted to current and previous directors or managers under share option agreements as disclosed in the note 17 of the financial statements.

Directors and Directors' Interests

The Directors who served in office since the beginning of the financial period are shown below:

S J Retter*
D Marais
C Bray*
M Staten*
S Rollason*

Director Bray is a member of a management "Concert Party" holding 89,525,500 ordinary shares of 1 pence or 18.32% of the outstanding share capital. The Concert Party includes former director Mike Staten, Daniel Hogan, CEO of Eastinco Limited and former Eastinco Limited director, Stephan Knoef. Simon Retter holds 2,000,000 ordinary shares of 1 pence. Simon Rollason holds 20,000,000 ordinary shares of 1 pence.

Details of the Directors' fees are given in note 4 to the financial statements. In addition, the Directors were issued with share options. Share options disclosures are in note 17.

As at the date of this report the interests of the directors in 1p ordinary shares of the company are as follows.

Director	Ordinary Shares	Options in the EBT Scheme	Total	% (Percentage of total issued share capital)	Warrants
M Staten	14,250,000	-	11,500,000	2.92%	4,862,500
S J Retter	1,166,362	2,000,000	3,166,362	0.65%	-
S Rollason	20,000,000	-	20,000,000	-	-
D Marais**	14,670,000	-	14,670,000	3.02%	6,670,000
C Bray*	2,370,000	-	2,370,000	0.61%	3,333
Edlin Holdings Limited*	24,000,000	-	24,000,000	4.91%	6,000,000

*Charles Bray is deemed to have control over Edlin Holdings and as such Edlin Holdings limited is a related party in relation to Charles Bray's Director Holdings.

** D Marais holds shares through Reba Global Pty Ltd.

Directors Biographies**Charles Bray, Aged 54, Chairman**

Charles has over 30 years of experience, primarily focused in financial markets. A graduate of Yale University with a degree in Economics, Charles originally worked for O'Connor & Associates in both Philadelphia and New York as an exchange derivatives trader. In 1994, he joined the London derivatives team of Paribas Capital Markets, following which he joined Credit Suisse to eventually manage the Equity Convertible Finance Group which specialised in structuring, trading, and managing privately issued corporate debt, equity, and equity-linked products with a focus on small-mid cap issuers.

Eastinco Mining and Exploration Plc**DIRECTORS' REPORT (continued)
YEAR ENDED 31 DECEMBER 2021**

In 2002, Charles founded the fund management and capital markets boutique, Astin Capital Management Ltd. Charles joined the Board of Eastinco in 2019 to lead its strategic refocus and recapitalisation which led to its move into Rwanda and the pursuit of corporate transactions to improve its growth and diversification prospectus.

Simon Rollason, Aged 56, Director

Simon has 30 years of international exploration and mining experience, having worked on a wide range of commodities and geological terranes, developing & building projects, and companies. He completed a BSc (Hons) degree in geology from the University of the Witwatersrand, South Africa. He has broad corporate exposure ranging from multi-nationals to junior and start-up companies, with a strong operational background in African countries and within the CIS. He has operated in both open pit and underground mining environments, managed both surface and underground exploration on greenfield to brownfield projects and producing assets.

Simon Retter, Aged 39, Non-Executive Director

Simon started his career at Deloitte in assurance and advisory, qualifying as a chartered accountant before focusing on corporate finance transactions and IPO's. In 2010, Simon was instrumental in the listing of Paragon Diamonds Ltd on AIM and has maintained the role of finance director since its inception. Simon has played a critical role in numerous fund raisings, origination & execution of corporate transactions including acquisitions over the last 4 years for Paragon. Simon joined the Board of Eastinco in June 2015.

Devon Marais, Aged 26, Non-Executive Director

Devon is a South African National experienced in technology, renewables and mining. He is the founder of a solar energy provider, which solar powered over 300 homes in South Africa, Malawi, Zambia and Uganda and co-founder and managing partner of Reba Group, which specialises in financing and commercialising high-profile technologies in Africa. Devon joined Eastinco as non-executive director in June 2018 when ARQ took an interest in the Company.

Kasra Pezeshki, Aged 38, Non-Executive Director (pending appointment)

Mr Pezeshki currently serves as the Chief Investment Officer at Britishvolt, the UK's first large-scale Gigafactory, currently under construction in Northumberland. Kasra has over 17 years of experience in investment banking, structured finance, and private equity at institutions such as UBP, Morgan Stanley, Adveq, Bank of America and Enveq in London, New York, Geneva, and Zurich. As the co-founder and director of Enveq Investments, Kasra has originated, structured and executed deals for a wide range of clients varying from corporates to family offices, as well as having made direct investments in venture capital and private equity. Enveq Investments continues to manage and own a portfolio of investment companies active in healthcare, technology, entertainment, and real estate, as well as being an early investor into Britishvolt. Kasra holds a 1st Class BSc (Hons) degree from the Electrical and Electronic Engineering Department of the University of Hertfordshire and an MSc in Computer Science from Imperial College London.

Alister Hume-Masterton, Aged 33, Non-Executive Director (pending appointment)

Mr Hume-Masterson currently serves as the Chief Investment Officer of Altus Strategies plc. Alister is an experienced investment and business development manager with over a decade of experience

working in private equity and capital markets in the natural resources industry. He has gained international exposure to the sector through his roles as an investment advisor at Morgans, Australia's largest corporate broker, an investment manager at The Sentient Group, a US\$2.7b private equity fund focused on metals and mining, and as director of business development at KoBold Metals, a data science-led resource investment vehicle. Alister previously held board positions for East Africa Copper and Meridian Mining (TSXV: MNO). He holds a Bachelor of Commerce (Finance and Accounting) from Sydney University and has completed level I of the CFA programme in 2020. He is currently enrolled in level II.

Section 172 Statement

The Directors are well aware of their duty under 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

The Board recognises that the long-term success of the Group requires positive interaction with its stakeholders. Positive engagement with stakeholders will enable our stakeholders to better understand the activities, needs and challenges of the business and enable the Board to better understand and address relevant stakeholder views which will assist the Board in its decision making and to discharge its duties under Section 172 of the Companies Act 2006.

In the following section we identify our key stakeholders, how we engage with them and key activities we have undertaken during the period in question.

Shareholders

Eastinco Mining and Exploration Plc engages with its shareholders. Shareholder support is vital to our success, and we seek out and listen to shareholders' opinions. We have an open dialogue with our shareholders from direct conversation, meetings, and via digital platforms and social media. We also utilise a dedicated financial and investor public relations platform as well as social media to provide video, audio, and photos of our activities and our progress. Shareholder feedback is communicated to the Board and the views of shareholders considered in our decision making.

Colleagues

Our team is made up of a diverse set of individuals critical to our success. Regular and active communications amongst the teams allows us to balance the Company's success with individual health, safety, well-being, and career development. In 2021 the team actively communicated on a regular basis including two site conferences to develop and support frank and direct colleague communications. Additionally, the Company announced two joint-venture operations with new partners of the course of the year; the Company includes our joint-venture partners in our colleague communications.

Suppliers

We have strong relationships with our suppliers who have been incredibly supportive and patient through a time of significant strategic change. This support has allowed longstanding relationships to develop and become mutually beneficial. We engage with suppliers to optimise the delivery of key supplies, especially capital equipment. The Board recognises that relationships with suppliers are important to the Company's long-term success and is briefed on supplier feedback and issues on a regular basis.

Communities

We are pleased to engage with the communities in which we operate to build understanding and trust. Our operations at present are joint-venture operations with partnerships involving long standing local community partners. We recognise that we have a significant impact on the local communities and that local issues are important. The Board focuses on opportunities to support local causes and issues. We combine this with creating opportunities to recruit and develop local peoples' careers. Our community involvement includes working with local government, community, and organisations to leverage our presence to improve local health and safety. The key issues and themes across local communities are reported back to the Board on a regular basis. We consider the long-term environmental impact of decisions both locally and nationally with a view to long term land reclamation and the improvement of use.

Customers

We seek to mine utilising mechanisation and industrial methods to deliver high quality products. Our ambition is to deliver significant quantities of best-in-class product to our trade customers. We intend to build strong lasting relationships with our trade customers and spend considerable time with them to understand the market, their needs, and views. We use this knowledge to inform our decision-making, for example, our final tantalum product will initially be sold in-country, where a number of international metals buying companies are established and have operated for a number of years. This will allow for us to build quantities to sufficient levels prior to foreign sales and off take agreements.

Advisors

The Company seeks the advice of its legal and/or corporate advisor in communications and decision making with all stakeholders. Our advisors are critical in our communications with compliance and regulatory bodies including the Aquis Stock Exchange, the FCA, the Takeover Panel.

Disclosure of Information to Auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

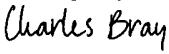
Auditors

MHA MacIntyre Hudson were appointed as auditors during 2022 following the resignation of Adler Shine LLP. They have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the next Annual General meeting.

Eastinco Mining and Exploration Plc

**DIRECTORS' REPORT (continued)
YEAR ENDED 31 DECEMBER 2021**

This report was approved by the Board on 30 June 2022 and signed on its behalf.

DocuSigned by:

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Charles G Bray
Director

Eastinco Mining and Exploration Plc**STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2021**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financials only financial statements in accordance with International Financial Reporting Standards as adopted in the United Kingdom ("UK adopted").

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; ,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's and company's position and performance, business model and strategy.

Each of the directors, whose names and functions are listed in the corporate governance section on pages 16 and 17 confirm that, to the best of their knowledge:

- the group and company only financial statements, which have been prepared in accordance with International Financial Reporting Standards as adopted in the United Kingdom ("UK adopted"). and international financial reporting standards, give a true and fair view of the assets, liabilities, financial position and loss of the group;
- the Directors' Report includes a fair review of the development and performance of the business and the position of the group and company, together with a description of the principal risks and uncertainties that it faces. In the case of each director in office at the date the directors' report is approved:
- so far as the director is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and,
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and
- company's auditors are aware of that information. The Directors' Responsibility Statement was approved by the Board on 30 June 2022.

EME and its subsidiaries are required to comply with a recognised corporate governance code, demonstrating how the Group complies with such corporate governance code and where it departs from it. The Company has decided to apply the QCA Corporate Governance Code ("QCA Code"), which is specifically designed for growing companies, as the Corporate Governance framework to ensure adequate corporate governance standards as befits the nature of the Company's business and the stage attained in the continuing evolution of the Company, and in-line with its corporate strategy and business goals.

Eastinco Mining and Exploration Plc STATEMENT OF DIRECTORS' RESPONSIBILITIES
(continued) YEAR ENDED 31 DECEMBER 2021

The QCA Code sets out ten principles by which the code may be applied to any company. These principles are outlined below as a demonstration of how the Company meets these requirements. The Board follows and applies the principles of the QCA Code, and the Company will provide annual updates on its compliance with the QCA Code in its Annual Report.

Principle 1. Establish a strategy and business model which promote long-term value for shareholders

The Company seeks to secure the acquisition of critical and strategic mineral resource assets relating to exploration, development, and trading across Africa. EME can deploy capital on ESG compliant producing and profitable mines to significantly increase productivity and improve safety. The opportunity exists to acquire and consolidate existing inefficient mines to create a tin, tungsten, and tantalum mining company providing the capital expenditure for mechanisation, improved process technology and safety equipment needed to upgrade the sector and thereby significantly increasing production. The Company remains active in identifying further opportunities across a range of critical and strategic commodities and jurisdictions. The Company intends to achieve these goals while maintaining corporate governance principles in line with those outlined in the QCA Code. The key challenges in achieving this are set out below.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Board considers that good communication with shareholders, based on the mutual understanding of objectives, is important. In addition to the information included in the Company's annual and interim reports and required public announcements, there is regular dialogue between the Board and senior management and shareholders including regular presentations to investors, one-to-one meetings with major shareholders, in addition to specific meetings with shareholders relating to major transactions.

Through shareholder feedback the Company ensures that it remains in touch with the information requirements of our shareholders, their expectations regarding their investment, and the motivation behind their voting decisions. The Director's consider shareholder's motivations and expectations to be broadly correlated with that of the Company and the Company's strategy.

The Company aims to update on key events within these categories frequently, and in a timely manner as events materialise. Directors recognise that shareholders require complete and timely information as a necessary input to their investment decisions. An up-to-date information flow is also maintained on the Company's website (www.eastinco.com) which contains all press announcements, financial reports, as well as operational information on the Company's activities.

The Board also encourages shareholders to attend the Annual General Meeting, at which members of the Board are available to answer questions and present a summary of the year's activity and the corporate outlook for the Company.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board believes that long-term success relies upon good relations with a range of different stakeholder groups, both internal and external. Most importantly, however, we act with respect for people, communities and the environment and implement a strong ESG policy.

Eastinco Mining and Exploration Plc STATEMENT OF DIRECTORS' RESPONSIBILITIES
(continued)
YEAR ENDED 31 DECEMBER 2021

Companies in the natural resources and commodities industries are particularly exposed to ESG challenges, in large part due to the unique combination of environmental issues, human rights issues and financial transparency. Given our involvement in businesses centred primarily on the very large and diverse African continent our mining projects may be obliged to deal in geographical regions lacking well developed legal systems or human rights protections.

As part of our business model, we identify the relationships on which the Company relies, including local populations, suppliers, customers, partners, and other stakeholders, and seek to maintain and improve these relationships in several ways but particularly through direct engagement. We regularly seek to obtain, and act on, feedback from the population, our employees, our suppliers, and other parties with whom we transact, as to how we can best maintain and improve our interactions with each other.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board regularly reviews the risks to which the Company is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible whilst recognising that its business opportunities carry an inherently high level of risk. The Board is ultimately responsible for the management, governance, controls, risk management, direction, and performance of the Group. The principal risks and uncertainties facing the Company at this stage in its development and in the foreseeable future are detailed in on pages 10 to 12 of the Strategic Report, together with risk mitigation strategies employed by the Board. The Company also faces a number of financial risks such as liquidity risks. The Company's financial risk management policies are set out in note 15.

Principle 5: Maintain the board as a well-functioning, balanced team led by the chair

The Board of Directors currently comprises an Executive Chairman, two executive directors and two non-executive directors with an additional two directors whose pending appointment is subject to listing on the LSE. All directors retire by rotation with at least one third submitting themselves for re-election each year at the Company's Annual General Meeting.

Executive directors of the Company are required to work such hours as are required to fulfil their obligations to the Company and have service contracts with a 12-month notice period. They are not precluded from having other outside business commitments.

Non-executive directors have letters of appointment with a 3-month notice period and are required to be available to attend Board meetings and to deal with both regular and ad hoc matters. Their letters of appointment provide no indicative time commitment, but they are required to devote sufficient time as may reasonably be necessary for the proper performance of their duties.

The Board considers that both the non-executive directors independent in character and judgement.

The Board is satisfied that it has a suitable balance between independence and knowledge of the business to allow it to discharge its duties and responsibilities effectively.

The Board receives monthly report updates from the management team through monthly operational reports.

The Board and its' Audit and Remuneration committees are made up of the following members:

Eastinco Mining and Exploration Plc **STATEMENT OF DIRECTORS' RESPONSIBILITIES**
 (continued)
YEAR ENDED 31 DECEMBER 2021

Director	Position	Status	Audit Committee	Remuneration Committee
Charles Bray	Executive Chairman	Not independent	–	–
Simon Rollason	Executive Director/CEO	Not independent	–	–
Simon Retter	Non-Executive	Independent	Chair	Member
Devon Marais	Non-Executive	Independent	Member	Chair
Kasra Pezeshki	Non-Executive (pending)	Independent	TBD	TBD
Alister Hume-Masterton	Non-Executive (pending)	Independent	TBD	TBD

Directors are expected to attend at least four Board meetings each year. The Board meets at least 4 times per annum however, the Board meets more frequently than this on an ad hoc basis.

The Company reports annually on the number of Board and Committee meetings that have been held and the attendance record of individual directors. During the year, 11 conference call, Board meetings were held. The attendance of the Directors was as follows:

Number of Board Meetings each Director attended					
Number of Board Meeting in 2021	C Bray	M Staten	S Rollason	S Retter	D Marais
11	11	1	10	9	10

Note K Pezeshki and A Hume join the Board in 2022

The Audit Committee is scheduled to meet at least 2 times a year but may meet more frequently regarding the Company's audit or on risk management issues. The Remuneration Committee is scheduled to meet at least once a year.

Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Board is satisfied that, between its directors, it has an effective balance of skills and experience including technical and commercial mining industry knowledge and expertise and experience in sales, operations, performance improvement, finance, commercial law, and capital markets. Each Board member brings a mix of different capabilities which blend well into a successful and effective team.

Board members maintain their skillsets through practice in day-to-day roles enhanced with continuing professional development and specific training where required.

Biographies for each Board member are published on the Company's website and in the Directors' Report.

Eastinco Mining and Exploration Plc STATEMENT OF DIRECTORS' RESPONSIBILITIES
(continued)
YEAR ENDED 31 DECEMBER 2021

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Company does not currently undertake a formal annual evaluation of the performance of the Board or individual Directors but will consider doing so at an appropriate stage of its development in accordance with general market practice.

Given its relatively small size, the Company has no formal succession planning process in place. Recommendations for Board-level and other senior appointments are put to the Board for approval by the Executive Chairman.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Board also believes that a healthy corporate culture both protects and generates value for the Company. We therefore seek to operate within a corporate culture that is based on sound ethical values and behaviours. We do this using certain rule-based procedures (such as our formal Corporate Code of Conduct) and, more importantly, by the behavioural example of individual Board members and senior managers. These values, which we seek to instil throughout the Company, include integrity, respect, honesty, and transparency. As a small company these characteristics are far more visible to staff than might otherwise be the case. We also hold internal meetings at which Directors and staff discuss matters, both formally and informally.

The corporate culture of the Company is promoted throughout its employees and contractors and is underpinned by compliance with local regulations and the implementation and regular review and enforcement of various policies, including a Health & Safety Policy, Share Dealing Policy, and Social Media Policy. The Company policy is that all Company activities are carried out in compliance with safety regulations, in a culture where the safety of personnel is paramount. The Company will ensure an appropriate level of contact and negotiation with all stakeholders including landowners, community groups and regional and national authorities.

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company and that this will impact performance. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company and the way that employees behave. The exploration for, and development, of mineral resources can have significant impact in the areas where the Company and its contractors are active, and it is important that the communities in which we operate view Company's activities positively. Therefore, the importance of sound ethical values and behaviour is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this is reflected in all the Company does.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Board is responsible for the long-term performance of the Company. There is a formal schedule of matters specifically reserved for the Board, in addition to the formal matters required to be considered by the Board under the Corporations Act. This list includes matters relating to:

- a) appointing executive directors and determining their remuneration;
- b) determining strategy and policy;
- c) reviewing and ratifying risk management and compliance systems and controls;
- d) approving major capital expenditure, acquisitions and disposals;

Eastinco Mining and Exploration Plc **STATEMENT OF DIRECTORS' RESPONSIBILITIES**
(continued)
YEAR ENDED 31 DECEMBER 2021

- e) approving and monitoring budgets and the integrity of financial reporting;
- f) approving interim and annual financial reports;
- g) approving significant changes to the organisational structure;
- h) approving any issues of shares or other securities;
- i) ensuring high standards of corporate governance and regulatory compliance; and
- j) the appointment of the Company's auditors.

The Executive Chairman's role involves both the leadership of the Board (including responsibility for the establishment of sound corporate governance principles and practices) and leading the Company's executive management team in the execution of its strategy. He also plays a pivotal role in developing and reviewing the strategy in consultation with the Board.

The QCA Code's recommendation is that the role of Chairman and Chief Executive are not combined, EME's use of an Executive Chairman reflects both the entrepreneurial nature and early stage of development of its business. The Board sought and secured the contribution of a new CEO and this addition has greatly strengthened the Board and the Company.

The Executive Directors are responsible for implementing and delivering the strategy and operational decisions agreed by the Board, making operational and financial decisions required in day-to-day operations, providing executive leadership to managers, championing the Company's core values and promoting talent management.

The Independent Non-Executive Directors contribute independent thinking and judgement through the application of their external experience and knowledge and are tasked with scrutinising the performance of management, providing constructive challenge to the executive directors and ensuring that the Company is operating within the governance and risk framework approved by the Board.

The Company's Board has determined to establish Audit, Remuneration and Nomination Committees to assist the Board in fulfilling its duties once the Board has determined that it is of a sufficient size and structure. At present, the Board continues to believe that, due to the relatively small size of the Company, its Board and operational business, not all such committees are required. These functions are therefore currently carried out by the Board:

- Financial statements are prepared with assistance from the management accountants and are reviewed by the Executive Chairman before being approved by the Board as a whole. Due to the current, relatively small size of the business, it is not considered appropriate to have an internal audit function.
- Remuneration for both executive and non-executive directors is determined by the Board save that no Director is involved in deciding their own remuneration.

Given its relatively small size, the Company has no formal succession planning process in place. Recommendations for Board-level and other senior appointments are put to the Board for approval by the Executive Chairman.

The Company's corporate governance policies and procedures will continue to be reviewed regularly and may change further as its business develops and in response to further regulatory and other relevant guidance.

Eastinco Mining and Exploration Plc STATEMENT OF DIRECTORS' RESPONSIBILITIES
(continued)
YEAR ENDED 31 DECEMBER 2021

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board attaches great importance to providing shareholders with clear and transparent information on the Company's activities, strategy, and financial position. Details of all shareholder communications are provided on the Company's website. The Company communicates with shareholders through its annual report and accounts, half yearly trading updates, its annual general meeting, regulatory news releases and one-to-one meetings with certain existing and potential new shareholders.

The Company's website includes the outcomes of shareholder votes cast at the Annual General Meeting and historic annual accounts, half-year reports and AGM notices.

In formally adopting the QCA Code as its corporate governance framework, the Board has reviewed all aspects of compliance and has taken action to improve disclosures in its annual report and accounts and on its website.

Departures from the QCA code:

In accordance with the requirements of the AQSE Rules for Companies, EME departs from the QCA Code in the following ways:

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

EME's Board is focused on implementing the Company's strategy. Given the size and nature of the Company, the Board does not consider it appropriate to have a formal performance evaluation procedure in place, as described and recommended in Principle 7 of the QCA Code. The Board will closely monitor the situation as the Company acquires assets and grows.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

No nominations committee has been appointed.

The QCA Code states that there should be a nomination committee to deal with the appointment of both executive and non-executive directors except in circumstances where the Board is small. The Directors consider the size of the current Board to be small and have not therefore established a separate nomination committee. The appointment of executive and non-executive Directors is currently a matter for the Board as a whole. This position will be reviewed should the number of directors increase.

Eastinco Mining and Exploration Plc STATEMENT OF DIRECTORS' RESPONSIBILITIES
(continued)
YEAR ENDED 31 DECEMBER 2021

The Directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with applicable law and regulations and have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted in the United Kingdom ("UK adopted").

The financial statements are required to give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time its financial position. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Website Publications

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

By Order of the Board,



Charles G Bray
Director
30 June 2022

Independent Auditor's Report

To the Members of Eastinco Mining and Exploration Plc

For the purpose of this report, the terms "we" and "our" denote MHA MacIntyre Hudson in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Eastinco Mining and Exploration Plc. For the purposes of the table on pages 31 to 33 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA MacIntyre Hudson. The Group financial statements, as defined below, consolidate the accounts of Eastinco Mining and Exploration Plc and its subsidiaries (the "Group"). The "Parent Company" is defined as Eastinco Mining and Exploration Plc. The relevant legislation governing the Parent Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Opinion

We have audited the financial statements, for the year ended 31 December 2021, which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and company statements of financial position;
- the consolidated statement of changes in equity;
- the company statement of changes in equity;
- the consolidated and company statements of cash flows; and
- the notes to the financial statements 1 to 24.

The financial reporting framework that has been applied in the preparation of the group and company's financial statements is applicable law and International Financial Reporting Standards (IFRS and IFRIC interpretations) as adopted for use in the United Kingdom ("UK adopted IFRS").

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- the Group and Parent Company financial statements have been properly prepared in accordance with applicable law and International Financial Reporting Standards (IFRS and IFRIC interpretations) as adopted for use in the United Kingdom ("UK adopted IFRS"); and
- the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Audit Committee.

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 are independent of the Group 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 as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements which states that the Group and Parent Company's operational existence is reliant on the ability to raise further funding through equity placing or through the support of the directors through an injection of capital. The impact of this together with other matters, indicate that a material uncertainty exists that may cast significant doubt on their ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. Our evaluation of the Directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to the Group's operations and specifically its business model.
- The evaluation of how those risks might impact on the Group's available financial resources.
- Where additional resources may be required the reasonableness and practicality of the assumptions made by the Directors when assessing the probability and likelihood of those resources becoming available.
- Liquidity considerations including examination of cash flow projections.
- Solvency considerations including examination of budgets and forecasts and their basis of preparation, including review and assessment of the model's mechanical accuracy and the reasonableness of assumptions included within.
- Held discussions with management regarding their future plans and strategies to begin operating in the future.
- We have performed sensitivity analysis on management's forecasts to determine if this has a material impact on the Group's ability to continue as a going concern.

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

Overview of our audit approach

Materiality	<p>The overall materiality that we used for the Group financial statements was £102,700 (2020: £100,000), which was determined as 3% of net assets (2020: 3% of net assets).</p> <p>The overall materiality for the Parent Company financial statements was £92,400 (2020: £100,000), which was determined as 3% of net assets, capped at 90% of Group materiality (2020: net assets capped at Group materiality).</p> <p>Performance materiality was set at 60% (2020: 75%) of materiality for both the Group and Parent.</p>
Scope	<p>Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.</p> <p>The Group consists of three reporting components. Both the Parent Company and Eastinco Limited were considered significant components and subject to full scope audits for the purpose of our audit report on the Group financial statements. The remaining components were subject to analytical review procedures as they were not deemed to be significant to the Group.</p> <p>Material subsidiaries were determined based on:</p> <ol style="list-style-type: none"> 1) financial significance of the component to the Group as a whole, and 2) assessment of the risk of material misstatements applicable to each component. <p>Our audit scope results in all major operations of the Group being subject to audit work.</p>
Key audit matters	<p>In addition to the matters described in the Basis for opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report:</p> <ul style="list-style-type: none"> • Investment Valuation (Standalone Parent) and Impairment of Goodwill (Group) • Accounting treatment of share-based payments

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement, whether or not due to fraud, that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Investment Valuation (Standalone Parent) and Impairment of Goodwill (Group)	
Key audit matter description	<p>Given that the subsidiary companies acquired are not currently revenue or profit generating entities, there is a risk that goodwill at the Group level and investments at the standalone parent level could be materially misstated.</p> <p>Whether an impairment is required or not is highly dependent on whether there is commercial viability in excavating the mines owned by the Group in the future or if there are any other financial impairment indicators. For this reason, management have assessed this as a significant risk in their accounting policies. Management's assessment of the mines is currently based on a single CGU.</p> <p>Management prepare a detailed impairment assessment, taking into consideration:</p> <ul style="list-style-type: none"> - current year developments relating to each licence; - expected useful lives of the licences and the ability to retain the licence interests when they come up for renewal; - comparable information for large mining and exploration companies in the vicinity of each of the licences; - external reports provided by mining experts and geological professionals, such as Xplore Global Limited, into the sites; - history of exploration success in the regions being explored by the Group; - local infrastructure and geopolitical environment; and - commodity prices.
How the scope of our audit responded to the key audit matter	<ul style="list-style-type: none"> • Reviewing the key information provided by management including the mining experts reports and supporting judgements made for the Group to make profit in the near future. • Reviewed the method used in estimating any potential impairment required and considered if it is appropriate. • Challenged management whether the inputs into the impairment assessment are reasonable and accurate based on supporting evidence. • Identified which of the assumptions used are significant to the estimate, i.e., those whose reasonable variation would cause a material change in the valuations. • Assessed any evidence of management bias in selecting key assumptions and assessed the impact of changes in the model vs. the assumptions used in previous periods. • Assessed whether there were indicators of impairment that should also be considered for the previous reporting date. • Reviewed the report's prepared by management's expert which indicated that there is high probability of sufficient reserves and resources.
Key observations	Based on the audit procedures performed, we noted no material issues from our work.

Accounting treatment of share-based payments	
Key audit matter description	IFRS 2 requires an entity to recognise share-based payments in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity. Specific requirements are included for equity-settled and cash-settled share-based payment transactions, as well as those where the recipient has a choice of cash or equity instruments. The fair value calculation is performed using the Black-Scholes model which incorporates a number of assumptions which are subjective in nature. Therefore, there is a risk that the fair value of share options may be calculated incorrectly.
How the scope of our audit responded to the key audit matter	<ul style="list-style-type: none"> • We engaged an independent audit expert to review the Black-Scholes valuation model, who challenged management's assumptions and inputs into the calculation. • We reviewed board minutes to identify any potential undisclosed schemes. • We obtained written confirmation from management to ensure that we have knowledge of all schemes in place as at 31 December 2021. • We traced a sample of employees in the scheme to payroll records to ensure that they are still employed by the Group.
Key observations	Based on the work completed by the independent audit expert a material difference was found in the share options charge. Management have adjusted for this in the financial statements and therefore we are comfortable that the accounting for the share options is accurate.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent Company financial statements
Overall materiality	£115,000 (2020: £100,000)	£103,500 (2020: £100,000)
How we determined it	3% of net assets (2020: 3% of net assets)	3% of net assets, capped at 90% of Group materiality (2020: net assets capped at Group materiality)
Rationale for the benchmark applied	In the absence of meaningful trade, we consider net assets to be the main measure by which the users of the financial statements assess the financial performance and future prospects the Group. Therefore, we	We consider the chosen benchmark to be appropriate due to the nature of the Parent Company's operations being a holding company of the Group.

	consider this to be the most appropriate benchmark for Group materiality.	
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We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Group and the Parent Company performance materiality was set at 60% (2020: 75%) of Group and Parent Company materiality respectively for the 2021 audit. In determining performance materiality, we considered our understanding of the entity, including the quality of the control environment and whether we were able to rely on controls, and the nature, volume and size of uncorrected misstatements in the previous period.

We agreed with management that we would report to them all audit differences in excess of £5,750 (2020: £5,000) for the Group and £3,175 (2020: £5,000) for the Company as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to management on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Overview of the scope of our audit

The Group consists of 5 components, one of which is based in the UK and audited by Group audit team, one which is audited by the component auditor in Rwanda and three which are subject to analytical procedures as they are not deemed to be significant components.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Profit before tax
Full scope audit	2	N/A	100%	100%
Analytical procedures	3	N/A	0%	0%
Total	5	N/A	100%	100%

Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or 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 the Directors

As explained more fully in the Directors' responsibilities statement, as set out on page x, 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 Group's and the Parent 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 Group or the Parent 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.

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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Enquiry of management around actual and potential litigation and claims.
- Enquiry of management to identify any instances of known or suspected instances of fraud.
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- Reviewing minutes of meetings of those charged with governance.
- Holding discussions with the Group's legal advisors to ascertain any ongoing claims or issues during the year.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular with respect to investment and receivable impairment reviews.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

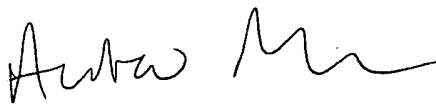
This description forms part of our auditor's report.

Other requirements

We were appointed by the Directors on 5 May 2022. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 1 year. We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to neither the Group or the Parent Company, and we remain independent of the Group in conducting our audit.

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.



Andrew Moyser FCA FCCA (Senior Statutory Auditor)
For and on behalf of MHA MacIntyre Hudson, Statutory Auditor
London
30 June 2022

Eastinco Mining and Exploration plc

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2021

		Group	
	Notes	Year to 31-Dec-21 £ '000	Year to 31-Dec-20 £ '000
Other revenue		-	44
Administrative expenses	4	(1,020)	(308)
Share based payments	17	(267)	-
Provision for impairment of ECL		(64)	-
Total operating loss		(1,351)	(264)
Interest payable and similar charges	5	(18)	(17)
Loss before tax		(1,369)	(281)
Income tax expense		-	-
Loss after tax		(1,369)	(281)
Other comprehensive loss		-	-
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		28	(186)
Total comprehensive loss		(1,341)	(467)
Loss per share			
Basic and Diluted loss per share (pence)		(0.31)	(0.07)

All activities relate to continuing operations.

The notes on pages 44 to 64 are an integral part of these consolidated financial statements.

Eastinco Mining and Exploration Plc

**CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**


	Notes	Group		Company	
		31-Dec-21 £'000	31-Dec-20 £'000	31-Dec-21 £'000	31-Dec-20 £'000
Non-current assets					
Investment	8	-	-	2,261	2,261
Goodwill	9	2,168	2,168	-	-
Trade and other receivables	11	-	-	1,703	1,383
Property, plant and equipment	10	1,226	1,038	-	-
Total non-current assets		3,394	3,206	3,964	3,644
Current assets					
Trade and other receivables	11	188	394	143	316
Cash and cash equivalents	12	196	52	190	49
Total current assets		384	446	333	365
Total assets		3,778	3,652	4,297	4,009
Equity and liabilities					
Share capital	16	5,671	4,301	5,671	4,301
Share premium	16	2,144	2,144	2,144	2,144
Share based compensation reserve		1,615	1,348	1,615	1,348
Interest in shares in EBT		(395)	(133)	(395)	(133)
Translation reserve		(263)	(291)	-	-
Accumulated losses		(6,629)	(5,326)	(6,373)	(5,221)
Other reserves		80	80	58	80
Merger relief reserve		1,200	1,200	1,200	1,200
Total equity		3,423	3,323	3,920	3,719
Current liabilities					
Trade and other payables	13	197	110	219	71
Total current liabilities		197	110	219	71
Non-current liabilities					
Loan notes	14	158	219	158	219
Total non-current liabilities		158	219	158	219
Total Equity and liabilities		3,778	3,652	4,297	4,009

Eastinco Mining and Exploration Plc

**CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION (Continued)
AS AT 31 DECEMBER 2021**

The company made a loss for the year of £1,152,000 (2020 – loss of £92,000).

These financial statements were approved by the Board and were authorised for issue on 30 June 2022 and signed on their behalf by

DocuSigned by:

A93511367FCF42F...
Charles G Bray
Chairman

DocuSigned by:

10C4EFFCC1B0468...
Simon Rollason
Director

Company number : 07496976

The notes on pages 43 to 64 are an integral part of these consolidated financial statements.

Eastinco Mining and Exploration plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2021

Group	Share capital	Share premium	Share-based compensation reserve	Interest in shares in EBT	Translation reserve	Other Reserve	Merger relief reserve	Accumulated losses	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2020	3,613	1,835	1,348	(133)	(105)	97	1,200	(5,062)	2,793
Loss for the year	-	-	-	-	-	-	-	(281)	(281)
Other comprehensive loss	-	-	-	-	(186)	-	-	-	(186)
	3,613	1,835	1,348	(133)	(291)	97	1,200	(5,343)	2,326
Other reserve	-	-	-	-	-	(17)	-	17	-
Exercise of warrants	618	309	-	-	-	-	-	-	927
Issue of new shares	70	-	-	-	-	-	-	-	70
At 31 December 2020	4,301	2,144	1,348	(133)	(291)	80	1,200	(5,326)	3,323
At 1 January 2021	4,301	2,144	1,348	(133)	(291)	80	1,200	(5,326)	3,323
Loss for the year	-	-	-	-	-	-	-	(1,447)	(1,173)
Other comprehensive loss	-	-	-	-	(28)	-	-	-	28
	4,301	2,144	1,348	(133)	(263)	80	1,200	(6,773)	1,904
Other reserve	-	-	-	-	-	-	-	144	144
Share based compensation	-	-	267	(262)	-	-	-	-	5
Convertible loan notes issue	850	-	-	-	-	-	-	-	850
Issue of new shares	520	-	-	-	-	-	-	-	520
At 31 December 2021	5,671	2,144	1,615	(395)	(263)	80	1,200	(6,629)	3,423

Eastinco Mining and Exploration plc

COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2021

	Share capital £'000	Share premium £'000	Share-based compensation reserve £'000	Interest in shares in EBT £'000	Other Reserve £'000	Merger relief reserve £'000	Accumulated losses £'000	Total £'000
At 1 January 2020	3,613	1,835	1,348	(133)	97	1,200	(5,146)	2,814
Loss for the year	-	-	-	-	-	-	(92)	(92)
	3,613	1,835	1,348	(133)	97	1,200	(5,238)	2,722
Transfer from other reserve to accumulated losses				-	(17)	-	17	-
Exercise of warrants	618	309	-	-	-	-	-	927
Issue of new shares	70	-	-	-	-	-	-	70
At 31 December 2020	4,301	2,144	1,348	(133)	80	1,200	(5,221)	3,719
At 1 January 2021	4,301	2,144	1,348	(133)	80	1,200	(5,221)	3,719
Loss for the year	-	-	-	-	-	-	(1,152)	(1,152)
	4,301	2,144	1,348	(133)	80	1,200	(6,373)	2,567
Other Reserve	-	-	-	-	(22)	-	-	(22)
Transfer from other reserve to accumulated losses	-	-	-	-	-	-	-	-
Share based compensation	-	-	267	(262)	-	-	-	5
Convertible loan notes issue	850	-	-	-	-	-	-	850
Issue of new shares	520	-	-	-	-	-	-	520
At 31 December 2021	5,671	2,144	1,615	(395)	58	1,200	(6,373)	3,920

Reserves

Share capital

Share premium

Share-based compensation reserve

Translation reserve

Other reserves

Merger relief reserve

Interest in shares in Employees Benefit Trust (EBT)

Accumulated losses

Description and purpose

Nominal value of the contributions made by shareholders in return for the issue of shares.

Amount subscribed for share capital in excess of nominal value.

Cumulative fair value of the charge/(credit) in respect of share options granted and recognised as an expense in the Income Statement.

The translation reserve comprises translation differences arising from the translation of financial statements of the Group's foreign entities into Sterling (£).

The other reserve comprises differences arising from the discounting of loan notes.

The merger relief reserve comprises differences between the fair value and at par value of shares issued for the acquisition of subsidiary

The Company set up an Employees Benefit Trust on 6 March 2015 (the Equatorial EBT) for the benefit of its employees. The cost of shares held by the EBT that are presented as a deduction from entity.

Accumulated losses represents total losses.

The notes on pages 43 to 64 are an integral part of these consolidated financial statements.

Eastinco Mining and Exploration plc
CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	£'000	£'000	£'000	£'000
Cash flow from operating activities				
Loss before tax	(1,369)	(281)	(1,151)	(93)
<u>Adjustments for:</u>				
Depreciation	2	23	-	-
Share based expense	267	-	267	-
Interest expense	18	17	18	17
Inter-company Interest income	-	-	(224)	(163)
Provisions against ECL	64	-	64	-
Foreign exchange gains	(28)	(74)	-	-
Operating profit/(loss) before working capital changes	(1,047)	(315)	(1,027)	(239)
<u>Changes in working capital:</u>				
Decrease/(increase) in trade & other receivables	338	(129)	381	(82)
Decrease/(increase) in trade & other payables	(490)	(84)	(294)	59
Net cash outflows from operating activities	(1,199)	(528)	(940)	(262)
Cash flow from investing activities				
Purchase of exploration and evaluation assets	(239)	(431)	-	-
Funds advanced to subsidiary	(5)	-	(5)	(688)
Net cash used in investing activities	(243)	(431)	(270)	(688)
Cash flow from financing activities				
Net proceeds from borrowings	567	-	567	-
Amounts advanced from parent	500	-	-	-
Net proceeds from issue of shares	520	767	520	767
Net cash flow from financing activities	1,586	767	1,086	767
Net increase/(decrease) in cash & cash equivalents	144	(192)	141	(183)
Cash & cash equivalents at beginning of the year	52	246	49	232
Effect of exchange rate movements on cash	--	(2)	-	-
Cash & cash equivalents at end of the year	196	52	190	49

The notes on pages 43 to 64 are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

1. General information

Eastinco Mining and Exploration plc ("the Company") is an investment vehicle, focussed on African mineral resource investment opportunities. The Company operates through its 100% owned subsidiary, Eastinco Limited ("EME Ltd"), a Rwandan tantalum, tin and tungsten miner.

The Company is a public limited company which is quoted on Aquis Exchange and is incorporated and domiciled in the UK. The address of its registered office is Finsgate, 5-7 Cranwood Street, London EC1V 9EE.

The registered number of the company is 07496976.

2. Basis of preparation

2.1 General

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS and IFRIC interpretations) as adopted for use in the United Kingdom ("UK adopted IFRS") and those parts of the Companies Act 2006 relevant to companies preparing their financial statements in accordance with UK adopted IFRS. The financial statements have been prepared under the historical cost convention except for the revaluation of certain financial instruments that are measured at fair value.

The financial statements have been rounded to the nearest thousand.

2.2 Functional and presentation currency

The financial information of the Group is presented in UK Sterling, which is also the functional currency of the Company. The individual financial statements of each of the Company's wholly owned subsidiaries are prepared in the currency of the primary economic environment in which it operates (its functional currency).

2.3 Basis of consolidation

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Group Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full.

All the Group's companies have 31 December as their year-end. Consolidated financial statements are prepared using uniform accounting policies for like transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

2.4 Going concern

The financial statements have been prepared on a going concern basis. The Group has not yet earned revenues and as at year end 2021 was in the feasibility, optimisation and commissioning phase of its ore processing plant in Rwanda. Continuing operations of the Group are currently financed from funds raised from shareholders and this will likely continue to be the case until revenue is generated from mining and/or trading and subsequent ore sales. In the short term the Chairman of the Company has made available to the Company a working capital facility should they be required, and until such as a time the company completes its acquisition of Aterian Resources and receives committed placing funds. In common with many exploration entities, the Group will likely need to raise further funds in order to progress the Group from the exploration phase into feasibility and eventually into production of revenues.

As part of their assessment, the Directors have prepared financial cash-flow forecasts on the basis that cost reduction and cost deferral measures are implemented over the going concern period. The Directors have agreed, if circumstances require, to defer payment of their fees until such time as adequate funding is received and if necessary, scale back all discretionary expenditure including exploration expenditure.

The Directors have concluded that these circumstances give rise to a material uncertainty relating to going concern, arising from events or conditions that may cast significant doubt on the entity's ability to continue as a going concern if a further fund raise was unsuccessful. However, considering recent successful fund raises the Directors are confident that they can continue to adopt the going concern basis in preparing the financial statements.

The financial statements do not include any adjustment that may arise in the event that the Group is unable to raise finance, realise its assets and discharge its liabilities in the normal course of business.

2.5 Changes in accounting policies

Adoption of new and revised standards and changes in accounting policies

There were no new standards or interpretations impacting the Group that will be adopted in the annual financial statements for the year ended 31 December 2021, and which have given rise to changes in the Group's accounting policies.

Standards and interpretations in issue but not yet effective or not yet relevant

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

		Effect annual periods beginning before or after
IFRS 3	amendments updating a reference to the Conceptual Framework	1 st January 2022
IFRS 4, 7, 9, 16 IAS 39	amendments regarding replacement issues in the context of the IBOR reform	1 st January 2021
IFRS 9	Amendments resulting from the annual improvements to IFRS Standards 2018-2020 (fees in the '10 per cent' test for derecognition of financial liabilities)	1 st January 2022
IFRS 16	Amendments to extend the exemption from assessing whether a Covid -19 related rent concession is a lease modifications	1 st April 2021
IFRS 17	Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published	1 st January 2023
IAS 1	Amendments to defer the effective date of January 2020 amendments Amendments regarding the disclosure of accounting policies	1 st January 2023
IAS 8	amendments regarding the definition of accounting estimates	1 st January 2023
IAS 12	Amendments regarding deferred tax on leases and decommissioning obligations	1 st January 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Changes in accounting policies(continued)

IAS 16	Amendments prohibiting a Company from deducting from the cost of property, plant and equipment amounts received from selling items while the Company is preparing the asset for its intended use	1 st January 2022
IAS 37	Amendments regarding the costs to include when assessing whether a contract is onerous	1 st January 2022

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the Group's financial statements.

2.6 Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenue and expenses relating to transactions with other components of the same entity) whose operating results are reviewed regularly by the entity's chief operating decision maker to make decision about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Directors are of the opinion that the Group is engaged in a single operating segment being the exploration activity in one geographical area, being Rwanda.

2.7 Accounting for interest in own shares held though an Employees Benefit Trust

The funds advanced to acquire the shares have been accounted for under IFRS as a deduction from equity rather than as an asset.

2.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of on entity and a financial liability or equity instrument of another.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through OCI, or fair value through profit and loss.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2021

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include trade receivables (not subject to provisional pricing) and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group 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 Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2021

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(b) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, accruals and loan notes.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings, trade and other payables, and accruals.

After initial recognition, interest-bearing loans and borrowings, trade and other payables, and accruals are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

This category generally applies to trade payables, other payables and accruals.

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

2.9 Taxation

Current tax is calculated according to local tax rules, using tax rates and laws enacted or substantively enacted at the reporting date. Current and deferred tax is recognised in profit or loss unless it relates to an item recognised in other comprehensive income or equity in which case the related current tax or deferred tax is recognised in other comprehensive income or equity respectively.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, determined using tax rates and laws that are substantively enacted at the reporting date and are expected to apply as or when the temporary differences reverse. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

2.10 Property, plant and equipment

Property, plant, and equipment (PPE) is carried at cost less depreciation and accumulated impairment losses. Where parts of an item of PPE have different useful lives, they are accounted for as separate items of PPE. The Group assesses at each reporting date whether items of PPE are impaired.

Depreciation is provided on PPE, at rates calculated to write off the cost less the estimated residual value of each asset, on a straight line basis, over their expected useful lives as follows:

Mining equipment	10 years
Mining Assets (incl E&E)	8 years
Office equipment	4 years
Computer equipment	2 years
Land	not depreciated
Mine site	not depreciated

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

The Company capitalizes expenditures incurred in exploration and evaluation (E&E) activities as project costs, categorized as intangible assets (exploration and evaluation assets), when those costs are associated with finding specific mineral resources. Expenditure included in the initial measurement of project costs and which are classified as intangible assets relate to the acquisition of rights to explore. Capitalization of pre-production expenditure ceases when the mining property is capable of commercial production. Project costs are recorded and held at cost and no amortization is recorded prior to commencement of production. An annual review is undertaken of each area of interest to determine the appropriateness of continuing to capitalize and carry forward project costs in relation to that area of interest, in accordance with the indicators of impairment as set out in IFRS 6.

2.11 Intangible assets – Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed, and equity instruments issued, plus the amount of any non-controlling interests in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to profit or loss. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

2.12 Impairment of non-financial assets (excluding inventories and deferred tax assets)

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows;

its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

2.13 Investment in subsidiary

The Company, through its 100% owned Rwanda registered subsidiary, Eastinco Limited which was acquired 15 October 2019, is actively engaged in mineral exploration and development of its portfolio of critical and strategic metals in Rwanda, with the focus on extracting and recovery of tantalum and tin. Eastinco Limited also holds a metal trading license, issued by the authorities in Rwanda, which allows for the trading of metals from our mine supply and third-party producers and suppliers.

The Directors have reviewed evidence which might suggest whether the investment in the subsidiary has become impaired. In particular, the Directors reviewed whether there exist:

- significant financial difficulty in the subsidiary;
- a breach of contract, such as a default or past-due event;
- it is becoming probable that the subsidiary will enter bankruptcy or another financial reorganisation;
- the disappearance of any market for the debt of the subsidiary because of financial difficulties;

or

- the financial liabilities of the subsidiary trade at a deep discount that reflects likely incurred credit losses.

The Directors consider that no such event has occurred and that accordingly, the loan to the subsidiary has not

become credit-impaired and thus, the investment in the subsidiary is not impaired.

	Share-holding	Nature of Business	Country of Incorporation
<i>Held directly:</i>			
Eastinco Limited	100%	Mining & exploration	Rwanda
<i>Held directly:</i>			
Eastinco ME Ltd	100%	Mining & exploration	UK
<i>Held indirectly:</i>			
Musasa Mining Ltd	85%	Dormant	Rwanda

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 DECEMBER 2021

2.14 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions and deposits with maturities of three months or less from inception.

2.15 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the reporting date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

On consolidation of a foreign operation, assets and liabilities are translated at the closing rate at the reporting date, income and expenses where the average rate is not materially different to the rates of exchange ruling at the dates of the transactions are translated at average exchange rates. All resulting exchange differences shall be recognised in other comprehensive income and are accumulated in a separate component of equity. On disposal of the foreign operation the accumulated gains or losses previously recognised in equity are transferred to profit or loss and are recognised as a part of the overall profit or loss on disposal of the foreign operation. Exchange rate used are as follows:

Average rate - 1 RWF = 0.00073032 GBP

Yearend rate - 1 RWF = 0.00073374 GBP

2.16 Share-based payment arrangements

The Group operates equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of employee services received in exchange for the grant of share options are recognised as an expense. The total expense to be apportioned over the vesting period is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period the Group revises its estimate of the number of options that are expected to vest.

The Group recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The fair value of goods or services received in exchange for shares is recognised as an expense and included within administrative expenses. The related share based payment expense is recognised at the fair value of the good or service received.

The company issued 26,236,740 EBT options in 2021.

At 31 December 2021, 39,560,740 options remained in issue (2020 — 13,324,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

The fair values of the options granted have been calculated using Black-Scholes model assuming the inputs shown below:

Share price		£0.01325
Exercise price		£0.0100
Time to maturity		3,286 days
Risk free rate	1.3%(10 year swap reference SB6L10Y = X:FSI)	
Volatility		27.0%
Value		£0.00496

An expense of £267,330 has been recognised in the year (2020: £Nil) in respect of a share-based payment charge for the share options issued during the accounting period under the Employee Benefit Trust and CSOP

2.17 Retirement and termination benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2.18 Exploration, evaluation and development expenditures

Exploration

Exploration expenditures reflect the costs related to the initial search for mineral deposits with economic potential or obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with the acquisition of mineral licences, prospecting, sampling, mapping, diamond drilling and other work involved in searching for mineral deposits. All expenditures relating to exploration activities are expensed as incurred except for the costs associated with the acquisition of mineral licences which are capitalised.

Evaluation

Evaluation expenditures reflect costs incurred at projects related to establishing the technical and commercial viability of mineral deposits identified through exploration or acquired through a business combination or asset acquisition.

Evaluation expenditures include the cost of:

- establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities for an ore body that is classified as either a mineral resource or a proven and probable reserve;
- determining the optimal methods of extraction and metallurgical and treatment processes;
- studies related to surveying, transportation and infrastructure requirements;
- permitting activities; and
- economic evaluations to determine whether development of the mineralised material is commercially viable, including scoping, prefeasibility and final feasibility studies.

Evaluation expenditures are capitalised if management determines that there is evidence to support probability of generating positive economic returns in the future. A mineral resource is considered to have economic potential when it is expected that the technical feasibility and commercial viability of extraction of the mineral resource can be demonstrated considering long-term metal prices. Therefore, prior to capitalising such costs, management determines that the following conditions have been met:

- There is a probable future benefit that will contribute to future cash inflows;
- The Group can obtain the benefit and control access to it; and
- The transaction or event giving rise to the benefit has already occurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 DECEMBER 2021

The evaluation phase is complete once technical feasibility of the extraction of the mineral deposit has been determined through preparation of a reserve and resource statement, including a mining plan as well as receipt of required permits and approval of the Board of Directors to proceed with development of the mine. On such date, capitalised evaluation costs are assessed for impairment and reclassified to development costs.

Development

Development expenditures are those that are incurred during the phase of preparing a mineral deposit for extraction and processing. These include pre-stripping costs and underground development costs to gain access to the ore that is suitable for sustaining commercial mining, preparing land, construction of plant, equipment and buildings and costs of commissioning the mine and processing facilities. It also includes proceeds received from pre-commercial production.

Expenditures incurred on development projects continue to be capitalised until the mine and mill move into the production stage. The Group assesses each mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the nature of each mine construction project, such as the complexity of a plant or its location. Various relevant criteria are considered to assess when the mine is substantially complete and ready for its intended use and moved into the production stage. The criteria considered include, but are not limited to, the following:

- the level of capital expenditures compared to construction cost estimates;
- the completion of a reasonable period of testing of mine plant and equipment;
- the ability to produce minerals in saleable form (within specification); and
- the ability to sustain ongoing production of minerals.

If the factors that impact the technical feasibility and commercial viability of a project change and no longer support the probability of generating positive economic returns in the future, expenditures will no longer be capitalised and the capitalised development costs will be assessed for impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **YEAR ENDED 31 DECEMBER 2021**

2.19 Critical accounting estimates and judgements

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

a) Recoverability of Goodwill

The Group tests annually for impairment or more frequently if there are indications that the intangible assets might be impaired.

Determining whether the intangible assets are impaired requires an estimation of the value in use of the cash generating units to which the intangible assets belong. Where impairment indicators are present, the Group is required to evaluate the future cash flows expected to arise from the cash-generating unit and the suitable discount rate in order to calculate the present value.

The carrying value of Group's only intangible assets which is Goodwill at 31 December 2021 is £2,168,486 (2020: £2,168,486).

b) Going concern

In their assessment of going concern, the Directors have prepared cash flow forecasts which require a number of judgments to be made including the Directors' ability to access further financing and to implement cost saving and deferral measures, where necessary.

The Directors have prepared a cash flow forecast which assumes that the Group is not able to raise additional funds within the going concern period and if that was the case, the forecasts demonstrate that austerity measures can be implemented or significant project expenditure delayed to reduce the cash outflows to the minimal contracted and committed expenditure while also maintaining the Group's licences and permits. Based on their assessment of the financial position, the Directors have a reasonable expectation that the Group will be able to continue in operational existence for the next twelve months and continue to adopt the going concern basis of accounting in preparing these financial statements.

c) Share options

In recognising share options the Directors are required to calculate a share based charge. This estimate is based on a Black and Scholes model which utilises a key number of assumptions.

d) Impairment of investments

The Group tests annually for impairment or more frequently if there are indications that the investments might be impaired. As part of this assessment the future cashflows are considered.

2.20 S408 Companies Act 2006 exemption

The company has taken the exemption under s408 Companies Act 2006 and has therefore not published its own profit and loss account in these financial statements

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

3. Directors' remuneration

	2021 £'000	2020 £'000
Director salaries	-	39
	-	39
Director salaries	2021	2020
	£'000	£'000
Charles Bray	-	15
Mike Staten	-	15
Simon Retter	-	9
	-	39

4. Administrative expenses

	2021 £'000	2020 £'000
Directors' salaries	-	39
Auditor's remuneration	63	17
Travel expenses	1	5
Legal expenses	129	20
Professional fees	561	144
Accounting fees	27	27
Depreciation	2	23
Other expenses	237	33
	1,020	308

Auditor's remuneration

	2021 £'000	2020 £'000
Auditor's remuneration:		
- Audit fee	63	17
- Non-audit services	-	-
	63	17

Audit remuneration includes payment of £7,500 for the year 2019 and £5,500 for the year 2020 to the previous auditors.

	2021 £'000	2020 £'000
Other revenue	-	44
Government grants	-	44
	-	44

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

5. Finance costs

	2021 £'000	2020 £'000
Interest expense on loan notes	18	17
	<u>18</u>	<u>17</u>

6. Income tax

	2021 £'000	2020 £'000
Current tax:		
Tax	-	-
Total tax	<u>-</u>	<u>-</u>
Reconciliation of income tax		
	2021	2020
	£'000	£'000
Loss before tax	(1,369)	(281)
UK corporation tax rate	19%	19%
Tax at expected rate of corporation tax	(260)	(53)
Effects of:		
Effect of overseas tax rates	(16)	(16)
Unutilised tax losses carried forward	188	69
Total tax	<u>-</u>	<u>-</u>

The United Kingdom has a 19% tax rate and Rwanda has 30% tax rate. For the purposes of the reconciliation UK rate of corporation tax 19% (2020: 19%) is used.

A deferred tax asset has not been recognised in respect of deductible temporary differences relating to certain losses carried forward at the year end, as there is insufficient evidence that taxable profits will be available in the foreseeable future against which the deductible temporary difference can be utilised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

7. Loss per share

The calculation of the basic and diluted loss per share is based on the following data:

	2021	2020
Earnings	£'000	£'000
Loss from continuing operations for the year attributable to the equity holders of the Company	(1,369)	(281)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	488,692,170	393,879,187
Basic and diluted earnings per share (pence)	(0.28)	(0.07)

The potential number of shares which could be issued following the exercise of options and warrants currently outstanding amounts to 19.2 Billion (see note 17). Dilutive earnings per share equals basic earnings per share as, due to the losses incurred, there is no dilutive effect from the existing share options and warrants.

8. Investment

	Investment in Subsidiaries	
	2021	2020
	£'000	£'000
Investment		
<i>Cost:</i>		
At the beginning of the year	2,261	2,100
Additions	-	161
At 31 December	2,261	2,261
 <i>Carrying Amount</i>		
At 31 December	2,261	2,261
Details of Subsidiaries are disclosed in note 18.		

9. Goodwill

The goodwill represents assets that are not separately identifiable. The excess consideration over the net asset acquired of Eastinco Ltd. It is a Group only intangible asset.

	2021	2020
	£'000	£'000
<i>Cost:</i>		
At the beginning of the year	2,168	2,168
At 31 December	2,168	2,168
 <i>Carrying Amount</i>		
At 31 December	2,168	2,168

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Goodwill is reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the profit or loss as the difference between the carrying amount and the present value of estimated future cash flows. The key assumptions made by the Directors include:

- A 16% discount rate applied to future cash flows;
- the recoverability of the loan to the subsidiary reflects the impairment to the goodwill;
- the value of the collateral assets and the prospects of realising such value by sale or farm-out another party or by the commercialisation of the related assets once production is commenced reflects the goodwill value.

The Directors therefore undertook an assessment of the following areas and circumstances that could indicate the existence of impairment:

- The Group's right to explore in an area has expired, or will expire in the near future without renewal;
- No further exploration or evaluation is planned or budgeted for;
- A decision has been taken by the Board to discontinue exploration and evaluation in an area due to the absence of a commercial level of reserves; or
- Sufficient data exists to indicate that the book value will not be fully recovered from future development and production.

Following their assessment, the Directors concluded that no impairment charge was necessary for the year ended 31 December 2021.

10. Property, plant and equipment
Group

	Mining Assets (incl E&E) £'000	Mining Equipment £'000	Office Equipment £'000	Computer Equipment £'000	Land £'000	Total £'000
Cost						
At 1 January 2021	595	428	7	1	29	1,060
Foreign exchange adjustment	(28)	(20)	-	-	-	(48)
Additions	4	234	-	-	1	239
At 31 December 2021	599	633	7	1	30	1,251
Depreciation						
At 1 January 2021	-	21	2	-	-	23
Charge for the year	-	1	1	-	-	2
At 31 December 2021	-	22	3	-	-	25
Net book value						
At 31 December 2021	599	593	3	1	30	1,226
Cost						
At 1 January 2020	238	417	-	1	23	679
Foreign exchange adjustment	(17)	(30)	-	-	(2)	(49)
Additions	374	41	7	-	8	430
At 31 December 2020	595	428	7	1	29	1,060
Depreciation						
At 1 January 2020	-	-	-	-	-	-
Charge for the year	-	21	2	-	-	23
At 31 December 2020	-	21	2	-	-	23
Net book value						
At 31 December 2020	595	407	5	1	29	1,038

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

11. Trade and other receivables

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts owed by group undertakings more than 1 year	-	-	1,703	1,383
Other debtors	128	386	83	308
Prepayments	60	8	60	8
	<u>188</u>	<u>394</u>	<u>1,846</u>	<u>1,699</u>

12. Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Cash at bank and in hand	<u>196</u>	<u>52</u>	<u>190</u>	<u>49</u>

13. Trade and other payables

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade payables	75	58	30	26
Other payables	72	10	67	3
Amounts due by group undertakings in less than 1 year			72	
Accruals	<u>50</u>	<u>42</u>	<u>50</u>	<u>42</u>
	<u>197</u>	<u>110</u>	<u>219</u>	<u>71</u>

14. Borrowings

	Group		Company	
Non-current liabilities	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Loan notes	158	219	158	219
	<u>158</u>	<u>219</u>	<u>158</u>	<u>219</u>

Loan notes of £200,000 are interest free and due for repayment on 31 December 2024. These have been discounted and are being amortised at an 8% market rate of interest which was the prevailing swap rate plus 500 bps.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

15. Financial instruments

Categories of financial instruments	Group		Company	
	2021	2020	2021	2020
Financial assets measured at amortised cost	£'000	£'000	£'000	£'000
Other receivables	178	386	1,764	1,691
Cash and cash equivalents	196	52	190	49
	374	438	1,954	1,740
Financial liabilities measured at amortised cost				
Trade payables	197	110	219	71
Loan notes	158	219	158	219
	355	329	477	290

Financial risk management objectives and policies

The Group is exposed through its operations to credit risk and liquidity risk. In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout this financial information.

General objectives, policies and processes

The Directors have overall responsibility for the determination of the Group's risk management objectives and policies. Further details regarding these policies are set out below:

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of issued capital, reserves and retained earnings. The Directors review the capital structure on a semi-annual basis. As a part of this review, the Directors consider the cost of capital, the risks associated with each class of capital and overall capital structure risk management through the new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

The Group is not subject to externally imposed capital requirements.

The management's strategy remained unchanged from 2018.

Market price risk

The development and success of any project of the Group will be primarily dependent on the future prices of various minerals being exploited. Mineral prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of the Company. Future production from the projects is dependent on mineral prices that are adequate to make the project economic.

Credit risk

The Company's credit risk arises from cash and cash equivalents with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

Liquidity risk

Liquidity risk arises from the Directors' management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Rwandan Franc ("RWF"). Foreign exchange risk arises from future commercial transactions, recognised monetary assets and liabilities and net investments in foreign operations.

At 31 December 2021, had the exchange rate between the Sterling and RWF increased or decreased by 10% with all other variables held constant, the increase or decrease respectively in net assets would amount to approximately £108k/£(98k)

The Group does not hedge against foreign exchange movements.

16. Share capital

The Ordinary Shares issued by the Company have a 1p par value and all fully paid. Each Ordinary Share carries one vote on a poll vote.

	2021			2020		
	Number of shares	Share Capital £'000	Share Premium £'000	Number of shares	Share Capital £'000	Share Premium £'000
Brought forward at 1 January	430,069,273	4,301	2,144	361,248,496	3,613	1,835
Shares issued for cash	25,000,000	250	-	61,820,777	618	309
Shares issued for EBT	26,236,740	263	-	--	-	-
Shares issued to consultants	720,000	7	-	7,000,000	70	-
Fundraising – Convertible CLN	56,666,666	850	-			
As at 31 December	538,692,679	5,671	2,144	430,069,273	4,301	2,144

17. Share based payments

Options

Equity settled share-option plan

The company issued 26,236,740 EBT options in 2021.

At 31 December 2021, 39,560,740 options remained in issue (2020 — 13,324,000).

The fair values of the options granted have been calculated using Black-Scholes model assuming the inputs shown below:

Share price	£0.01325
Exercise price	£0.0100
Time to maturity	3,286 days
Risk free rate	1.3%(10 year swap reference SB6L10Y = X:FSI)
Volatility	27.0%
Value	£0.00496

An expense of £267,330 has been recognised in the year (2020: £Nil) in respect of a share-based payment charge for the share options issued during the accounting period under the Employee Benefit Trust and CSOP.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Warrants

The following warrants were issued as part of share subscriptions:

	2021		2020	
	Average exercise price per warrant	Number of warrants	Average exercise price per warrant	Number of warrants
Outstanding at beginning of year	2.7p	58,718,666	1.5p	191,900,000
Exercised during the year	-	-	1.5p	(50,715,333)
Granted in the year	2.5p	139,438,269	3p	50,718,666
Lapsed in the year	2.79p	(8,000,000)	1.5p	(133,184,667)
Outstanding at end of the year	2.65p	190,156,935	2.79p	58,718,666

Each warrant holder that exercised their 1.5p warrants were issued with an equivalent number of 3p warrants which vested immediately and expire on 30 August 2024.

The total expense recognised in the Statement of Comprehensive Income during the year was £nil (2020: £nil).

Grant Date	Expiry date	Exercise price	Warrants 2021	Warrants 2020
	30 Aug 2024	2.79p		50,718,666
24 Nov 2021	30 Dec 2024	1.5p	126,666,668	
24 Nov 2021	30 Dec 2024	1.5p	12,771,601	
			139,438,269	50,718,666

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

18. Group companies

Subsidiaries held by Eastinco Mining And Exploration Plc at the year ended 31 December 2021 are listed in the table below. Some of the subsidiaries are not directly held by the Company but via intermediate holding companies.

	Share-holding	Nature of Business	Country of Incorporation
<i>Held directly:</i>			
Eastinco Limited KK 30 Ave Plot 3056 Kigali, Rwanda	100%	Mining & exploration	Rwanda
<i>Held directly:</i>			
Eastinco ME Ltd Finsgate Cranwood Street London EC1V 9EE	100%	Mining & exploration	UK
<i>Held directly:</i>			
Equatorial Mine & Exp Limited 5-7 Crawford Street London EC1V 9EE	100%	Dissolved	UK
<i>Held indirectly:</i>			
Musasa Mining Ltd KK 30 Ave Plot 3056 Kigali, Rwanda.	85%	Dormant	Rwanda

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

19. Related party transactions

Transactions with Subsidiary companies:

Eastinco Ltd is a subsidiary and during the year, received total funds of £210,438 (2020: £527,068). Eastinco Ltd owes £1,502,451 to EME PLC at the end of the year (2020: £1,292,013).

Eastinco ME Ltd is a subsidiary and is owed £70,487 by EME PLC at the end of the year (2020: £297 was owed by Eastinco ME Ltd to EME PLC).

Transactions with Directors

Charles Bray is a Director of the Company and during the year, Charles Bray received total fees of £NIL (2020: 15,000). Charles Bray owed the Company £2,026 at the end of the year (In 2020, Charles Bray owed £84,165 to the company).

Simon Retter was a Director of the Company and during the year, Simon Retter received total fees of £nil (2020: 8,800).

At the beginning of the year Augustin Corporation owed the company £3,286 which is now repaid. (2020: 3,286).

Simon Rollason is a Director of the Company and during the year, Simon Rollason received total fees of £7,161. Additionally, 20,000,000 Ordinary Shares are issued during the year against remuneration for the year.

Augustin Corporation is an Pennsylvania (USA) corporation which is 100% owned by the Astin Trust. The Astin Trust was settled by Charles Bray.

Edlin Holdings is an Isle of Man company which invests and operates non-US based investments. The ultimate beneficial owners of Edlin Holdings are Eden, Linus, and Charles Bray.

At the year end, directors hold shares as below:

Name		No. of Warrants	No. of Shares
Charles Bray		3,333	2,270,000
Edlin Holdings Limited*	Director-Charles Bray	6,000,000	24,000,000
Simon Rollason		-	20,000,000
Mike Staten		-	11,500,000
S J Retter		-	3,166,362
D Marais		6,670,000	14,670,000

Details of directors' remuneration during the year are given in note 4.

There are no other related party transactions.

20. Prior Year Adjustment

The Group's 2020 figures have been restated as Eastinco Ltd has accounted for ECL provision related to year 2020 in the year 2021 for £47,566. The effect of the prior year adjustment can be seen in the Statement of Comprehensive Income and the Consolidated Statement of Financial Position.

Impact of restatement on-

Consolidated statement of comprehensive income-
following restatement Losses for the year 2021 increased to £1,341,000 from £1,293,000.

Consolidated statement of financial position-
following restatement Total current liabilities as at 31.12.2021 increased from £150,000 to £197,000.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

21. Ultimate controlling party

The Directors consider that there is no controlling or ultimate controlling party of the Company.

22. Capital commitments

The Company has no capital commitments at the year end.

23. Events after the reporting date

In January 2022 the Company announced the appointment of Mr Richard Mugisha as a Non-Executive Director of the Company's 100% owned Rwandan registered subsidiary, Eastinco Limited.

In March 2022 the Company announced the commencement of exploration activities on the Kassava project, which is located 300m south of the wash plant on the Musasa Project.

Several operational progress updates were announced for the exploration works at its joint venture project in southern Rwanda. More recently in April 2022, the Company announced the identification and discovery of 16 new pegmatite zones on the HCK Joint Venture, and the completion of an Environmental Management Plan over the HCK licence.

In May 2022 the Company announced that Mr Kasra Pezeshki is joining the Board as a Non-Executive Director of the Company. The appointment is to take effect upon the admission of the Company to the Main Market of the London Stock Exchange, as announced by the Company on 22 November 2021.

24. Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

25. Staff costs

During the year the average number of employees in the group was 38.

Staff costs during the period including directors comprise:	2021
	£'000
Salary & Wages	65,274
Staff Welfare	1,552
Social Security and pension contributions	4,401
Share capital issued as remuneration	<u>200,000</u>
	<u>271,227</u>

The Group's key management personnel are Simon Rollason and Charles Bray.

Directors' emoluments:	2021
	£'000
Share capital issued as remuneration	<u>200,000</u>
	<u>200,000</u>

EASTINCO MINING AND EXPLORATION PLC

Company Information

The board of directors	C Bray S Retter D Marais M Staten (<i>resigned 1 February 2021</i>) S Rollason (<i>appointed 14 June 2021</i>)
Company registration number	07496976
Registered office	27-28 Eastcastle Sreet London W1W 8DH
Independent auditor	MHA MacIntyre Hudson 2 London Wall Palace, Barbican, London EC2Y 5AU
AQSE Advisor	Novum Securities Limited 2 nd Floor Lansdowne House 57 Berkeley Square London W1J 6ER