

# Kemin Resources Limited

Annual Report and Financial Statements

for the Period from 1 July 2021 to 31 December 2022

# **Kemin Resources Limited**

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# Kemin Resources Limited

## Areas of Exploration

Kemin Resources Ltd (“Kemin” or the “Company”), is an exploration Company.

Kemin's principal assets are located in Northern Kazakhstan and held by its subsidiary companies. The Company is focused on exploring and advancing its two exploration sites for the extraction of molybdenum, tungsten, lithium and copper deposits at Drozhilovskoye and Smirnovskoye. Kemin is currently awaiting renewal of the Drozhilovskoye licence, a decision is expected in Q4 2023. In relation to Smirnovskoye the exploration licence has been extended by the ministry for two years expiring on 10 May 2025.

### Drozhilovskoye

The Drozhilovskoye molybdenum-tungsten deposit is located in the Denisovski rayon of the Kostanayskaya oblast, 55km north east of Zhitigara and 31km North West of the rayon center, Denisovka. The small settlement of Okrainka lies some 4km from the deposit.

The deposit area covers approximately 6.6km<sup>2</sup>. In addition to the molybdenum and tungsten content, the deposit also contains significant quantities of lithium, which has been identified in recent drilling results.

Since the deposit was discovered in 1964, considerable exploration work has taken place culminating in the most recent resource statement undertaken in 2005 (using the former Soviet Union resource and reserve classification system common in Central Asia), which estimated a GKZ approved Category C1 and C2 resource estimate for the northern stockwork of 37.2Mt at 0.107% molybdenum and 0.086% tungsten trioxide.

This assumed a 0.05% molybdenum equivalent cut-off grade. Importantly, the first resource estimate undertaken in 1974 defined a GKZ approved estimate for the whole deposit at a C2 category of approximately 140Mt at 0.188% molybdenum.

### Smirnovskoye

The Smirnovskoye deposit is located in the Karabalyksky rayon, 120km north west of the Kostanay oblast and some 41km north of Karabalyk, the district centre in northern Kazakhstan. The village of Smirnovka is in the immediate vicinity of the deposit. The deposit area covers approximately 13.7km<sup>2</sup>.

The deposit has been divided into a larger northern and a smaller southern zone. Within both zones, the principal ore mineral is molybdenite which is associated with chalcopyrite and pyrite.

The deposit has been studied in less detail than Drozhilovskoye, although a 1996 GKZ approved resource estimate produced a combined Category C1 and C2 resource for both the larger northern and smaller southern zones of approximately 109Mt at a grade of 0.1378% molybdenum using a 0.05% molybdenum equivalent cut-off grade.

Subsequently, additional drilling was undertaken on both sites and the updated February 2013 GKZ resource estimate is presented below.

Drozhilovskoye	Ore reserve/ resource	Molybdenum metal	Molybdenum grade	Tungsten metal	Tungsten grade
Reserve/resource classification	mt	kt	%	kt	%
C1	139.8	262.9	0.19	64.3	0.005
C2	130.5	77.5	0.06	88.3	0.03
P	300	150	0.05	150	0.05

  

Smirnovskoye	Ore reserve/ resource	Molybdenum metal	Molybdenum grade	Tungsten metal	Tungsten grade
Reserve/resource classification	mt	kt	%	kt	%
C1	170.5	221.7	0.13	17.1	0.01
C2	108.1	114.2	0.11	13.2	0.12
P	673	417	0.06	165	0.03

# Kemin Resources Limited

## Strategic Report for the period from 1 July 2021 to 31 December 2022

The directors present their strategic report for the period from 1 July 2021 to 31 December 2022.

The Company continued to manage the affairs of its subsidiary in Kazakhstan. Qaz Mining Company LLP (QMC) is the owner of the licences 1605 Smirnovskoye and 1606 Drozhilovskoye as detailed below.

### Licences

#### *Smirnovskoye*

The original licence for contract 1605 in relation to the Smirnovskoye field was extended for a two year period which expired in September 2019. Since this period the Company has been liaising with the Kazakh authorities in order to renew the exploration licence, which has been successfully renewed as an exploration licence to 10 May 2025.

#### *Drozhilovskoye*

On 27 June 2018 QMC signed an additional agreement denoted as addendum 3 to contract 1606 for a period of three years to 27 June 2021. During this period the Company finalised its geological and exploration work. It has presented its results of its reserves and resources estimation to the relevant Kazakh mining authorities. The Company has an automatic right once this is approved by the Competent authority to continue to exploit the resource. It is currently awaiting the decision if a licence will be granted.

### Development plans update

Due to a lack of funding the Company is currently unable to progress its plans to develop the licences as anticipated. The directors are continuing to look at developing a line of credit and other alternative avenues to extract value for the shareholders,

### Financial performance review

The Company loss attributable to Kemin shareholders in the 18 months ended 31 December 2022 was £315,000 (2021: 12 months to 30 June 2021 £198,000). In relation to the subsidiary there has been little activity as the Company was awaiting renewal of licence.

The administrative costs of the Company were in line with expectations.

Support is still being obtained from the principal shareholder via Amrita Investments Ltd to meet its current obligations.

### Principal risks and uncertainties

The principal risks exposed to the Company and on a Group basis are:

- availability of future funding outside of the Amrita facility;
- political and economic environment;
- fluctuation in commodity prices;
- the resource differing in grade and quantity to that predicted by feasibility studies; and
- fluctuations in exchange rates resulting from changes in the value of the Kazakh Tenge.

#### Mitigation of risks and uncertainties

The Company's management has analysed the risks and uncertainties and monitors the risks as far as it is practical to do so given the early stage of development of the Company.

Certain factors are beyond the control of the Company such as the fluctuations in the price of the commodities . However the Company is aware of these factors and tries to mitigate them as far as possible. Given the current economic climate of raising funds for an exploration Company such as Kemin, the directors are considering alternative avenues to obtain shareholder value from the assets remaining in Kemin.

The Company cannot control the political and economic environment of the country in which the resources are based. However, to minimise the risk, Kemin maintains close relationships with the Kazakhstan authorities in order to minimise bureaucratic delays and problems.

## Kemin Resources Limited

### Strategic Report for the period from 1 July 2021 to 31 December 2022 (continued)

#### Key performance indicators

Given the stage of development of the Company, the key performance indicators used by the management for monitoring progress and strategic objectives for the business are set out below. These relate to the trading subsidiary. In relation to the Company the principal KPI is cash balance and loss incurred.

	31 December 2022	30 June 2021
Molybdenum resources (metal equivalent) – C1 (Kt)	484.6	484.6
Tungsten resources (metal equivalent) – C1 (Kt)	81.4	81.4
Molybdenum resources – inferred grade (%)	0.156	0.156
Tungsten resources – inferred grade (%)	0.026	0.026
Cash balance (£000's) - Company	1	3
Net loss (£000's) - (Company)	315	198

Approved by the board on 20 September 2023 and signed on its behalf by:

.....  
Askhat Tlekmetov  
Director

# Kemin Resources Limited

## Directors' Report for the Period from 1 July 2021 to 31 December 2022

The directors present their report and the unaudited financial statements for the period from 1 July 2021 to 31 December 2022.

### Directors' of the company

The directors, who held office during the period, were as follows:

Arman Yergali

Askhat Tlekmetov

### Principal activity and business review

The principal activity of the Company is that of an exploration and mine development company.

### Results and dividends

The results of the Company for the period ended 31 December 2022 are set out in the income statement and other comprehensive income on page 7 and a commentary on the results is included in the Strategic report. The Company incurred losses in the period of £315,000 (2021: £198,000), in the course of managing its principal mining assets in Kazakhstan. The Directors do not recommend the payment of a dividend (2021: £Nil).

### Website publication

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.

As the Company has been in the process of re-establishing the licences, there has been relatively little activity and there has been limited updates on the website for shareholders ([www.keminresources.com](http://www.keminresources.com)).

### Going concern

The Company has made a loss of £315,000 (2021: £198,000) and has net current liabilities of £3.9m (2021: £40,000). The parent Company (and subsidiary) has predominantly been funded through an agreement with Amrita Investment Limited, a company incorporated in the British Virgin Islands and ultimately controlled by the Assaubayev family.

The Company is currently developing strategies and funding options to take the Company forward one licence has been renewed, and the other licence is in process of renewal

The repayment date of a loan facility previously provided by Amrita expired on 31 December 2022. The loan is now repayable on demand, no notices have been received by the Company at the date of the approval of the financial statements. Amrita has confirmed that funding will be made available to meet the running costs of the business, and it currently has no intention to demand repayment of the loan. On the basis that the Company will have sufficient access to funds available, the financial statements have been prepared on a going concern basis.

### Corporate structure

Kemin Resources Limited is a private company limited by shares that is incorporated in England and Wales. The subsidiaries of the Company are listed below:

Name of company	Country of incorporation	Nature of trade	Shareholding
Qaz Mining Company (QMC) Limited Liability Partnership	Kazakhstan	Mining activities	90% by Lothar Enterprises Limited
Lothar Enterprises Limited	England	Dormant	100% by Kemin Resources Limited

### Likely future developments

Details of likely future developments are set out in the Strategic Report.

### Charitable and political contributions

There were no charitable or political contributions made in the period ended 31 December 2022 (2021: £Nil).

## **Kemin Resources Limited**

### **Directors' Report for the Period from 1 July 2021 to 31 December 2022 (continued)**

#### **Directors' emoluments**

No director received any remuneration in the period £Nil (2021: £Nil).

#### **Service contracts**

The Directors have contracts with a rolling one-month notice period which may be given by either party.

#### **Small companies provision statement**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the board on 20 September 2023 and signed on its behalf by:

.....  
Askhat Tlekmetov  
Director

## **Kemin Resources Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the annual report and the financial statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy.



## Kemin Resources Limited

### Income statement for the Period from 1 July 2021 to 31 December 2022

	Note	1 July 2021 to 31 December 2022 £ 000	Year ended 30 June 2021 £ 000
Revenue	3	66	44
Administrative expenses		(23)	(13)
Impairment of financial assets		<u>(66)</u>	<u>(44)</u>
Operating loss		(23)	(13)
Finance costs	5	<u>(292)</u>	<u>(185)</u>
Loss before tax		(315)	(198)
Income tax	6	<u>-</u>	<u>-</u>
Loss for the period		<u><u>(315)</u></u>	<u><u>(198)</u></u>

The above results were derived from continuing operations.

## Kemin Resources Limited

(Registration number: 04674237)

### Statement of Financial Position as at 31 December 2022

	Note	31 December 2022 £ 000	30 June 2021 £ 000
<b>Assets</b>			
<b>Non-current assets</b>			
Amount due by subsidiary company	7	-	-
<b>Current assets</b>			
Cash and cash equivalents		<u>1</u>	<u>3</u>
Total assets		<u><u>1</u></u>	<u><u>3</u></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Ordinary share capital	8	(1,748)	(1,748)
Deferred share capital		(6,168)	(6,168)
Share premium		(37,414)	(37,414)
Merger reserve		(52,654)	(52,654)
Other reserves		-	(396)
Accumulated losses		<u>101,885</u>	<u>101,966</u>
Total equity		<u><u>3,901</u></u>	<u><u>3,586</u></u>
<b>Non-current liabilities</b>			
Loans and borrowings	9	-	(3,549)
<b>Current liabilities</b>			
Trade and other payables	10	(15)	(40)
Loans and borrowings	9	<u>(3,887)</u>	<u>-</u>
		<u>(3,902)</u>	<u>(40)</u>
Total liabilities		<u><u>(3,902)</u></u>	<u><u>(3,589)</u></u>
<b>Total equity and liabilities</b>		<u><u>(1)</u></u>	<u><u>(3)</u></u>

For the financial period ending 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

Approved by the Board on 20 September 2023 and signed on its behalf by:

.....  
Askhat Tlekmetov  
Director

## Kemin Resources Limited

### Statement of Changes in Equity for the Period from 1 July 2021 to 31 December 2022

	Ordinary share capital £ 000	Deferred share capital £ 000	Share premium £ 000	Merger reserve £ 000	Other reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 July 2020	1,748	6,168	37,414	52,654	396	(101,768)	(3,388)
Loss for the period	-	-	-	-	-	(198)	(198)
Total comprehensive loss	-	-	-	-	-	(198)	(198)
At 30 June 2021	1,748	6,168	37,414	52,654	396	(101,966)	(3,586)

	Ordinary share capital £ 000	Deferred share capital £ 000	Share premium £ 000	Merger reserve £ 000	Other reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 July 2021	1,748	6,168	37,414	52,654	396	(101,966)	(3,586)
Loss for the period	-	-	-	-	-	(315)	(315)
Other comprehensive income	-	-	-	-	(396)	396	-
Total comprehensive loss	-	-	-	-	(396)	81	(315)
At 31 December 2022	1,748	6,168	37,414	52,654	-	(101,885)	(3,901)

Ordinary share capital: Amount subscribed for share capital at nominal value.

Deferred shares: The shares carry no right to receive income distributions nor do they entitle the shareholders to attend or vote at company meetings.

Share premium: Amount subscribed for share capital in excess of nominal value.

Merger reserve: Represents the amount arising on the acquisition of Qazakh Mining Company LLP (QMC).

Other reserve: The premium between the effective interest rate and coupon rate on the loan issued by a shareholder related party, as the loan term has expired the amount has been transferred to retained reserves

Accumulated losses: Cumulative losses recognised in the consolidated statement of comprehensive income.

## Kemin Resources Limited

### Statement of Cash Flows for the Period from 1 July 2021 to 31 December 2022

	Note	1 July 2021 to 31 December 2022 £ 000	Year ended 30 June 2021 £ 000
<b>Cash flows from operating activities</b>			
Loss for the period		(315)	(198)
Adjustments to cash flows from non-cash items			
Impairment of financial assets		66	44
Finance costs	5	292	185
		43	31
Working capital adjustments			
Decrease in trade and other payables	10	(91)	(38)
Net cash flow from operating activities		(48)	(7)
<b>Cash flows from financing activities</b>			
Advances received	11	46	6
Net decrease in cash and cash equivalents		(2)	(1)
Cash and cash equivalents at 1 July		3	4
Cash and cash equivalents at 31 December		1	3

# Kemin Resources Limited

## Notes to the Unaudited Financial Statements for the Period from 1 July 2021 to 31 December 2022

### 1 General information

The company is a private company limited by share capital, incorporated and domiciled in England and Wales.

The parent company's principal activity is managing the trade and the investment of its subsidiary company based in Kazakhstan. It is incorporated in England and Wales and has its registered office and business address at 28 Eccleston Square, London, SW1V 1NZ.

### 2 Accounting policies

#### Statement of compliance

The company financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the UK ("UK adopted IFRSs").

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Basis of preparation

The financial statements have been prepared in accordance with adopted IFRSs and under historical cost accounting rules.

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 company's accounting policies.

#### Going concern

The Company has made a loss of £315,000 (2021: £198,000) and has net current liabilities of £3.9m (2021: £40,000). The parent Company (and subsidiary) has predominantly been funded through an agreement with Amrita Investment Limited, a company incorporated in the British Virgin Islands and ultimately controlled by the Assaubayev family.

The Company is currently developing strategies and funding options to take the Company forward one licence has been renewed, and the other licence is in process of renewal

The repayment date of a loan facility previously provided by Amrita expired on 31 December 2022. The loan is now repayable on demand, no notices have been received by the Company at the date of the approval of the financial statements. Amrita has confirmed that funding will be made available to meet the running costs of the business, and it currently has no intention to demand repayment of the loan. On the basis that the Company will have sufficient access to funds available, the financial statements have been prepared on a going concern basis.

#### Exemption from preparing group accounts

The parent, and the group headed by it, qualify as small under s383 of the Companies Act 2006 and the parent and the group are considered eligible for the exemption as determined by reference to sections 384 and 399(2A) of the Companies Act 2006. The financial statements are not consolidated and represent the separate financial statements of the parent company.

#### New accounting standards and amendments

All standards that were effective for the period from 1 July 2021 have been adopted in these financial statements, however there have been no items that have had a material impact on the financial statements.

Additionally, the Directors have reviewed the impact of all new standards issued that are not yet effective. Given the scope of the Company's operations, it is not anticipated that any standards issued that are not yet effective will have a material impact on the financial statements of the next financial year.

# Kemin Resources Limited

## Notes to the Unaudited Financial Statements for the Period from 1 July 2021 to 31 December 2022 (continued)

### 2 Accounting policies (continued)

#### Revenue recognition

Revenue comprises management fees charged to the subsidiary for services provided throughout the year. They are recognised over time as the subsidiary obtains the benefit from the services. There are no contract assets or contract liabilities recognised in the balance sheet at the period end.

#### Foreign currency transactions and balances

Transactions entered into by the Company in currencies other than the currency of the primary economic environment in which they operate (their “functional currency”) are recorded at the rates ruling when the transactions occurred. The functional currency of Kemin is the British Pound. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss. Retranslation of dollar denominated loans in the subsidiary are taken to the profit and loss account and shown in finance expenses.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

#### Financial instruments

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. The Company has basic financial instruments. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### Financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### Derecognition of financial liabilities

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

## Kemin Resources Limited

### Notes to the Unaudited Financial Statements for the Period from 1 July 2021 to 31 December 2022 (continued)

#### 2 Accounting policies (continued)

##### Tax

Current income tax assets and liabilities comprise those obligations to fiscal authorities in England being the country in which the Company carries out its operations. They are calculated according to the tax rates and tax laws applicable to the fiscal period and the country to which they relate provided they are enacted or substantively enacted by the reporting date. All changes to current tax liabilities are recognised as a component of tax expense in the profit or loss.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amount of assets and liabilities in the financial statements with their respective tax bases. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date.

##### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### 3 Revenue

The analysis of the company's revenue for the period from continuing operations is as follows:

	<b>1 July 2021 to 31 December 2022 £ 000</b>	<b>Year ended 30 June 2021 £ 000</b>
Management services	66	44

#### 4 Staff costs

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	<b>1 July 2021 to 31 December 2022 No.</b>	<b>Year ended 30 June 2021 No.</b>
Administration and support	2	2
	2	2

#### 5 Finance income and costs

	<b>1 July 2021 to 31 December 2022 £ 000</b>	<b>Year ended 30 June 2021 £ 000</b>
<b>Finance costs</b>		
Interest expense on other financing liabilities	(293)	(184)
Foreign exchange gains/(losses)	1	(1)
Total finance costs	(292)	(185)

## Kemin Resources Limited

### Notes to the Unaudited Financial Statements for the Period from 1 July 2021 to 31 December 2022 (continued)

#### 6 Income tax

There is no tax charge/credit in the year due to losses incurred by the Company, which are not currently being recognised as a deferred tax asset due to uncertainty over the recoverability of such losses in the foreseeable future.

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Loss before tax	(315)	(198)
Corporation tax at standard rate	(60)	(38)
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	13	8
Increase in current tax from unrecognised tax loss or credit	47	30
Total tax charge/(credit)	-	-

The parent company has tax losses of £2.2m available to carry forward (2021: £2.2m). The potential deferred tax asset related to tax losses is £465,000 (2021: £418,000), no deferred tax asset has been recognised as the future profitability of the Company is uncertain.

#### 7 Investments

Details of the subsidiaries as at 31 December 2022 are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2022	2021
Lother Enterprises Limited*	Dormant	England	100%	100%
Qazakh Mining Company LLP (QMC)	Mining activities	Kazakhstan	90%	90%

\* indicates direct investment of the company

The registered address for the companies are as follows: QMC -188 Satpayev Street, Almaty. 050018. Kazakhstan. Lother Enterprises Limited- 28 Eccleston Square, London. SW1V 1NZ..

The intercompany loan, which is denominated in US Dollars, represent investments into the subsidiary. The directors have assessed the Expected Credit Loss for amounts due from the subsidiary which relate to funding provided for the exploration projects. After taking into account the financial position of the subsidiaries and the current funding status of the projects they determined that it is appropriate to make full provision against the loans made. The total amount of the loan before provision is £1.7m (2021: £1.7m).



## Kemin Resources Limited

### Notes to the Unaudited Financial Statements for the Period from 1 July 2021 to 31 December 2022 (continued)

#### 7 Investments (continued)

Currently the subsidiary company is engaged in the exploration and evaluation of mineral properties and to date, progress of the projects is dependent on future funding. Due to the uncertainty of extracting value from the underlying projects, full provision has been made against the loans advanced. For the year ended 31 December 2022 the subsidiary incurred expenses of £16,000, with an overall loss of £453,000 due to exchange losses and finance costs. the company had capital and accumulated losses of negative £3m.

#### 8 Share capital

##### Ordinary shares

Issued and fully paid Ordinary shares of 1p each	Number	£000
31 December 2022 and 30 June 2021	174,833,041	1,748

##### Deferred shares

Issued and fully paid Ordinary shares of 499p each	Number	£000
31 December 2022 and 30 June 2021	1,236,006	6,168

The deferred shares carry no entitlement to income distributions nor do they entitle the shareholder to attend or vote at Company meetings.

#### 9 Loans and borrowings

	31 December 2022 £ 000	30 June 2021 £ 000
<b>Non-current loans and borrowings</b>		
Other borrowings	-	3,549
	<b>31 December 2022 £ 000</b>	<b>30 June 2021 £ 000</b>
<b>Current loans and borrowings</b>		
Other borrowings	3,887	-

The above loan is provided by Amrita Investment Limited, a company incorporated in the British Virgin Islands and ultimately controlled by Assaubayev family. The loan from Amrita Investments Limited bears an interest rate of LIBOR +5%, and is repayable on demand.

#### 10 Trade and other payables

	31 December 2022 £ 000	30 June 2021 £ 000
Trade payables	6	4
Other payables	9	36
	15	40

## Kemin Resources Limited

### Notes to the Unaudited Financial Statements for the Period from 1 July 2021 to 31 December 2022 (continued)

#### 11 Financing cash flows

	1 July 2021 B/fwd	Cash movements - advance of loans	Non-cash movement - profit & loss interest	Non-cash movement - settlement of creditors	31 December 2022 C
<b>Reconciliation of financing cash flows</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Borrowings</b>	3,549	46	292	-	3,887

#### 12 Related party transactions

There was no key management remuneration in 2022 or 2021.

Other related party transactions are disclosed in the note 9, loans and borrowings, being loans made to the Company by Amrita Investments Limited a Company controlled by the Assaubayev family.

#### 13 Parent and ultimate parent undertaking

The controlling party and parent entity of Kemin Resources Limited is Bergfolk Corporation a company incorporated in the British Virgin Islands by virtue of the fact that it owns 76.14% of the voting rights of the Company. The ultimate controlling party is the Assaubayev family by virtue of the fact that they control the majority shareholder.