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WESTWOOD INDUSTRIAL (PRIVATE) LIMITED T/A LONELY MINE

FINANCIAL STATEMENTS

31 DECEMBER 2018

WESTWOOD INDUSTRIAL (PRIVATE) LIMITED T/A LONELY MINE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

BUSINESS ACTIVITIES:

Gold Mining

DIRECTORS:

Colin Rose
Mark O'Keefe

ADDRESS:

30 Eastern Valley Road
Daylesford
Gweru
Zimbabwe

AUDITORS:

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FOR THE YEAR ENDED 31 DECEMBER 2018

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These financial statements are presented in United States of America dollars.

WESTWOOD INDUSTRIAL (PRIVATE) LIMITED T/A LONELY MINE

DIRECTOR'S RESPONSIBILITY AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Director's responsibilities in relation to the financial statements

The Directors are responsible for preparing the financial statements in accordance with applicable laws and regulations. The Companies Act (Chapter 24:03) requires the Directors to prepare the financial statements for each financial year. The company's financial statements are required by law and International Financial Reporting Standards (IFRSs) to present fairly the financial position of the Company and the performance for that period.

In preparation of the Company's financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that its financial statements comply with relevant legislation. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are required to prepare financial statements and to provide the auditors with every opportunity to take whatever steps and undertake whatever inspections the auditors consider to be appropriate for the purpose of enabling them to give their audit report.

The Directors consider that they have pursued the actions necessary to meet their responsibilities as set out in this statement.

Director's declaration in relation to relevant audit information

Having made enquiries of the Board of Directors and of the Company, each of the Directors confirm that:

- to the best of their knowledge and belief, there is no relevant audit information of which the company's auditors are unaware; and

- they have taken steps that any Director might reasonably be expected to have taken in order to make himself or herself aware of relevant audit information and to establish that the company's auditors are aware of that information.

Director's responsibility statement

Each of the Directors, whose names are listed on the index page confirm, to the best of their knowledge, that the Company's financial statements, which have been prepared in accordance with International Financial Reporting Standards(IFRS), give a true and fair view of the assets, liabilities, financial position and profit of Westwood Industrial (Private) Limited T/A Lonely Mine.

The financial statements on pages 6 to 20 were approved by the Directors and authorised for issue on .12...APRIL....... 2019 and signed on behalf of the Directors by:

Sign: ____________ Colin Ross 12 04 2019
Title: Director Full Name Date

Sign: ____________ Mark O'Keeffe 12.4.2019
Title: Director Full Name Date

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF

WESTWOOD INDUSTRIAL (PRIVATE) LIMITED T/A LONELY MINE

Opinion

We have audited the accompanying financial statements of Westwood Industrial (Private) Limited T/A Lonely Mine, which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and the explanatory notes as set out on pages 6 to 20.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis of Opinion

The audit was conducted in accordance with International Standards on Auditing (ISA's). 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 the company in accordance with the Public Accountants and Auditors Board (PAAB Code), which is consistent with the International Ethics Standard Board for Accountants Code of Ethics for Professional Accountants (Part A and B), together with other ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, 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.

Emphasis of Matter

The company incurred a loss of USD 125 325 for the year ended 31 December 2018 (2017: USD 47 760) and its accumulated loss is USD 552 620 (2017: USD 427 295). The company has not undertaken operations in the current period and the loss is a consequence of the onerous burden of fixed costs attached to the maintenance and care of the entity.

Based on our professional duty and obligation, we provide an emphasis of matter paragraph, although it is managements considered view that the financial statements have been prepared on a going concern basis.

Going Concern

We have considered the conclusion reached by the company to prepare the financial statements on the basis of a going concern,and the resultant disclosures,to be appropriate.

Director's Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements are in accordance with statutory financial reporting standards, the relevant statutory instruments and for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Company's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Institute to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Shepherd Nhondova.

Signed on this 12th DAY of APRIL **2019 at Harare**

Mr. Shepherd Nhondova
Audit Partner
PAAB Registration Number: 613

For and on behalf of
PNA Chartered Accountants
PAAB REGISTRATION NUMBER Z10054
Harare

Statement of comprehensive income
for the year ended 31 December 2018

	Notes	2018 USD	2017 USD
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administration expenses	3	(114 772)	(37 414)
Operating loss		(114 772)	(37 414)
Finance costs	4	(10 553)	(10 346)
Loss before income tax		(125 325)	(47 760)
Income tax expense		-	-
Loss for the year		(125 325)	(47 760)
Other comprehensive income:			
Gains on revaluation of property and equipment		-	-
Other comprehensive income for the year after tax		-	-
Total comprehensive loss for the year		(125 325)	(47 760)

Statement of financial position
as at 31 December 2018

Assets	Notes	2018 USD	2017 USD
Non-current assets			
Property, plant and equipment	3	163 970	188 750
Total assets		163 970	188 750
Equity and Liabilities			
Equity and reserves			
Share capital	5	100	100
Retained earnings		(552 620)	(427 295)
Total equity and reserves		(552 520)	(427 195)
Non current liabilities			
Borrowings	6	685 440	604 605
Total non-current liabilities		685 440	604 605
Current liabilities			
Related party payables	7	31 050	11 340
Total current liabilities		31 050	11 340
Total equity and liabilities		163 970	188 750

Director________________ Date: 12.4.2019.

Director________________ Date: 12.4.2019

Statement of changes in equity
for the year ended 31 December 2018

	Share capital USD	Retained earnings USD	Total USD
Balance as at 1 January 2017	100	(379 535)	(379 435)
Total comprehensive loss for the year	-	(47 760)	(47 760)
Balance as at 31 December 2017	100	(427 295)	(427 195)
Balance as at 1 January 2018	100	(427 295)	(427 195)
Total comprehensive loss for the year	-	(125 325)	(125 325)
Balance as at 31 December 2018	100	(552 620)	(552 520)

Statement of cash flows
for the year ended 31 December 2018

	Notes	2018 USD	2017 USD
Cash flows from operating activities			
Loss before tax		(125 325)	(47 760)
Adjustment for:			
Depreciation charge for the year	4	24 780	24 814
Operating cash flows before working capital changes		(100 545)	(22 946)
Increase in payables		19 710	11 340
Cash flows utilised in operations		(80 835)	(1 260)
Cash flows from financing activities			
Increase in borrowings		80 835	-
Net cash flows generated from financing activities		80 835	-
Decrease in cash and cash equivalents		-	(1 260)
Cash and cash equivalents at the beginning of the year		-	1 260
Cash and cash equivalents at the end of the year		-	-

Statement of accounting policies
for the year ended 31 December 2018

General Information

1 Accounting policies

1.1 Basis of preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards, IFRS and the International Financial Reporting Interpretations Committee, (IFRIC). The financial statements are based on statutory records that are maintained under the historical cost convention as modified by the revaluation of property and equipment.

1.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

IFRS 9 Financial Instruments (IFRS 9)

The IASB recently released IFRS 9 'Financial Instruments' (2014), representing the completion of its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. The Company's management have yet to assess the impact of IFRS 9 on these financial statements. The new standard is required to be applied for annual reporting periods beginning on or after 1 January 2018.

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

Statement of accounting policies
for the year ended 31 December 2018 (continued)

1.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company. (continued)

IFRS 15 'Revenue from Contracts with Customers' (continued)

IFRS 15 is effective for reporting periods beginning on or after 1 January 2018. The Company's management have not yet assessed the impact of IFRS 15 on these financial statements.

Amendments to IFRS 11 Joint Arrangements

These amendments provide guidance on the accounting for acquisitions of interests in joint operations constituting a business. The amendments require all such transactions to be accounted for using the principles on business combinations accounting in IFRS 3 'Business Combinations' and other IFRSs except where those principles conflict with IFRS 11. Acquisitions of interests in joint ventures are not impacted by this new guidance.

The company has no investments in joint arrangements. Accordingly, if adopted today, these amendments would not have an impact on these financial statements.

IFRS 16 Leases

Effective for annual periods beginning on or after 1 January 2019. The scope of IFRS 16 includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or at the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right of-use asset. Lessor accounting is substantially unchanged from today's accounting under IAS17.

Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. The standard is effective for year ends beginning 1 January 2019 and early application is permitted, but not before an entity applies IFRS 15. The Company is still assessing the impact of IFRS 16.

Statement of accounting policies
for the year ended 31 December 2018 (continued)

1.3 Property and equipment

Property and equipment is stated at cost. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced in intervals, the company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised. The assets' residual values , useful lives and methods of depreciation are reviewed at each financial year end and adjusted for prospectively, if appropriate.

Depreciation is provided to write off the carrying value of property and equipment on a straight line basis at the following rates deemed appropriate having regard to the estimated useful lives:

Reduction - CIP	10 years
Mobile Plant	10 years
Mill Plant	20 years
Ellution Plant	20 years
Mine Office	5 years

Statement of accounting policies
for the year ended 31 December 2018 (continued)

1.4 Financial instruments

Financial instruments carried on the statement of financial position include trade and other receivables, cash and cash equivalents, trade and other payables. The particular recognition methods are disclosed below in the individual policy statements associated with them.

1.4.1 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at fair value less payments received from customers and allowance for bad debts. An allowance for bad debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in statement of profit or loss and other comprehensive income within "operating expenses". When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recorded within "other gains or losses" in statement of profit or loss and other comprehensive income as bad debts recovered.

1.4.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

1.4.3 Trade payables

Trade payables (including amounts due to related parties) are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.5 Impairment

The carrying amount of the company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each reporting date. The impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income except where they relate to previously revalued assets in which case they are taken directly to the revaluation reserve to offset previous revaluation surpluses.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, a previously recognised impairment loss is reversed only to the lower of the recoverable amount or the carrying amount had the asset not been impaired.

Statement of accounting policies
for the year ended 31 December 2018 (continued)

1.6 Employee Benefits

1.6.1 Short-term employee benefits

Short-term employee benefits include salaries; pension contributions; short-term compensated absences such as paid annual leave and paid sick leave; bonuses; and other benefits such as medical aid contributions, housing, company vehicles and free or subsidised goods or services. The Company recognises the undiscounted amount of short-term employee benefits as an expense in profit and loss during the period in which the services are rendered. Short-term benefits expected to be paid in exchange for services rendered are recognised as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

1.6.2 Pension obligations

The Company operates a defined contribution plan, the assets of which are generally held in a separate trustee-administered fund. The pension plans are generally funded by payments from employees and the Company, taking into account the recommendations of independent qualified actuaries. Contributions are recognised in the statement of profit or loss and other comprehensive income, within employee benefit expense, in the period in which services are rendered by the employee.

1.6.3 National Social Security Authority Scheme

The Company and all employees must contribute to the National Social Security Authority (NSSA) statutory pension and benefits scheme, which is a defined contribution scheme.

This scheme was promulgated under the National Social Security Act of 1989. The Company's obligation under the scheme is limited to specific contributions as legislated from time to time, which are presently three per cent of pensionable emoluments.

1.7 Taxation

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Statement of accounting policies
for the year ended 31 December 2018 (continued)

1.7.1 Current tax

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

1.7.2 Deferred tax

Deferred income tax is provided for, using the statement of financial position method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

The principal temporary differences arise from revaluation of property and equipment and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

1.7.3 Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except where the value added tax incurred on a purchase of assets or services is not recoverable from ZIMRA.

1.8 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

1.9 Revenue

Revenue is measured as the fair value of the consideration received or receivable and represents amounts receivable for the rendering of services in the ordinary course of the Company's activities, stated net of discounts and value added tax. The Company recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below.

Statement of accounting policies
for the year ended 31 December 2018 (continued)

1.9 Revenue (continued)

1.9.1 Sale of gold

Revenue from sale of gold is recognised when significant risks and rewards of ownership have transferred to the buyer.

1.10 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred. Expenditure for warranties is recognised when the Company incurs an obligation, which is typically when the related goods are sold.

1.11 Leased assets

Operating leases
All other leases that are not finance leases are treated as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

1.12 Related parties

For the purposes of these financial statements, a party is considered to be related to the Company if:

1.12.1 The party has the ability, directly or indirectly through one or more intermediaries, to control the Company or exercise significant influence over the Company in making financial and operating policy decisions, or has joint control over the Company;
1.12.2 The Company and the party are subject to common control;
1.12.3 The party is an associate of the Company or a joint venture in which the Company is a venturer;
1.12.4 The party is a member of key management personnel of the Company or the Company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
1.12.5 The party is a close family member of a party referred to in 1.12.1 or is an entity under the control, joint control or significant influence of such individuals; or
1.12.6 The party is a post-employment benefit plan which is for the benefit of employees of the Company or of any entity that is a related party of the Company.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

Statement of accounting policies
for the year ended 31 December 2018 (continued)

1.13 Share capital and reserves

Share capital represents the nominal value of shares that have been issued. Other components of equity include the following:
- revaluation reserve – comprises gains and losses from the revaluation of assets
- retained earnings includes all current and prior period retained profits.

All transactions with owners of the parent are recorded separately within equity. Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

1.14 Intangible assets

Intangible assets include acquired mining rights and acquired and used in production or administration that qualify for recognition as an intangible assets. They are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. The following useful lives are applied:

Mining rights - amortised over the estimated life of gold reserves

1.15 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

1.15.1 Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Notes to the financial statements
for the year ended 31 December 2018 (continued)

	2018 USD	2017 USD
2 Administration expenses		
Depreciation	24 780	24 814
Manager	18 450	3 600
Security guards	12 600	9 000
Inspection fees	938	-
Legal costs	1 500	-
Utility bills	37 004	-
Accounting and audit fees	19 500	-
	114 772	37 414
3 Finance cost		
Interest on loan	10 553	10 346

Notes to the financial statements
for the year ended 31 December 2018 (continued)

4 Property, plant and equipment	**Plant and Equipment USD**	**Office furniture USD**	**Total USD**
Year ended 31 December 2017			
Opening carrying amount	213 530	34	213 564
Depreciation charge for the year	(24 780)	(34)	(24 814)
Closing carrying amount	188 750	-	188 750
As at 31 December 2017			
Cost/valuation	312 650	170	312 820
Accumulated depreciation	(123 900)	(170)	(124 070)
Closing carrying amount	188 750	-	188 750
Year ended 31 December 2018			
Opening carrying amount	188 750	-	188 750
Depreciation charge for the year	(24 780)	-	(24 780)
Closing carrying amount	163 970	-	163 970
As at 31 December 2018			
Cost/valuation	312 650	170	312 820
Accumulated depreciation	(148 680)	(170)	(148 850)
Closing carrying amount	163 970	-	163 970

Notes to the financial statements
for the year ended 31 December 2018 (continued)

	2018 USD	2017 USD
5 Share capital		
5.1 Authorised		
10 000 Ordinary shares of USD 1.00 each	10 000	10 000
5.1 Issued and fully paid		
100 Ordinary shares of USD 1.00 each	100	100

Subject to the limitations imposed by the Companies Act (Chapter 24: 03) unissued

6 Borrowings

Lender	Nature of relationship	Nature of transaction	2018 USD	2017 USD
Balancing Rocks Investment Holding Limited	Shareholders	Operating loan	538 208	527 655
Balancing Rocks Investment Holding Limited	Directors	Operating loan	147 232	76 950
			685 440	604 605

The loans are unsecured, interest is charged at the rate of 2%

7 Related party payables

Related party	Nature of relationship	Nature of transaction	2018 USD	2017 USD
Employees	Contractual	Salaries	31 050	11 340
			31 050	11 340

8 Capital commitments

There were no capital commitments as at 31 December 2018.

9 Going Concern

The Directors assessed the ability of the mine to continue as a going concern and made the decision to mothball the operations pending capital injection. The Directors are in advanced stages of listing the mine on the Australian stock exchange. Therefore the going concern assumption is still appropriate.