

INDEPENDENT AUDITOR'S REPORT

Fiscal year from January 1, 2019 to December 31, 2019

LOROPENI RESOURCES SARL

LIMITED LIABILITY COMPANY WITH A CAPITAL OF 1 525 EUROS

HEAD OFFICE: 01 BP 19 OUAGA 01

RCCM: BFOUA2018B4081

TEL: 25 37 56 97

JULY 2021

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INDEPENDENT AUDITOR'S REPORT

To the attention of
MR. MARTIN JOACHIM PAIVLITSCHK
Managing Partner of LOROPENI RESOURCES SARL
Tel : 00226 70 77 05 25/75 44 01 42/25 37 56 97
Ouagadougou
BURKINA FASO

Report on the Audit of the Financial Statements

I. Opinion

We have audited the financial statements of LOROPENI RESOURCES Company (the Company), which comprise the statement of financial position as at December 31, 2019, and the statement of comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at December 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards.

1.1. Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Company in accordance with the Code of ethics for accounting and auditing professionals enacted by Regulation N°01/2017/CM/OHADA on the harmonization of the practices of accounting and auditing professionals in OHADA member countries and the rules of independence that govern audit missions 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.

1.2. Going Concern

The Company's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Company's financial statements is appropriate. Management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the Company's ability to continue as a going concern.

1.3. Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS accounting standards, and for such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

1.4. 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 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.

Ouagadoudou, 19 July 2021

**For Independent Auditor
COB Partners Audit et Conseil SARL**



Ousséni BOUGMA
Managing Partner
Courrier : 10 BP 827 Ouagadougou 10
E-mail : secretariat@cobpartners.net

II. FINANCIAL STATEMENTS

IAS/IFRS FINANCIAL STATEMENTS

Fiscal year from January 1, 2019 to December 31, 2019

LROPENI RESOURCES SARL

LIMITED LIABILITY COMPANY WITH A CAPITAL OF 1 525 EUROS

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JULY 2021

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I. BALANCE SHEET :

BALANCE SHEET		Presentation Currency	Currency	Currency
CURRENCY:				
- Exchange Rate (Spot)		XOF	EUR	AUD
		-	655,9570	1,60283
BALANCE SHEET				
Current Assets	- 6	1 000 000	1 524	2 441
Non Current Assets	8	8 325 000	12 691	20 319
Total Assets		9 325 000	14 216	22 760
Current Liabilities	9	(12 915 000)	(19 689)	(31 522)
Non Current Liabilities		0	0	0
Total Liabilities		(12 915 000)	(19 689)	(31 522)
Net Assets		(3 590 000)	(5 473)	(8 762)
OP Undistributed Earnings		2 190 000	3 339	5 345
Current Year (Profit)/Loss AT		2 400 000	3 659	5 858
Dividends paid		0	0	0
Shares		(1 000 000)	(1 524)	(2 441)
Reserves		0	0	0
Equity		3 590 000	5 473	8 762
P & L Check		0	0	0
Balance Sheet Check		0	0	0

II. PROFIT AND LOSS :

PROFIT & LOSS		Notes	Presentation Currency	Currency	Currency
CURRENCY:					
- Exchange Rate (Spot)			XOF	EUR	AUD
- Exchange Rate (Average)			-	655,9570	1,60102
			-	655,9570	1,60102
PROFIT & LOSS					
REVENUE	5		-	-	-
EXPENSES	5		2 030 000	3 095	4 955
NET (PROFIT)/LOSS BEFORE TAX			(4 430 000)	(6 753)	(10 812)
TAX			(2 400 000)	(3 659)	(5 858)
NET (PROFIT)/LOSS AFTER TAX			0	0	0
			(2 400 000)	(3 659)	(5 858)

III. STATEMENT OF CHANGES IN EQUITY :

Statement of changes in equity							
For the year ended 31-Dec N							
	Note	Share Capital	Capital Premiums	Reserves		Result of the year	Total equity
				retained earnings	Other reserves		
Balance at December 31, N-1		1 524	-	-	-	- 3 339	- 1 814
Allocation of N-1 result				- 3 339		3 339	-
Allocation of loss premiums as per AGM			-	-	-	-	-
Net income			-	-		- 3 659	- 3 659
Other comprehensive income							
Comprehensive income for the period		-	-	- 3 339	-	- 320	- 3 659
Contributions and distributions							
Issuance of ordinary shares							
Acquisition of treasury shares							
Share-based payments							
Total transactions of the period with the company's owners		-	-	-	-	-	-
Balance at December 31, N		1 524	-	- 3 339	-	- 3 659	- 5 473

IV. CASH FLOW STATEMENT :

		Cash flow statements	
		For the year ending December 31, 2019	
	Note	2019	2018
Cash flows from operating activities			
Net income	-	3 659	3 339
Adjustment for:			
-Amortization of intangible assets and property, plant and equ		-	-
-Provision for risk		-	-
-Provision for IDR taken to income		-	-
-Net financial result		-	-
-Profit or loss on disposal of property, plant and equipment		-	-
-Share-based payment costs (included in personnel costs or ot		-	-
-Reversal of OSEO grant		-	-
Cash flow from operating activities	-	3 659	3 339
Changes in :			
-other receivables		-	1 524
-Advances and deposits		-	-
-trade and other payables		6 753	12 935
Cash flows from working capital requirements		6 753	11 411
Cash flows from operating activities		3 095	8 072
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Proceeds from disposal of financial assets			
Acquisition of intangible and tangible assets	-	3 095	9 597
Purchase of financial assets		-	
Net cash used in investing activities	-	3 095	9 597
Cash flow from financing activities			
Acquisition of treasury shares		-	-
Proceeds from issuance of convertible bonds		-	-
capital increases		-	1 524
Proceeds from new loans/advances		-	-
Repayment of loans			
Interest and borrowing costs paid		-	-
Net cash used in financing activities		-	1 524
Net change in cash and cash equivalents		-	0
Cash and cash equivalents at January 1		-	-
Effect of exchange rate changes on cash held		-	-
Cash and cash equivalents as of December 31		-	0

V. NOTES TO THE IFRS FINANCIAL STATEMENTS

1. REPORTING ENTITY

LOROPENI RESOURCES SARL is a private mining exploration company in Burkina Faso that targets high potential exploration and mining opportunities in Africa, with a focus on gold and base metals. It was created on May 14, 2018 by sole partner **MARTIN JOACHIM PAIVLITSCHKEK** in the legal form of a limited liability company with a capital of **XOF 1,000,000 (EUR 1524)**. It is registered in the trade register under the number **RCCM BFOUA2018B4081**. Its corporate purpose is:

- Mining research ;
- The acquisition and management of mining exploration permits;
- The implementation of works, and various technical services for mining research;
- The direct or indirect participation of the company in all industrial, commercial or financial activities or operations, movable or immovable, in any form whatsoever, as long as these activities or operations may be directly or indirectly related to the company's purpose or to any similar, related or complementary purposes.

Its head office is located in Ouagadougou, Secteur 15, Lot 17, Parcelle 475, Zone C1, 01 BP 19 Ouagadougou 01, Tel : +226 70 77 05 25/75 44 01 42/25 37 56 97.

LOROPENI RESOURCES SARL is managed by the sole partner **MARTIN JOACHIM PAIVLITSCHKEK** represented in Burkina Faso by Mrs. TAMBOURA Marie Rose Aida (Country Representative).

2. BASIS OF PREPARATION AND IFRS REFERENTIALS

The accounting policies set out in note 4 have been applied in the preparation of the above financial statements.

The Company has not used any of the optional exemptions available under IFRS 1.

These IFRS financial statements have been prepared on July 9, 2021, under the responsibility of the Company's Country Representative, on a voluntary basis. They do not constitute the

legal accounts of the Company and are not intended to be approved by the general meeting of the sole shareholder.

The financial statements are prepared on the historical cost basis. There are no assets or liabilities that require fair value measurement in accordance with IFRS.

3. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in EURO. Amounts are rounded to the nearest EURO, unless otherwise indicated.

4. ACCOUNTING POLICIES AND METHODS

The Company has consistently applied the following accounting policies for all periods presented in these financial statements, in accordance with current legislation as of December 31, 2019.

The going concern assumption has been adopted by the Company's management, taking into account the following factors:

- LOROPENI RESOURCES is the holder of the " MANGODARA " research permit granted by order n°2019-031/MMC/SG/DGCM dated 02/05/2019 for a period of 3 years renewable once;
- Other permit is in the process of being acquired.

4.1. Intangible assets

In accordance with the provisions of IAS 38, acquired intangible assets are recognized as assets in the balance sheet at their acquisition cost.

Exploration and evaluation of mineral resources (IFRS 6):

The prospecting expenses incurred by LOROPENI RESOURCES SARL have been capitalized in accordance with IFRS 6.

4.2. Financial assets

Cash and cash equivalents

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The cash and cash equivalents of LOROPENI RESOURCES SARL are constituted by the cash in bank at the closing date of the financial year at 31/12/2019.

4.3. Recoverable amount of non-current intangible and tangible assets

Property, plant and equipment and intangible assets with a finite life are tested for impairment whenever there is an indication that their carrying amount may not be recoverable. An impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount of the asset.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

No indication of impairment was identified during fiscal year 2019, and therefore no impairment test was performed.

4.4. Capital

The ordinary shares are classified as equity. During the financial year 2019, there was no movement (increase or decrease) in the company's capital.

4.5. Foreign currency

Translation of receivables, payables, transactions and flows denominated in foreign currencies

The functional and reporting currency is XOF. As of 12/31/2019, the entity has no foreign currency receivables or payables.

4.6. Segment information

LOROPENI RESOURCES SARL operates in a single business segment: the conduct of exploration and evaluation of mineral resources.

4.7. Critical accounting estimates and judgments

In preparing these financial statements, management has not made any judgments, estimates or assumptions that affect the application of the Company's accounting policies or the reported amounts of assets and liabilities, income and expenses.

5. OPERATING INCOME AND EXPENSES

For the fiscal year presented, the Company has an exploration activity that does not generate revenues.

The Company has adopted a functional presentation of its revenues and expenses. This presentation distinguishes total exploration expenses from general expenses in the generation of operating income.

The table below details the components of operating income in the statement of net income and other comprehensive income.

Revenue consists of transfers of exploration expenses to intangible assets in progress.

Note 5: Operating income and expenses		
<i>In Euros</i>	31-Dec	31-Dec
	2019	2018
Research and development		
R&D Purchasing	-	-
External services	3 095	9 597
Personnel costs		
Other expenses		
Pension commitment		
Depreciation and provisions		
Total R&D expenses	3 095	9 597
Administrative and general expenses	-	-
Purchase of administrative expenses	-	-
External services	3 613	3 156
Taxes and duties	46	183
Personnel costs		
Other expenses		
Pension commitment		
Depreciation and provisions		
Total administrative expenses	3 659	3 339
Total EXPENSES	6 753	12 935
Operating income	3 095	9 597
Income from the sale of assets	-	-
Grants and tax credits	-	-
Other income	-	-
Total operating income	3 095	9 597
Total REVENUE	3 095	9 597
Operating income	- 3 659	- 3 339

6. Other current receivables

The other miscellaneous debtors consist of the amount of the release of the company's share capital in the hands of the Country Representative. The balance at 31/12/2019 amounts to 1,524 Euros.

Note 6: Other current receivables	31-dec	31-dec
In Euros	2019	2018
Other current receivables		
Value added tax		
Subsidy and tax credits receivable		
Other current receivables <i>TAMBOURA AIDA: 1 524</i>	1 524	1 524
Prepaid expenses		
Total current receivables	1 524	1 524

7. CASH AND CASH EQUIVALENTS

The company's cash position as of 12/31/2019 consists solely of bank balances, which amount to **0 euros**.

8. INTANGIBLE ASSETS

The company's fixed assets consist solely of mineral resource exploration expenses. During the year, they are recorded in the expense accounts by nature and then transferred to the intangible asset accounts at the closing date. The company's intangible assets consist of:

- license acquisition fees;
- surface taxes ;
- Provider fees (research, selection and evaluation of exploration opportunities, discussions and negotiations, capital search, representation);
- Taxes and fees (stamp duties, registration fees, penalties, etc.).

Note 8: INTANGIBLE ASSETS		2019	2018
In Euro		Development and prospection	Development and prospection
Costs			
Balance at January 1, 2019	-	9 597	
Acquisitions	-	3 095	- 9 597
Disposals/Decrease		-	
Balance as of December 31, 2019	-	12 691	- 9 597
Amortization			
Balance as of January 1, 2019		-	
Increase		-	
Disposals/Decrease		-	
Balance at December 31, 2019		-	-
Net intangible assets at December 31, 2019	-	12 691	- 9 597

9. TRADE AND OTHER PAYABLES

The balance of trade and other payables amounts to **19,689 euros** as of 12/31/2019. The detail is as follows:

Note 9: TRADE AND OTHER PAYABLES			
<i>In Euros</i>		31-Dec-19	31-Dec-18
Trade payables and related accounts		11 739	8 080
Trade payables		11 739	8 080
Repayable advances - grant to be deferred			
Other creditors		7 950	4 856
Total other creditors		7 950	4 856
Total trade and other payables		19 689	12 935

10. POST-CLOSING EVENTS

Our interviews with the company's manager and our other investigations did not reveal any information that occurred between 12/31/2019 and the date of preparation of these financial statements that would require amendment of these statements or a disclosure in the notes.

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In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards.

1.1. Basis of Opinion

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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.

For Independent Auditor

COB Partners Audit et Conseil SARL



Ousséni BOUGMA

Managing Partner

Courrier : 10 BP 827 Ouagadougou 10

E-mail : secretariat@cobpartners.net

Ouagadoudou, 19 July 2021

II. FINANCIAL STATEMENTS

IAS/IFRS FINANCIAL STATEMENTS

Fiscal year from January 1, 2020 to December 31, 2020

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I. BALANCE SHEET:

BALANCE SHEET		Presentation Currency	First Consol Currency	Final Consol Currency
CURRENCY: - Exchange Rate (Spot)				
		XOF	EUR	AUD
		-	655,9570	1,60283
BALANCE SHEET	-			
Current Assets		0	0	0
Non Current Assets	1	77 019 581	117 416	188 197
Total Assets		77 019 581	117 416	188 197
Current Liabilities	2	(86 713 614)	(132 194)	(211 885)
Non Current Liabilities		0	0	0
Total Liabilities		(86 713 614)	(132 194)	(211 885)
Net Assets		(9 694 033)	(14 778)	(23 687)
OP Undistributed Earnings		4 590 000	6 997	11 216
Current Year (Profit)/Loss AT		6 022 983	9 182	14 717
Dividends paid		0	0	0
Shares		(1 000 000)	(1 524)	(2 443)
Reserves		81 050	124	198
Equity		9 694 033	14 778	23 687
P & L Check		0	0	0
Balance Sheet Check		0	0	0

II. PROFIT AND LOSS:

PROFIT & LOSS	Notes	Presentation Currency	First Consol Currency	Final Consol Currency
CURRENCY: - Exchange Rate (Spot) - Exchange Rate (Average)				
		XOF	EUR	AUD
		-	655,9570	1,60283
		-	655,9570	1,60283
PROFIT & LOSS	-	-	-	-
REVENUE	3	68 694 581	104 724	167 855
EXPENSES	3	(74 717 564)	(113 906)	(182 572)
NET (PROFIT)/LOSS BEFORE TAX		(6 022 983)	(9 182)	(14 717)
TAX		0	0	0
NET (PROFIT)/LOSS AFTER TAX		(6 022 983)	(9 182)	(14 717)

III. STATEMENT OF CHANGES IN EQUITY:

Statement of changes in equity							
For the year ended 31-Dec N							
In Euro	Note	Share capital	Capital Premiums	Reserves		Result for the year	Total equity
				Retained earnings	Other reserves		
Balance as of January 01, N		1 524	-	3 339	-	- 3 659	- 5 473
Allocation of N-1 income				3 659		3 659	-
Loss premium allocation according to AG			-	-	-	-	
Net income			-			- 9 182	- 9 182
Other comprehensive income							
Overall result for the period		-	-	-	-	- 5 523	- 9 182
Contributions and distributions							
Issuance of ordinary shares							
Acquisition of own shares							
Share-based payments							
Total transactions for the period with the company's owners		-	-	-	-	-	-
Balance at December 31, N		1 524	-	6 997	-	- 9 182	- 14 655

IV. CASH FLOW STATEMENT

Cash flow statements			
For the year ending December 31, 2020			
	Note	2020	2019
Cash flow from operating activities			
Net income:		- 9 182	- 3 659
Adjustment for:			
Amortization of intangible and tangible assets		-	-
Provision for risk		-	-
Provision for IDR taken into income		-	-
Net financial result		-	-
Profit or loss on disposal of property, plant and equipment		-	-
Share-based payment costs (included in personnel costs or other expenses)		-	-
Takeover of OSEO grant		-	-
Cash flow from operating activities		- 9 182	- 3 659
Variations of :			
other debtors		1 524	- 1 524
Advances and deposits		-	-
Trade and other payables	3	112 505	17 875
Cash flow from working capital requirements		114 029	16 350
Cash flow from operating activities		104 848	12 691
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		-	-
Proceeds from the sale of financial assets		-	-
Acquisition of intangible and tangible assets	2	- 104 724	- 12 691
Acquisition of financial assets		-	-
Net cash used in investing activities		- 104 724	- 12 691
Cash flows from financing activities			
Acquisition of own shares		-	-
Proceeds from convertible bond issue		-	-
capital increases		-	-
Income from new loans/advances		-	-
Loan repayments		-	-
Interest and borrowing costs paid		-	-
Net cash used in financing activities		-	-
Net change in cash and cash equivalents		124	-
Cash and cash equivalents at January 1		-	-
Effect of exchange rate changes on cash held		-	-
Cash and cash equivalents as of December 31		124	-

V. NOTES TO THE IFRS FINANCIAL STATEMENTS

1. REPORTING ENTITY

LOROPENI RESOURCES SARL is a private mining exploration company in Burkina Faso that targets high potential exploration and mining opportunities in Africa, with a focus on gold and base metals. It was created on May 14, 2018 by sole partner **MARTIN JOACHIM PAIVLITSCHKEK** in the legal form of a limited liability company with a capital of **XOF 1,000,000 (EUR 1524)**. It is registered in the trade register under the number **RCCM BFOUA2018B4081**. Its corporate purpose is:

- Mining research ;
- The acquisition and management of mining exploration permits;
- The implementation of works, and various technical services for mining research;
- The direct or indirect participation of the company in all industrial, commercial or financial activities or operations, movable or immovable, in any form whatsoever, as long as these activities or operations may be directly or indirectly related to the company's purpose or to any similar, related or complementary purposes.

Its head office is located in Ouagadougou, Secteur 15, Lot 17, Parcelle 475, Zone C1, 01 BP 19 Ouagadougou 01, Tel : +226 70 77 05 25/75 44 01 42/25 37 56 97.

LOROPENI RESOURCES SARL is managed by the sole partner **MARTIN JOACHIM PAIVLITSCHKEK** represented in Burkina Faso by Mrs. TAMBOURA Marie Rose Aida (Country Representative).

2. BASIS OF PREPARATION AND IFRS REFERENTIALS

The accounting policies set out in note 4 have been applied in the preparation of the above financial statements.

The Company has not used any of the optional exemptions available under IFRS 1.

These IFRS financial statements have been prepared on July 9, 2021, under the responsibility of the Company's Country Representative, on a voluntary basis. They do not constitute the legal accounts of the Company and are not intended to be approved by the general meeting of

the sole shareholder. However, the annual accounts are drawn up in accordance with the SYSCOHADA (local standard) accounting framework and are approved at the Annual General Meeting.

The financial statements are prepared on the historical cost basis. There are no assets or liabilities that require fair value measurement in accordance with IFRS.

3. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in EURO. Amounts are rounded to the nearest EURO, unless otherwise indicated.

4. ACCOUNTING POLICIES AND METHODS

The Company has consistently applied the following accounting policies for all periods presented in these financial statements, in accordance with current legislation as of December 31, 2020.

The going concern assumption has been adopted by the Company's management, taking into account the following factors:

- LOROPENI RESOURCES is the holder of the " MANGODARA " research permit granted by order n°2019-031/MMC/SG/DGCM dated 02/05/2019 for a period of 3 years renewable once;
- At the close of the 2020 financial year, negotiations were underway with ANTHONY GABRIEL SARL to conclude a framework purchase option agreement for the "OUANGOLO" exploration permit.
- Other permits are in the process of being acquired. These are research permits in the "DEMBELEDUGOU" area and in the "KOURADENI 2" area;

4.1. Intangible assets

In accordance with the provisions of IAS 38, acquired intangible assets are recognized as assets in the balance sheet at their acquisition cost.

Exploration and evaluation of mineral resources (IFRS 6):

The prospecting expenses incurred by LOROPENI RESOURCES SARL have been capitalized in accordance with IFRS 6.

4.2. Financial assets

Cash and cash equivalents

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The cash and cash equivalents of LOROPENI RESOURCES SARL are constituted by the cash in bank at the closing date of the financial year at 31/12/2020.

4.3. Recoverable amount of non-current intangible and tangible assets

Property, plant and equipment and intangible assets with a finite life are tested for impairment whenever there is an indication that their carrying amount may not be recoverable. An impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount of the asset.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

No indication of impairment was identified during fiscal year 2020, and therefore no impairment test was performed.

4.4. Capital

The ordinary shares are classified as equity. During the financial year 2020, there was no movement (increase or decrease) in the company's capital.

4.5. Foreign currency

Translation of receivables, payables, transactions and flows denominated in foreign currencies

The functional and reporting currency is XOF. As of 12/31/2020, the entity has no foreign currency receivables or payables.

4.6. Segment information

LOROPENI RESOURCES SARL operates in a single business segment: the conduct of exploration and evaluation of mineral resources.

4.7. Critical accounting estimates and judgments

In preparing these financial statements, management has not made any judgments, estimates or assumptions that affect the application of the Company's accounting policies or the reported amounts of assets and liabilities, income and expenses.

5. OPERATING INCOME AND EXPENSES

For the fiscal year presented, the Company has an exploration activity that does not generate revenues. The Company has adopted a functional presentation of its revenues and expenses. This presentation distinguishes total exploration expenses from general expenses in the generation of operating income. The table below details the components of operating income in the statement of net income and other comprehensive income.

Revenue consists of transfers of exploration expenses to intangible assets in progress.

Revenues & Expenses	31-Dec	31-Dec
In Euro	2020	2019
Research and development		
R&D Purchasing	-	-
External Services ¹	113 009	6 708
Personnel costs		
Other expenses		
Pension commitment		
Depreciation and provisions		
Total R&D expenses	113 009	6 708
Administrative and general expenses	-	-
Purchase administrative costs	27	-
External services		
Taxes	870	46
Personnel costs		
Other expenses		
Pension commitment		
Depreciation and provisions		
Total administration and management expenses	897	46
Total EXPENSES	113 906	6 753
Operating revenues	-	-
Proceeds from disposal of assets		-
Grants and tax credits		
Other products ²	104 724	3 095
Total operating revenues	104 724	3 095
Total REVENUE	104 724	3 095
Operating income	- 9 182	- 3 659

¹ The balance as of 12/31/2020 is detailed as follows
- OFFICE RENT: 3 659; - BANK FEES : 29; - GENERAL FEE : 103 227; - LICENCE ACQUISITION FEE: 6 091; - PHOTOCOPIES
SITES : 4

² This heading is only made up of the transfer of exploration expenses to fixed assets.

6. CASH AND CASH EQUIVALENTS

The company's cash position as of 12/31/2020 consists solely of bank balances, which amount to **124 euros**.

Note 1: Cash and cash equivalents		
In Euro	31-Dec-2020	31-Dec-2019
Term deposit account		
Marketable securities		
Deposits with cash and cash equivalents	124	-
Cash and cash equivalents in the statement of financial position	124	-
Bank loans used for cash management purposes		
Cash and cash equivalents in the cash flow statement	124	-

7. INTANGIBLE ASSETS

The company's fixed assets consist solely of mineral resource exploration expenses. During the year, they are recorded in the expense accounts by nature and then transferred to the intangible asset accounts at the closing date. The company's intangible assets consist of:

- license acquisition fees ;
- surface taxes ;
- Provider fees (research, selection and evaluation of exploration opportunities, discussions and negotiations, capital search, representation);
- Taxes and fees (stamp duties, registration fees, penalties, etc.).

Note 2: INTANGIBLE ASSETS	2020	2019
In Euro	Development and prospection	Development and prospection
Costs		
Balance as of January 1, 2020	12 691	
Acquisitions	104 724	12 691
Disposals/Decrease	-	
Balance as of December 31, 2020	117 416	12 691
Depreciation		
Balance as of January 1, 2020	-	
Increase	-	
Disposals/Decrease	-	
Balance as of December 31, 2020	-	-
Net intangible assets at December 31, 2020	117 416	12 691

8. TRADE AND OTHER PAYABLES

The balance of trade and other payables amounts to 132,194 euros as of 12/31/2020. The detail is as follows:

Note 3: TRADE AND OTHER PAYABLES		
<i>In Euros</i>	31-Dec-20	31-Dec-19
Trade payables and related accounts	107 750	11 739
- MARTIN JOACHIM : 48 844		
- DUSKO : 48 844		
- Mrs. TAMBOURA Marie Rose Aida: 10 062		
Trade payables	107 750	11 739
Repayable advances - grant to be deferred		
Other creditors	24 444	7 950
- MARTIN JOACHIM: 10 373		
- DUSKO: 9 410		
- HENRI RICHARD: 4 661		
Total other creditors	24 444	7 950
Total trade and other payables	132 194	19 689

9. POST-CLOSING EVENTS

The following information has come to our attention since December 31, 2020 and the date of preparation of these financial statements:

- The signature on March 4, 2021 of the framework option agreement for the purchase of the "OUANGOLO" exploration permit between the companies "ANTHONY GABRIEL SARL" and "LOROPENI RESOURCES SARL". This agreement gives LOROPENI RESOURCES SARL the possibility to acquire the "OUANGOLO" exploration permit from the company "ANTHONY GABRIEL SARL" within a period of five years from March 04, 2021. To do so, LOROPENI RESOURCES SARL must meet the minimum expenditures at each stage of investment required by the LAW N° 036-2015/CNT ON BURKINA FASO.MINING CODE.

INDEPENDENT AUDITOR'S REPORT

Fiscal year from January 1, 2021 to June 30, 2021

LOROPENI RESOURCES SARL

LIMITED LIABILITY COMPANY WITH A CAPITAL OF 1 525 EUROS

HEAD OFFICE: 01 BP 19 OUAGA 01

RCCM: BFOUA2018B4081

TEL: 25 37 56 97

SEPTEMBER 2021

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INDEPENDENT AUDITOR'S REPORT

To the attention of
MR. MARTIN JOACHIM PAIVLITSCHK
Managing Partner of LOROPENI RESOURCES SARL
Tel : 00226 70 77 05 25/75 44 01 42/25 37 56 97
Ouagadougou
BURKINA FASO

Report on the Audit of the Financial Statements

I. Opinion

We have audited the financial statements of LOROPENI RESOURCES Company (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at June 30, 2021, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards.

1.1. Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Company in accordance with the Code of ethics for accounting and auditing professionals enacted by Regulation N°01/2017/CM/OHADA on the harmonization of the practices of accounting and auditing professionals in OHADA member countries and the rules of independence that govern audit missions 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.

1.2. Going Concern

The Company's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Company's financial statements is appropriate. Management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the Company's ability to continue as a going concern.

1.3. Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS accounting standards, and for such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

1.4. 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 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.

For Independent Auditor

COB Partners Audit et Conseil SARL



Ousséni BOUGMA

Managing Partner

Courrier : 10 BP 827 Ouagadougou 10

E-mail : secretariat@cobpartners.net

Ouagadoudou, 03 september 2021

II. FINANCIAL STATEMENTS

IAS/IFRS FINANCIAL STATEMENTS

Fiscal year from January 1, 2021 to June 30, 2021

LROPENI RESOURCES SARL

LIMITED LIABILITY COMPANY WITH A CAPITAL OF 1 525 EUROS

HEAD OFFICE: 01 BP 19 OUAGA 01

RCCM: BFOUA2018B4081

TEL: 25 37 56 97

September 2021

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I. BALANCE SHEET :

BALANCE SHEET		Presentation Currency	First Consol Currency	Final Consol Currency
CURRENCY:		XOF	EUR	AUD
- Exchange Rate (Spot)			655,9570	1,58062
BALANCE SHEET				
Current Assets	6&7	18 963 677	28 910	45 696
Non Current Assets	8	128 075 664	195 250	308 616
Total Assets		147 039 341	224 160	354 312
Current Liabilities	9	(161 661 225)	(246 451)	(389 545)
Non Current Liabilities		0	0	0
Total Liabilities		(161 661 225)	(246 451)	(389 545)
Net Assets		(14 621 884)	(22 291)	(35 233)
OP Undistributed Earnings		7 773 035	11 850	18 730
Current Year (Profit)/Loss AT		7 848 849	11 965	18 913
Dividends paid		0	0	0
Shares		(1 000 000)	(1 524)	(2 410)
Reserves		0	0	0
Equity		14 621 884	22 291	35 233
P & L Check		0	0	0
Balance Sheet Check		0	0	0

II. PROFIT AND LOSS:

PROFIT & LOSS	Notes	Presentation Currency	Currency	Currency
CURRENCY:		XOF	EUR	AUD
- Exchange Rate		-	655,9570	1,5806
		-	-	-
PROFIT & LOSS	-			
REVENUE	5	48 216 135	73 505	116 184
EXPENSES	5	(56 064 984)	(85 471)	(135 096)
NET (PROFIT)/LOSS BEFORE TAX		(7 848 849)	(11 965)	(18 913)
TAX		0	0	0
NET (PROFIT)/LOSS AFTER TAX		(7 848 849)	(11 965)	(18 913)

III.STATEMENT OF CHANGES IN EQUITY :

Statement of changes in equity							
For the year ended 30-June N							
In Euro	Note	Share capital	Capital Premiums	Reserves		Result of the year	Total equity
				retained earnings	Other reserves		
Balance at December 31, N-1		1 524	-	- 6 997	-	4 853	- 10 325
Allocation of N-1 result				- 4 853		4 853	-
Allocation of loss premiums as per AGM			-	-	-	-	
Net income			-			11 965	- 11 965
Other comprehensive income							
Comprehensive income for the period		-	-	- 4 853	-	7 113	- 11 965
Contributions and distributions							
Issuance of ordinary shares							
Acquisition of treasury shares							
Share-based payments							
Total transactions of the period with the company's owners		-	-	-	-	-	-
Balance at June 30, N		1 524	-	-11 850	-	11 965	- 22 291

IV. CASH FLOW STATEMENT :

	Cash flow statements		
	For the year ending June 30, 2021		
In Euro	Note	2021	2020
Cash flows from operating activities			
Net income		- 11 965	- 4 853
Adjustment for:			
-Amortization of intangible assets and property, plant and equ		-	-
-Provision for risk		-	-
-Provision for IDR taken to income		-	-
-Net financial result		-	-
-Profit or loss on disposal of property, plant and equipment		-	-
-Share-based payment costs (included in personnel costs or o		-	-
-Reversal of OSEO grant		-	-
Cash flow from operating activities		- 11 965	- 4 853
Changes in :			
-other receivables		- 12 442	1 524
-Advances and deposits		-	-
-trade and other payables		114 257	112 505
Cash flows from working capital requirements		101 815	114 030
Cash flows from operating activities		89 850	109 177
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Proceeds from disposal of financial assets			
Acquisition of intangible and tangible assets	9	- 73 505	- 109 054
Purchase of financial assets		-	
Net cash used in investing activities		- 73 505	-109 054
Cash flow from financing activities			
Acquisition of treasury shares		-	-
Proceeds from issuance of convertible bonds		-	-
capital increases		-	-
Proceeds from new loans/advances		-	-
Repayment of loans			
Interest and borrowing costs paid		-	-
Net cash used in financing activities		-	-
Net change in cash and cash equivalents		16 345	124
Cash and cash equivalents at January 1		124	-
Effect of exchange rate changes on cash held		-	-
Cash and cash equivalents as of June 30		16 468	124

V. NOTES TO THE IFRS FINANCIAL STATEMENTS

1. REPORTING ENTITY

LOROPENI RESOURCES SARL is a private mining exploration company in Burkina Faso that targets high potential exploration and mining opportunities in Africa, with a focus on gold and base metals. It was created on May 14, 2018 by sole partner **MARTIN JOACHIM PAIVLITSCHKEK** in the legal form of a limited liability company with a capital of **XOF 1,000,000 (EUR 1524)**. It is registered in the trade register under the number **RCCM BFOUA2018B4081**. Its corporate purpose is:

- Mining research ;
- The acquisition and management of mining exploration permits;
- The implementation of works, and various technical services for mining research;
- The direct or indirect participation of the company in all industrial, commercial or financial activities or operations, movable or immovable, in any form whatsoever, as long as these activities or operations may be directly or indirectly related to the company's purpose or to any similar, related or complementary purposes.

Its head office is located in Ouagadougou, Secteur 15, Lot 17, Parcelle 475, Zone C1, 01 BP 19 Ouagadougou 01, Tel : +226 70 77 05 25/75 44 01 42/25 37 56 97.

LOROPENI RESOURCES SARL is managed by the sole partner **MARTIN JOACHIM PAIVLITSCHKEK** represented in Burkina Faso by Mrs. TAMBOURA Marie Rose Aida (Country Representative).

2. BASIS OF PREPARATION AND IFRS REFERENTIALS

The accounting policies set out in note 4 have been applied in the preparation of the above financial statements.

The Company has not used any of the optional exemptions available under IFRS 1.

These IFRS financial statements have been prepared on September 2, 2021, under the responsibility of the Company's Country Representative, on a voluntary basis. They do not

constitute the legal accounts of the Company and are not intended to be approved by the general meeting of the sole shareholder.

The financial statements are prepared on the historical cost basis. There are no assets or liabilities that require fair value measurement in accordance with IFRS.

3. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in EURO. Amounts are rounded to the nearest EURO, unless otherwise indicated.

4. ACCOUNTING POLICIES AND METHODS

The Company has consistently applied the following accounting policies for all periods presented in these financial statements, in accordance with current legislation as of June 30, 2021.

The going concern assumption has been adopted by the Company's management, taking into account the following factors:

- LOROPENI RESOURCES is the holder of the " MANGODARA " research permit granted by order n°2019-031/MMC/SG/DGCM dated 02/05/2019 for a period of 3 years renewable once;
- LOROPENI RESOURCES is the holder of the " DANBELEDOUGOU " research permit granted by order n°2021-185/MEMC/SG/DGCM dated 03/08/2021 for a period of 3 years renewable once;
- At the close of the 2020 financial year, negotiations were underway with ANTHONY GABRIEL SARL to conclude a framework purchase option agreement for the "OUANGOLO" exploration permit.
- Other permits are in the process of being acquired. These are research permits in the "KOURADENI 2" area;

4.1. Intangible assets

In accordance with the provisions of IAS 38, acquired intangible assets are recognized as assets in the balance sheet at their acquisition cost.

Exploration and evaluation of mineral resources (IFRS 6):

The prospecting expenses incurred by LOROPENI RESOURCES SARL have been capitalized in accordance with IFRS 6.

4.2. Financial assets

Cash and cash equivalents

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The cash and cash equivalents of LOROPENI RESOURCES SARL are constituted by the cash in bank at the closing date of the financial year at June 30, 2021.

4.3. Recoverable amount of non-current intangible and tangible assets

Property, plant and equipment and intangible assets with a finite life are tested for impairment whenever there is an indication that their carrying amount may not be recoverable. An impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount of the asset.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

No indication of impairment was identified during fiscal year 2021, and therefore no impairment test was performed.

4.4. Capital

The ordinary shares are classified as equity. During the financial year 2021, there was no movement (increase or decrease) in the company's capital.

4.5. Foreign currency

Translation of receivables, payables, transactions and flows denominated in foreign currencies

The functional and reporting currency is XOF. As of 06/30/2021, the entity has no foreign currency receivables or payables.

4.6. Segment information

LOROPENI RESOURCES SARL operates in a single business segment: the conduct of exploration and evaluation of mineral resources.

4.7. Critical accounting estimates and judgments

In preparing these financial statements, management has not made any judgments, estimates or assumptions that affect the application of the Company's accounting policies or the reported amounts of assets and liabilities, income and expenses.

5. OPERATING INCOME AND EXPENSES

For the fiscal year presented, the Company has an exploration activity that does not generate revenues.

The Company has adopted a functional presentation of its revenues and expenses. This presentation distinguishes total exploration expenses from general expenses in the generation of operating income.

The table below details the components of operating income in the statement of net income and other comprehensive income.

Revenue consists of transfers of exploration expenses to intangible assets in progress.

Note 5: Operating income and expenses			
<i>In Euros</i>		30-June	31-Dec
		2021	2020
Research and development			
R&D Purchasing		-	-
External services		73 493	113 009
Personnel costs			
Other expenses		12	
Pension commitment			
Depreciation and provisions			
Total R&D expenses		73 505	113 009
Administrative and general expenses		-	-
Purchase of administrative expenses		201	27
External services		10 930	
Taxes and duties		834	870
Personnel costs			
Other expenses			
Pension commitment			
Depreciation and provisions			
Total administrative expenses		11 965	897
Total EXPENSES		85 471	113 906
Operating income		-	-
Income from the sale of assets		-	-
Grants and tax credits		-	-
Other income		73 505	109 054
Total operating income		73 505	109 054
Total REVENUE		73 505	109 054
Operating income		- 11 965	- 4 853

6. Other current receivables

The other miscellaneous debtors consist of the amount of the release of the company's share capital in the hands of the Country Representative. The balance at 06/30/2021 amounts to 12,442 Euros.

NOTE 6: Trade and other receivables		
	Jun 30	Dec 31
En euro	2021	2020
Other current receivables		
Value added tax	-	
Subsidies and tax credits receivable	4 885	
Other current receivables	7 557	
Prepaid expenses		
Total current debits	12 442	-

7. CASH AND CASH EQUIVALENTS

The company's cash position as of 06/30/2021 consists solely of bank balances, which amount to **16,468 euros**.

Note 7: CASH & EQUIVALENTS			
In Euro		30-June 2021	31-Dec 2020
Term deposit account		-	
investment securities		-	
Deposits in advance and cash		16 468	124
Cash and cash equivalents in the statement of financial position		16 468	124
Bank facilities used for cash management purposes		-	-
Cash and cash equivalents in the cash flow statement		16 468	124

8. INTANGIBLE ASSETS

The company's fixed assets consist solely of mineral resource exploration expenses. During the year, they are recorded in the expense accounts by nature and then transferred to the intangible asset accounts at the closing date. The company's intangible assets consist of:

- license acquisition fees ;
- surface taxes ;
- Provider fees (research, selection and evaluation of exploration opportunities, discussions and negotiations, capital search, representation);
- Taxes and fees (stamp duties, registration fees, penalties, etc.).

Note 8: INTANGIBLE ASSETS	2021	2020
In Euro	Development and prospection	Development and prospection
Costs		
Balance at January 1, 2020	121 745	12 691
Acquisitions	73 505	109 054
Disposals/Decrease		
Balance as of June 30, 2021	195 250	121 745
Amortization		
Balance as of January 1, 2020	-	
Increase	-	
Disposals/Decrease	-	
Balance at June 30, 2021	-	-
Net intangible assets at June 30, 2021	195 250	121 745

9. TRADE AND OTHER PAYABLES

The balance of trade and other payables amounts to **246,451 euros** as of 06/30/2021. The detail is as follows:

Note 9: TRADE AND OTHER PAYABLES		
<i>In Euros</i>	Jun 30-21	Dec 31-20
Trade payables and related accounts	138 716	107 750
Trade payables	138 716	107 750
Repayable advances - grant to be deferred	-	-
Other creditors	107 735	24 444
Total other creditors	107 735	24 444
Total trade and other payables	246 451	132 194

10. POST-CLOSING EVENTS

Our interviews with the company's manager and our other investigations did not reveal any information that occurred between 06/30/2021 and the date of preparation of these financial statements that would require amendment of these statements or a disclosure in the notes.