

Interim report
for the six months ended
30 June 2022



EURASIA MINING PLC

Chairman's Statement

Dear Shareholder,

The first half of 2022 has seen significant progress at our West Kytlim mine, as described in the Operations Update below. Eurasia's plan to install grid power to site to reduce the carbon output associated with overburden stripping, while also reducing operational expenditure and improving efficiency, is advancing well and our electric dragline, which is currently being assembled, is aimed to significantly improve the stripping programme this coming winter.

At Monchetundra the ongoing DFS study for the Loipishnune and West Nittis open pits represents an important reporting milestone for the project's development and is on schedule for submission before the end of 2022.

Since February the conflict in Ukraine has affected all international commerce to some extent. The effect on our operations, including funding group subsidiary companies has been minimal to date. We took the decision to stockpile ore from West Kytlim at the beginning of the mining season due to our strong cash position, volatility in the market currently, and in anticipation of higher realisable sales revenue in the future. As such, despite producing 167 kg of PGM concentrate (113kg for full year 2021), we have made no commercial sales of platinum in the period, instead opting to retain this PGM concentrate, which has a net realisable value of c.£3 million for refining at a later date. The value ascribed to this concentrate is for the platinum content only and does not include any other PGMs or gold.

Our cash balance remains robust, with more than £3 million and US\$6.6 million at the time of writing in the Group's sterling and US\$ denominated bank accounts respectively. Due to volatility in exchange rates in funding subsidiaries through inter-company loans, a net gain of £6.1 million was reported for the period. The Company's cash reserves are held in USD and GBP accounts outside of Russia and therefore not directly exposed to Ruble foreign exchange gains or losses against other major hard currencies.

Following the Company's Annual Results announcement of 29 June 2022, Eurasia's directors have maintained a regular dialogue with the Company's legal advisers regarding the potential impact of any UK or EU sanctions. The Company remains satisfied that neither of its current activities at the West Kytlim Mine or on the Kola Peninsula are prohibited under UK or EU sanctions rules. Furthermore, the Group does not engage and has not engaged with any sanctioned persons, entities or agencies.

To date there has been no significant impact on the Group's activities as a result of the ongoing updates to the UK and EU sanctions legislation. Sanctions introduced by the Russian Federal government have also not affected the Group. The Group continues to closely monitor all regulatory requirements and changes to the laws, rules and regulations, taking steps whenever necessary to ensure compliance with new legislation.

With regards to the proposed sale of our Russian assets, as previously announced, our M&A team is focusing on BRICS counterparties, and discussions are ongoing with predominantly Russian, Indian and Chinese non-sanctioned counterparties. Whereas progress has been made with certain parties, at present there can be no guarantee that the Company will enter into a legally binding sale and purchase agreement with any of the interested parties. We expect potential buyers to remain anonymous until the Company is in a position to execute a legally binding agreement and further updates regarding the sale process will be made as appropriate.

In terms of the future development of Eurasia Mining PLC, we continue to look at expanding the business in various ways, including the development of hydrogen projects internationally coupled with new mining opportunities in investment friendly jurisdictions. The Company is also committed to the continued development of Monchetundra as well as NKT (Eurasia's project, a Tier-1 scale Nickel mine formerly operated by Norilsk Nickel) and continuing to mine at West Kytlim.

The Company's Board has decades of experience in mineral project identification and the management of complex engineering projects during the development phase, such as the three pits at West Kytlim (Malaya Sosnovka, Klyuchiki and Bolshaya Sosnovka) which were successfully brought into production by Eurasia's technical team. James Nieuwenhuys, our CEO launched a number of mines, including as COO of Polyus (the world's largest gold company in terms of reserves and resources) as well as Managing Director of SNC-Lavalin and Bateman (large EPC companies).

We again thank our shareholders for their continued support.

Christian Schaffalitzky

Chairman of Eurasia Mining Plc

James Nieuwenhuys, Chief Executive Officer of the Company, commented;

“We continue to advance our plans at both operations in the Urals and Kola Peninsula, adding value to both projects while pursuing a potential sale of assets as previously announced. Despite significant geopolitical tensions the operating environment within Russia itself has not changed materially with respect to our operations there. The Board will take a view on the best opportunity to refine to saleable metals at a later date, meanwhile production is ongoing at the time of writing, and we look forward to updating on our electric power and dragline projects, both expected to contribute to the winter 2022/23 stripping programme.”

Operations update

West Kytlim

Eurasia’s mine at West Kytlim commenced production on schedule this season, with all three process plants in operation, due in large part to the careful management of the winter stripping operation which precedes the mining season. Major projects including the installation of an electric dragline and a power line to site have progressed well through the summer months. All 286 posts on the power lines route to site have been installed and the line itself is currently being pulled through. Electric infrastructure at site, including the high voltage sub-station constructing and commissioning and six separate electrical hook ups, have been installed.

The work plan for the 2023 season envisages mining of the western bank of the Tylai River. A detailed design for a small bridge has been prepared at an estimated material cost of £231k. Work on this temporary construction, designed to be moveable to another site as required, will commence in October 2022.

Lost time injury frequency rate (“LTIFR”) remains at zero. A full-time labour safety engineer, appointed earlier in this season has now introduced all required protocols.

Year to date operational highlights

- Power line and e-dragline construction projects on course for completion later in this season.
- LTIFR remains at zero for the 2022 season.
- Three process plants operational throughout the mining season processing Kluchiki and Bolshaya Sosnovka ores.
- Typil exploration license drilling results show prospective ore bodies at this exploration permit west of the main West Kytlim mine permit.
- A total of 434,000 cubic meters PGM bearing gravels washed at three sites to 31 August 2022.
- A total of 167 kg raw platinum (113kg for full year 2021) has been produced year to date and has been transported to a secure location in Ekaterinburg for later refining.

West Kytlim is an ESG focussed mine site, as such it is the Company's intention to keep the mine's environmental impact to a minimum:

- Cooperation Agreement signed in July 2022 with the Karpinsk Municipal Administration on social and economic development in the town of Kytlim.
- Limited use of reinforced concrete and asphalt. Mine buildings built mostly of timber milled on site.
- Open pits remediated when 'mined out', with recovery within 5 to 10 years post mining.
- Modern machinery powered by renewable generated electricity utilised where possible.

Our plans to transition from predominantly diesel-based stripping to renewable generated electric powered stripping are nearing completion. The board recognises the potential to remove the operational Green House Gas emissions associated with this stage of the mining process as valuable in improving the projects' environmental credits.

Typil license

An exploration programme for the 24.5km² Typil exploration license, directly adjacent to the operating mine was approved in early 2021 allowing geological mapping, using soil and stream sediment sampling on both banks of the Kosva River to commence in August 2021.

468.1m (75 holes) were drilled on 7 lines in the northeast portion of the Licence area and in areas where tree felling was not required. Key highlights from the programme, with a drilling density commensurate with Russian standard C2 Reserves are provided as follows;

- At the confluence of the Typil and Kosva rivers, a potential ore body of 20m wide and 0.8m thick at an average grade of 235 mg/m³ raw platinum is contoured in Quaternary sediments.
- At the eastern bank of the Typil River a potential ore body 0.8m thick with an inferred width of 80m at an average grade of 192 mg/m³ raw platinum is contoured in pre-Quaternary (Neogene) sediments.
- On Line 24, in Quaternary sediments of the Typil eastern bank, a 110m wide and not less than 0.6 m thick layer is identified with an average grade of 284mg/m³ (sample grades up to 860 mg/m³).
- On the eastern bank of the Typilez Creek, two lodes with potentially economic platinum grades are identified. At a placer width of 160m and average thickness of 1.3m, the average grade reported is 261 mg/m³. At a width of 80m and average thickness of 0.9m, the average grade increases to 310 mg/m³ (sample grades up to 1,524 mg/m³).
- Numerous other platinum bearing intervals were identified in the drill programme for follow up in the next stage of drilling while several other prospective areas including the Typilez, Mulychevka and Kyria River areas remain understudied.

These results are presented in a table in Appendix I below. The Typil exploration report was provided by Michael Sukhov, Chief Geologist at Kosvinsky Kamen.

Monchetundra, Monchetundra Flanks and other Kola projects

The Definitive Feasibility Study for the Monchetundra (West Nittis and Loipishnune) open pits is well advanced and on schedule for completion this year. Details of this report will be provided when a response is received from the relevant authorities. The Company has previously released a report commissioned by Wardell Armstrong International covering the adjacent NKT deposit, a deposit which the Company has title to through its Monchetundra Flanks license. Reporting on other Kola deposits, including Nyud and Moroshkovoe will be provided when Eurasia holds title to the relevant licenses. Operational highlights include:

- Monchetundra Definitive Feasibility Study being progressed for completion by the end of 2022.
- Metallurgical testwork reports now available for compilation into the larger DFS report. New metallurgical study by SGS, Mekhanobr-St Petersburg, LIMS and Gipronickel (Norilsk Nickel's engineering arm) suggests grades, recoveries and flowsheet unchanged from the 2016 feasibility study.
- Rock mechanics studies and Hydro/Geotech drilling now complete for West Nittis and Loipishnune open pits.
- Recalculation of Monchetundra project resources and pit outlines, reflecting metal price movement since the feasibility study, for submission as a necessary component of the DFS.
- Work continues on assessment of the NKT Project, contained within Eurasia's 80% Flanks exploration license adjacent the Monchetundra (West Nittis and Loipishnune) mining license, as a standalone project or as a project combined with Monchetundra deposits.

Appendix I: Representative Typil exploration license drilling results:

Drill line no	Drill hole no		From	To	Length (m)	Width (m)	Sediments	Raw Pt* mg/m ³
Sample Drill hole intervals								
21	C-21-11		4.5	5.3	0.8	20	Quaternary	235
25	C-25-94		7.0	7.8	0.8	80	Neogene	192
Provisional placer deposits contoured at C2 drilling density								
24	Drill holes 2-14		3.8*	7.3*	0.6***	110	Quaternary	284
40	15-27		10.5*	13.6**	1.3***	160	Quaternary	261
may be restated, at a higher cut-off grade as;								
40	23-27		10.5*	13.6**	0.9***	80	Quaternary	310

Note: * minimal depth; ** maximum depth; *** average length

The mineral measured at the West Kytlim mine is referred to as Raw Platinum which is comprised of Platinum, Iridium, Palladium, Rhodium and Gold.

Drilling density for the programme is that of Russian standard C1 and C2 as defined in Russian industry mineral reporting nomenclature. All drilling to date at a drilling diameter of 20cm.

**Condensed consolidated statement of comprehensive income
for the six months ended 30 June 2022**

	Note	6 months to 30 June 2022 (unaudited) £	12 months to 31 December 2021 (audited) £	6 months to 30 June 2021 (unaudited) £
Sales	4	101,836	2,331,225	425,965
Cost of sales		(36,197)	(2,584,680)	(665,448)
Gross profit/(loss)		65,639	(253,455)	(239,483)
Administrative costs		(1,257,924)	(2,717,765)	(1,197,899)
Investment income		10,070	1,394	511
Finance costs		(49,717)	(103,445)	(53,144)
Other gains	5	6,108,902	-	24,093
Other losses	5	(1,024,892)	(65,250)	-
Profit/(loss) before tax		3,852,078	(3,138,521)	(1,465,922)
Income tax expense			-	-
Profit/(loss) for the period		3,852,078	(3,138,521)	(1,465,922)
Other comprehensive (loss)/income:				
<i>Items that will not be reclassified subsequently to profit and loss:</i>				
NCI share of foreign exchange differences on translation of foreign operations		405,694	36,855	1,293
<i>Items that will be reclassified subsequently to profit and loss:</i>				
Parents share of foreign exchange differences on translation of foreign operations		945,695	(58,679)	4,116
Other comprehensive income/(loss) for the period, net of tax		1,295,040	1,351,389	5,409
Total comprehensive income/(loss) for the period		5,203,467	(3,160,345)	(1,460,513)
Profit/(loss) for the period attributable to:				
Equity holders of the parent		2,556,416	(2,910,479)	(1,351,127)
Non-controlling interest		1,295,662	(228,042)	(114,795)
		3,852,078	(3,138,521)	(1,465,922)
Total comprehensive income/(loss) for the period attributable to:				
Equity holders of the parent		3,502,111	(2,969,158)	(1,347,011)
Non-controlling interest		1,701,356	(191,187)	(113,502)
		5,203,467	(3,160,345)	(1,460,513)
Basic and diluted profit/(loss) (pence per share)		0.09	(0.10)	(0.05)

Condensed consolidated statement of financial position
As at 30 June 2022

	Not e	At 30 June 2022 (unaudited) £	At 31 December 2021 (audited) £	At 30 June 2021 (unaudited) £
ASSETS				
Non-current assets				
Property, plant and equipment	6	12,634,691	5,061,743	4,578,844
Assets in the course of construction		1,329,132	640,423	124,303
Intangible assets	7	3,146,073	1,389,029	792,425
Investment to potential share in joint venture	8	584,591	367,464	368,447
Total non-current assets		17,694,487	7,458,659	5,864,019
Current assets				
Inventories	9	2,135,082	38,673	360,630
Trade and other receivables	10	4,124,692	1,681,864	450,659
Current tax assets		10,371	5,334	5,348
Cash and bank balances		13,559,308	22,009,507	16,067,991
Total current assets		19,829,453	23,735,378	16,884,628
Total assets		37,523,940	31,194,037	22,748,647
EQUITY				
Capital and reserves				
Issued capital	11	61,187,111	61,187,111	51,080,629
Reserves	12	4,868,386	3,922,691	3,985,486
Accumulated losses		(30,558,116)	(33,114,532)	(31,555,180)
Equity attributable to equity holders of the parent		35,497,381	31,995,270	23,510,935
Non-controlling interest		(248,693)	(1,950,049)	(1,872,364)
Total equity		35,248,688	30,045,221	21,638,571
LIABILITIES				
Non-current liabilities				
Lease liabilities	14	431,973	307,136	405,494
Provisions	16	470,029	143,268	99,422
Total non-current liabilities		902,002	450,404	504,916
Current liabilities				
Borrowings	13	50,833	31,953	32,038
Lease liabilities	14	211,397	122,407	113,059
Trade and other payables	15	1,111,020	486,558	443,943
Provisions	16	-	57,494	16,120
Total current liabilities		1,373,250	698,412	605,160
Total liabilities		2,275,252	1,148,816	1,110,076
Total equity and liabilities		37,523,940	31,194,037	22,748,647

Condensed statement of changes in equity
For the six months ended 30 June 2021

	Attributable to owners of the parent						Total attributable to owners of parent £	Non- controlling interest £	Total equity £	
	Note	Share capital £	Share premium £	Deferred shares £	Other reserves £	Foreign currency translation reserve £				Accumulated losses £
Balance at 1 January 2021		2,758,702	28,028,671	7,025,483	3,924,026	57,344	(30,204,053)	11,590,173	(1,758,862)	9,831,311
Issue of ordinary share capital for cash		53,307	14,072,982	-	-	-	-	14,126,289	-	14,126,289
Share issue cost		-	(858,516)	-	-	-	-	(858,516)	-	(858,516)
Transaction with owners		53,307	13,214,466	-	-	-	-	13,267,773	-	13,267,773
Loss for the period		-	-	-	-	-	(1,351,127)	(1,351,127)	(114,795)	(1,465,922)
Other comprehensive loss										
Exchange differences on translation of foreign operations		-	-	-	-	4,116	-	4,116	1,293	5,409
Total comprehensive income		-	-	-	-	4,116	(1,351,127)	(1,347,011)	(113,502)	(1,460,513)
Balance at 30 June 2021		2,812,009	41,243,137	7,025,483	3,924,026	61,460	(31,555,180)	23,510,935	(1,872,364)	21,638,571

Condensed statement of changes in equity
For the six months ended 30 June 2022

Note	Attributable to owners of the parent						Total attributable to owners of parent £	Non- controlling interest £	Total equity £
	Share capital £	Share premium £	Deferred shares £	Other reserves £	Foreign currency translation reserve £	Accumulated losses £			
Balance at 1 January 2022	2,853,560	51,308,068	7,025,483	3,924,026	(1,335)	(33,114,532)	31,995,270	(1,950,049)	30,045,221
Transaction with owners	-	-	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	2,556,416	2,556,416	1,295,662	3,852,078
Other comprehensive loss									
Exchange differences on translation of foreign operations	-	-	-	-	945,695	-	945,695	405,694	1,351,389
Total comprehensive income	-	-	-	-	945,695	2,556,416	3,502,111	1,701,356	5,203,467
Balance at 30 June 2022	2,853,560	51,308,068	7,025,483	3,924,026	944,360	(30,558,116)	35,497,381	(248,693)	35,248,688

**Condensed consolidated statement of cash flows
for the six months ended 30 June 2022**

	6 months to 30 June 2022 (unaudited) £	12 months to 31 December 2021 (audited) £	6 months to 30 June 2021 (unaudited) £
Cash flows from operating activities			
Profit/(loss) for the period	3,852,078	(3,138,521)	(1,465,922)
Adjustments for:			
Depreciation and amortisation of non-current assets	1,194,452	422,752	289,850
- Asset value write off to cost of sales	-	149,882	
(Loss)/gain on sale or disposal of property, plant and equipment	(4,219)	-	-
Finance costs recognised in profit or loss	49,717	103,445	53,144
Investment revenue recognised in profit or loss	(10,070)	(1,394)	(511)
Loss on impairment of financial assets			
Loss on impairment of inventory	1,024,892		
Rehabilitation cost recognised in profit or loss	90,096	145,785	61,643
Net foreign exchange (profit)/loss	(6,104,683)	65,250	(24,093)
	92,263	(2,252,801)	(1,085,889)
Movements in working capital			
Increase in inventories	(3,098,450)	(24,862)	(346,782)
Increase in trade and other receivables	(1,614,762)	(1,395,059)	(163,307)
Increase in trade and other payables	508,844	197,729	155,217
Cash used in operations	(4,112,105)	(3,474,993)	(1,440,761)
Net cash used in operating activities	(4,112,105)	(3,474,993)	(1,440,761)
Cash flows from investing activities			
Interest received	10,070	1,394	511
Investment to acquire interest in joint venture	-	(367,465)	(368,447)
Payments for property, plant and equipment	(6,221,805)	(1,910,033)	(629,005)
Payments for other intangible assets	(910,258)	(682,419)	(92,774)
Proceeds from disposal of property, plant and equipment	4,219	-	-
Net cash used in investing activities	(7,117,774)	(2,958,523)	(1,089,715)
Cash flows from financing activities			
Proceeds from issues of equity shares	-	24,929,694	14,126,289
Payment for share issue costs	-	(1,555,439)	(858,516)
Repayment of lease liability	(24,757)	(101,674)	(13,971)
Interest paid	(41,449)	(101,048)	(51,966)
Net cash (used in)/generated by financing activities	(66,206)	23,171,533	13,201,836
Net (decrease)/increase in cash and cash equivalents	(11,296,085)	16,738,017	10,671,360
Effects of exchange rate changes on the balance of cash held in foreign currencies	2,845,886	(132,611)	(7,470)
Cash and cash equivalents at the beginning of period	22,009,507	5,404,101	5,404,101
Cash and cash equivalents at the end of the period	13,559,308	22,009,507	16,067,991

Selected notes to the condensed consolidated financial statements for the six months ended 30 June 2022

1. General information

Eurasia Mining plc (the "Company") is a public limited company incorporated and domiciled in Great Britain with its registered office at International House, 42 Cromwell Road, London SW7 4EF, United Kingdom and principal place of business at Clubhouse Bank, 1 Angel Court, EC2R 7HJ. The Company's shares are listed on AIM, a market of the London Stock Exchange. The principal activities of the Company and its subsidiaries (the "Group") are related to the exploration for and development of platinum group metals, gold and other minerals in Russia.

The financial information set out in these condensed interim consolidated financial statements (the "Interim Financial Statements") do not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2021, prepared under International Financial Reporting Standards (the "IFRS"), have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified. The report did not contain a statement under Section 498(2) of the Companies Act 2006.

2. Basis of preparation

The Group prepares consolidated financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. These condensed consolidated interim financial statements for the period ended 30 June 2022 have been prepared by applying the recognition and measurement provisions of IFRS and the accounting policies adopted in the audited accounts for the year ended 31 December 2021.

These Interim Financial Statements have been prepared under the historical cost convention.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these condensed consolidated interim financial statements.

The Interim Financial Statements are presented in Pounds Sterling (£), which is also the functional currency of the parent company.

3. Accounting policies

The Interim Financial Statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 31 December 2021.

4. Sales

	6 months to 30 June 2022	12 months to 31 December 2021	6 months to 30 June 2021
	£	£	£
Sale of platinum and other metals	52,037	2,331,225	425,965
Rental income	49,799	-	-
	101,836	2,331,225	425,965

There has been no commercial sale of platinum in H12022. Raw platinum concentrate from the West Kytlim mining operation is currently being stockpiled at a secure location in Ekaterinburg for refining at more favourable Platinum and other PGM prices at a later date. Revenue generated in the first six months of 2022 is from the price adjustment due to timing between point of sale of other metals in 2021 and settlement date in early 2022 (£52,037), as well as income from rental of mining equipment to a mine site contractor (£49,799).

5. Other gains and losses

	6 months to 30 June 2022	12 months to 31 December 2021	6 months to 30 June 2021
	£	£	£
Gains			
Gain on disposal of property, plant and equipment	4,219	-	-
Net foreign exchange gain *	6,104,683	-	24,093
	6,108,902	-	24,093
Losses			
Impairment of inventory **	(1,024,892)	-	-
Net foreign exchange loss	-	(65,250)	(429,171)
	(1,024,892)	(65,250)	(429,171)
	5,084,010	(65,250)	(405,078)

* Significant exchange gain is a result of revaluation of monetary items expressed in Russian Rubles ('RUB') which strengthens from GBP/RUB 101.18 at 1 January 2022 to GBP/RUB 63.6 at 31 June 2022.

** Impairment of inventory – revaluation of stockpiled platinum concentrate to net realisable value using platinum price and RUB/USD exchange rate prevailing at 30 June 2022.

6. Property, plant and equipment

	30 June 2022	31 December 2021	30 June 2021
	£	£	£
Net book value at the beginning of period	5,061,743	4,295,908	4,295,908
Additions	5,911,509	1,298,813	533,983
Written off to cost of sales	-	(149,882)	-
Depreciation	(1,194,452)	(422,752)	(289,850)
Exchange differences	2,855,891	39,656	38,803
Net book value at the end of period	12,634,691	5,061,743	4,578,844

7. Intangible assets

	30 June 2022	31 December 2021	30 June 2021
	£	£	£
Net book value at the beginning of period	1,389,029	696,504	696,504
Additions	910,258	682,420	92,774
Exchange differences	846,786	10,105	3,147
Net book value at the end of period	3,146,073	1,389,029	792,425

Intangible assets represent capitalised costs associated with Group's exploration, evaluation and development of mineral resources.

8. Investment to potential share in joint venture

Investments to potential share in joint venture represents an investment made in March 2021 to enter into a joint venture and acquire, in stages, 75% interests in new assets on Kola peninsula leveraging agreements in place with both Rosgeo and the Far East and Arctic Region Development Corporation. ('ERDC', see RNS dated 6 December 2021). It is intended that these assets would be held in new joint venture companies to be developed at the Company's option. By 31 December 2021 The Company had invested RUB37,180,000 (£367,464 at the then prevailing RUB/GBP exchange rate). No further investments have been made in the reporting period, and the amount is carried to 30 June 2022 as RUB37,180,000 (£584,591).

9. Inventory

	30 June 2022	31 December 2021	30 June 2021
Platinum concentrate	1,753,532	-	-
Other inventory	381,550	38,673	360,630
	2,135,082	38,673	360,630

Stockpiled platinum concentrate has been revalued to net realisable value using platinum price and RUB/USD exchange rate prevailing at 30 June 2022.

10. Trade and other receivables

	30 June 2022	31 December 2021	30 June 2021
Trade receivables	78,520	480,588	495
Advances made	1,759,183	520,385	
Prepayments	36,681	140,335	22,707
VAT receivable	2,123,355	359,290	324,261
Other receivables	126,953	181,266	103,196
	4,124,692	1,681,864	450,659

The fair value of trade and other receivables is not materially different to the carrying values presented. None of the receivables are provided as security or past due.

11. Share capital

	30 June 2022	31 December 2021	30 June 2021
<i>Issued ordinary shares with a nominal value of 0.1p:</i>			
Number	2,853,559,995	2,853,559,995	2,724,774,624
Nominal value (£)	2,853,560	2,853,560	2,724,775

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

<i>Issued deferred shares with a nominal value of 4.9 p:</i>			
Number	143,377,203	143,377,203	143,377,203
Nominal value (£)	7,025,483	7,025,483	7,025,483

Deferred shares have the following rights and restrictions attached to them:

- they do not entitle the holders to receive any dividends and distributions;
- they do not entitle the holders to receive notice or to attend or vote at General Meetings of the Company;
- on return of capital on a winding up the holders of the deferred shares are only entitled to receive the amount paid up on such shares after the holders of the ordinary shares have received the sum of 0.1p for each ordinary share held by them and do not have any other right to participate in the assets of the Company.

There had been no change in the issued share capital during the reporting period

Ordinary shares	Number of shares	Share capital £	Share premium £
Balance at 1 January 2022	2,853,559,995	2,853,560	51,308,068
Balance at 30 June 2022	2,853,559,995	2,853,560	51,308,068

Deferred shares	Number of deferred shares	Deferred share capital £
Balance at 1 January and 30 June 2022	143,377,203	7,025,483

12. Reserves

	30 June 2022	31 December 2021	30 June 2021
	£	£	£
Capital redemption reserve	3,539,906	3,539,906	3,539,906
Foreign currency translation reserve	944,360	(1,335)	61,460
Equity-based payment reserve	384,120	384,120	384,120
	4,868,386	3,922,691	3,985,486

The capital redemption reserve was created as a result of a share capital restructuring in earlier years. There is no policy of regular transactions affecting the capital redemption reserve.

The foreign currency translation reserve represents exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into GBP.

The equity-based payments reserve represents a reserve arisen on (i) the grant of share options to employees under the employee share option plan and (ii) on issue of warrants under terms of professional service agreements.

13. Borrowings

	30 June 2022	31 December 2021	30 June 2021
	£	£	£
<i>Current</i>			
Unsecured loan	50,833	31,953	32,038
	50,833	31,953	32,038

In 2017 the Group entered into unsecured loan facility to borrow up to 57 million Russian Rubles ('RUB') at 14% per annum, from Region Metal, the then contractor and the West Kytlim mine operator. The Group had drawn RUB 4.18 million and repaid RUB 0.9 million by 31 December 2021. As the contractor's arrangements had been discontinued the Group has no intention to utilise any more funds from this facility. The loan was due for repayment in 2021 but the Group received a court order not to repay the loan due to ongoing court arbitration between the lender and its creditors. The Group is not a party of this arbitration and/or not linked to any party.

No borrowing costs were capitalised in 2022 and 2021.

14. Lease liabilities

The Group leases certain of its plant and equipment. The average remaining lease term is 3 years (2021: 4 years). . The Group has option to purchase the equipment for a nominal amount at the maturity of the finance lease. The Group's obligation under finance leases are secured by the lessor's title to the leased assets.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 21.9% to 23.5% per annum.

<i>Minimum lease payments</i>	30 June 2022	31 December 2021	30 June 2021
	£	£	£
Less than one year	315,252	200,633	203,647
Between one and five years	496,817	377,027	511,819
More than five years	-	-	-
	812,069	577,660	715,466
Less future finance charges	(168,699)	(148,117)	(196,913)
Present value of minimum lease payments	643,370	429,543	518,553

<i>Present value of minimum lease payments</i>	30 June 2022	31 December 2021	30 June 2021
	£	£	£
Less than one year	211,397	122,407	113,059
Between one and five years	431,973	307,136	405,494
More than five years	-	-	-
Present value of minimum lease payments	643,370	429,543	518,553

15. Trade and other payables

	30 June 2022	31 December 2021	30 June 2021
Trade payables	615,115	210,665	232,746
Accruals	56,826	161,035	23,051
Social security and other taxes	167,392	18,751	44,594
Other payables	271,687	96,107	143,552
	1,111,020	486,558	443,943

The fair value of trade and other payables is not materially different to the carrying values presented. The above listed payables were all unsecured.

16. Provision

	30 June 2022 £	31 December 2021 £	30 June 2021 £
Long term provision:			
Environment rehabilitation	470,029	143,268	99,422
Short term provision:			
Environment rehabilitation	-	57,494	16,120
	470,029	200,762	115,542
<i>Movement in provision</i>	Six months to 30 June 2022 £	12 months to 31 December 2021 £	Six months to 30 June 2021 £
At 1 January	200,762	52,137	52,137
Recognised in the period	79,541	138,020	60,292
Utilised in the period	-	-	-
Reduction resulting from re-measurement or settlement without cost	10,555	7,487	-
Unwinding of discount and effect of changes in the discount rate	8,268	2,397	1,178
Exchange difference	170,903	721	1,935
At the end of the period	470,029	200,762	115,542

Provision is made for the cost of restoration and environmental rehabilitation of the land disturbed by the West Kytlim mining operations, based on the estimated future costs using information available at the reporting date.

The provision is discounted using a risk-free discount rate of from 8.65% to 8.70% (2021: 3.87% to 5.08%) depending on the commitment terms, attributed to the Russian Federal Bonds.

Provision is estimated based on the sub-areas within general West Kytlim mining licence the company has carried down its operations on by the end of the reporting period. Timing is stipulated by the forestry permits issued at the pre-mining stage for each of sub-areas. Actual costs in respect of the long-term provision recognised in 2022 will be incurred within 2023-2025.

17. Commitments

At the time of the award of the Monchetundra mining license a royalty payment was calculated by the Russian Federal Reserves Commission. 20% of this payment was paid in December of 2018 and the remaining 80%, or RUB 16.68 million (approximately £262,000) to be paid by November 2023.

During 2020 the Group entered into several lease agreements to lease mining plant and equipment. As at 30 June 2022 the average lease term was 3 years and present value of minimum lease payments £643,370 (30 June 2021: £518,553).

18. Contingent liabilities

In 2021 the Company had invested RUB 37,180,000 (£584,591 at a prevailing exchange rate at 30 June 2022) in respect of the Nyud-Moroshkovoe and other potential licenses and projects as per the agreements in place with Rosgeo and ERDC.

Further investments are at the Company's discretion. The Nyud-Moroshkovoe project is being used by the Company as the template for the remaining assets, which will only be evaluated after the successful conclusion of the Nyud-Moroshkovoe project.