

Registered number: SE000102

Nord Gold UK Societas

Statement of financial position

as at 31 December 2020

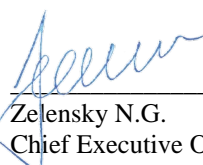
Nord Gold UK Societas

Statement of financial position (continued)

As at 31 December 2020

	Note	31.12.2020	31.12.2019
		\$'000	\$'000
Non-current assets			
Investments in subsidiaries	5	1 328 457	1 350 749
Other investments	6	2 506	4 763
Other assets		512	-
Total non-current assets		1 331 475	1 355 512
Current assets			
Loans to related parties	6	134 959	154 745
Trade and other receivables	7	12 213	9 337
Cash and cash equivalent	8	120 673	8 535
Total current assets		267 845	172 617
Total assets		1 599 320	1 528 129
Current liabilities			
Trade and other payables		719	131
Income tax payable	9	18 920	6 511
Advances received	10	924 000	924 000
Loans and borrowings	11	55 460	23 085
Total current liabilities		999 099	953 727
Net current assets /(liabilities)		(731 254)	(781 110)
Total assets less current liabilities		600 221	574 402
Non-current liabilities			
Loans and borrowings	11	49 801	25 268
Total non-current liabilities		49 801	25 268
Total liabilities		1 048 900	978 995
Net assets		550 420	549 134
Equity			
Share capital	12	4 644	464 577
Revaluation reserves		(3 676)	(4 113)
Retained earnings and profit for the year		549 452	88 670
Equity attributable to owners of the Company		550 420	549 134

Approved by the board of directors and authorised for issue on 22 February 2021 and signed on its behalf by


 Zelensky N.G.
 Chief Executive Officer


 Guzeev D.V.
 Chief Financial Officer

Nord Gold UK Societas

Notes to the statement of financial position

As at 31 December 2020

1. General information

Nord Gold UK Societas (the Company) is a Company incorporated and domiciled in the United Kingdom under the Companies Act 2006.

The Company is a public company limited by shares and is registered in England and Wales. The address of the Company's registered office is Fourth Floor, 27 Dover Street, Mayfair, London, England, W1S 4LZ.

2. Basis of preparation and presentation

The statement of financial position have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). In preparing these financial statements, the Company applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (Adopted IFRSs) but makes amendments where necessary in order to comply with Companies Act 2006 and sets out where advantage of the FRS 101 disclosure exemptions has been taken.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, standards not yet effective, impairment of assets. Where relevant, equivalent disclosures will be given in the group accounts of Nord Gold UK Societas.

In the current year, the Company has applied a number of amendments to IFRSs that are mandatorily effective for an accounting period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported.

- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 3 (Oct 2018)
- Amendments to IAS 1 and IAS 8 (Oct 2018)
- Amendments to IFRS 9, IAS 39 and IFRS 7 (September 2019)

The statement of financial position have been prepared on the historical cost basis, except for: investments in subsidiaries that have been recognised at deemed cost on transition to FRS 101, certain financial instruments that are designated at fair value through profit or loss on initial recognition or required to be measured at fair value through profit or loss or other comprehensive income on initial recognition, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 4, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The company has no critical accounting judgements or key sources of estimation uncertainty.

4. Significant accounting policies

Going concern

The Directors have, at the time of approving the statement of financial position, a reasonable expectation (including the possible impact of COVID-19) that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus the going concern basis of accounting in preparing the statement of financial position continues to be adopted.

Nord Gold UK Societas

Notes to the statement of financial position

As at 31 December 2020

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in accordance with IAS 27: 'Separate financial statements', less any provision for impairment as necessary for any subsequent investments.

The investment in subsidiaries test is estimated on a value in use basis using discounted cash flow models.

Impairment of investments in subsidiaries

The carrying values of investments in subsidiaries are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an investment in a subsidiary undertaking is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, management estimates the future cash flows that are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The carrying amount of investments in subsidiaries at the balance sheet date was US\$ 1,328,457 thousand (US\$ 1,350,749 thousand as at 31 December 2019) with no impairment charge recognised in 2020 (no impairment charge recognised in 2019) and no impairment reversal in 2020 (no impairment reversal in 2019).

Foreign currencies

The statement of financial position are presented in United States dollars consistent with the Group accounts. The functional currency is United States dollars, which is the currency of the primary economic environment in which the Company operates.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Financial instruments

The Company's accounting policies for financial instruments are consistent with those of the Group as disclosed in note 3 to the consolidated financial statements. The Company's financial risk management policies are consistent with those of the Group and are described in note 26 to the consolidated financial statements.

Impairment of financial assets

The Company's impairment policies in relation to financial assets are consistent with those of the Group, with additional consideration given to amounts owed by Group subsidiaries. Except for certain loans due in greater than one year, all outstanding receivable balances are repayable on demand and arise from funding provided by the Company to its subsidiaries. The measurement of expected credit losses is a function of the probability of default, loss given default and exposure at default. No change in credit risk is deemed to have occurred since initial recognition for amounts not repayable and therefore a 12-month expected credit loss has been calculated based on the assessed probability of default.

On initial application of IFRS 9, the Company recognised an additional provision for expected credit losses on amounts owed by subsidiaries of \$6.0 million. As at 31 December 2020 the provision for expected credit losses on amount owed by subsidiaries was \$1.8 million (\$3.1 million as at 31 December 2019).

Nord Gold UK Societas

Notes to the statement of financial position

As at 31 December 2020

5. Investments in subsidiaries

Cost	\$'000
At 1 January 2020	1 580 069
Additions	20 056
Return of investments	(42 349)
At 31 December 2020	<u>1 557 777</u>
Provisions for impairment	
At 1 January 2020	<u>(229 320)</u>
At 31 December 2020	<u>(229 320)</u>
Carrying amount	
At 31 December 2019	1 350 749
At 31 December 2020	1 328 457

The Company had advanced US\$ 27.8 million of funding via a promissory note to its subsidiary Compagnie Miniere Montagne d'Or SAS as at 31 December 2020 (31 December 2019: US\$ 18.7 million). The classification has been reassessed in the current year and, reflecting the linkage of this arrangement to the funding requirements under the shareholder agreement, the asset has been presented as an equity rather than a debt investment. The comparative information has been restated to provide a consistent presentation, with the balance previously having been presented within Trade and other receivables. Net assets remain unchanged.

Additions in the year mainly include increase of investments in Compagnie Miniere Montagne d'Or SAS, HRG Mines Ltd and Centroferve Ltd .

Return of investments mainly relates to return from HRG Mines Ltd in amount US\$ 42.3million.

The impairment of investments in subsidiaries as at 31 December 2019 and as at 31 December 2020 includes full impairment of investment in Crew Gold Corporation in total amount US\$ 229.3 million.

Nord Gold UK Societas

Notes to the statement of financial position

As at 31 December 2020

List of Company subsidiaries

The following is a list of the Company' subsidiaries and the effective ownership holdings therein:

Subsidiaries	31 December 2020	31 December 2019	Location	Activity
Direct subsidiaries				
Compagnie Miniere Montagne d'Or SAS	55.1%	55.1%	Immeuble Chopin - 1, rue de l'Indigoterie 97354 Rémire- Montjoly, Cayenne	Gold exploration
Centroferve Limited	100.0%	100.0%	Karaiskaki,6, City House, P.C. 3032, Limassol, Cyprus	Holding company
Nord Gold Guiana SAS	100.0%	100.0%	1, Avenue Gustave Charlery, route de Montabo Imm Faic, 97300 Cayenne	Gold exploration
Nordgold (UK) Ltd	100.0%	100.0%	4th Floor, 27 Dover Street, Mayfair, London, W1S4LZ, United Kingdom	Other
High River Gold Mines Ltd	100.0%	100.0%	Suite 2100, Scotia Plaza, 40 King Street West Toronto, Ontario, M5H 3C2, Canada	Holding company
Northquest Limited	100.0%	100.0%	Suite 101 - 50 Richmond Street East, Toronto, Ontario M5C 1N7, Canada	Gold exploration
Nordgold Management LLC	100.0%	100.0%	Leningrad highway, 39, building 2,125212 Moscow, Russian Federation	Management services
LLC Neryungri-Metallik	100.0%	100.0%	Republic of Sakha (Yakutia), Neryungri town. Hani pgt. 70 years of October, d. 3, kv. 55, 678976, Russian Federation	Gold mining

Nord Gold UK Societas

Notes to the statement of financial position

As at 31 December 2020

Nord Gold (Yukon) Inc.	100.0%	100.0%	200-204 Lambert Street, Whitehorse, YT, Y1A 1Z4, Canada	Holding company
LLC Rudnik Taborny	100.0%	100.0%	Republic of Sakha (Yakutia), Olekminsky district, Olekminsk town, Brovina street, 4a, 678100, Russian Federation	Gold mining
Indirect subsidiaries				
Celtic Resources Holdings Ltd	100.0%	100.0%	Fitzwilliam Hall, Fitzwilliam Place, Dublin 2, D02 T292, Ireland	Holding company
Celtic Resources (Central Asia)	100.0%	100.0%	200 Strand, London, WC2R 1DJ, United Kingdom	Holding company
JSC FIC Alel	100.0%	100.0%	122 Frunze street, Semey city, 071400, East-Kazakhstan region, the Republic of Kazakhstan	Gold mining
Zherek LLP	100.0%	100.0%	122 Frunze street, Semey city, 071400, East-Kazakhstan region, the Republic of Kazakhstan	Gold mining
Opeloak Ltd	100.0%	100.0%	200 Strand, London, WC2R 1DJ, United Kingdom	Gold sales
OJSC Buryatzoloto	93.8%	93.8%	Shalyapina street, 5V, Republic of Buryatia, Ulan-Ude, 670045, Russian Federation	Holding
LLC Irokinda	93.8%	93.8%	Shalyapina street, 5V, Republic of Buryatia, Ulan-Ude, 670045, Russian Federation	Gold mining
LLC Zun-Holba	93.8%	93.8%	Shalyapina street, 5V, Republic of Buryatia, Ulan-Ude, 670045, Russian Federation	Gold mining
LLC Berezitovy Rudnik	100.0%	100.0%	Centralnaya Str. 14, Amur Region, Tynda District, with. Pervomaiskoye,	Gold mining

Nord Gold UK Societas

Notes to the statement of financial position

As at 31 December 2020

Societe Des Mines de Taparko	90.0%	90.0%	676260, Russian Federation 01 B.P. 2509, Ouagadougou 01, Immeuble UPAK, Boulevard France – Afrique, Secteur 15, Ouaga 2000, Burkina Faso	Gold mining
Nordgold YEOU SA	90.0%	90.0%	Secteur 19, Quartier Kossodo, Rue 1749 Boulevard Tansoba Silzaedre, Section zz, lot 14, parcelle №8, arrondissement №4 de Ouagadougou, Burkina Faso	Gold mining
Crew Gold Corporation	100.0%	100.0%	13-14 Espalande Street, St Heller, JE1 1BD, Jersey	Holding company
Crew Acquisition Corporation	100.0%	100.0%	200-204 Lambert Street, Whitehorse, YT, Y1A 1Z4, Canada	Holding company
Guinor Gold Corporation	100.0%	100.0%	3081,3rd ave., Whitehorse, Yukon, Canada	Holding company
Kenor AS	100.0%	100.0%	Arbins gate 4, 0253 Oslo, Norway	Holding company
Delta Gold Mining Ltd.	100.0%	100.0%	Registered office 28-30 The Parade, St Helier Jersey, JE1 1EQ	Holding company
Societe Miniere de Dinguiraye (1)	85.0%	92.5%	4ème étage - Immeuble Moussoudougou - Résidence 2000, Corniche Coléah Sud – Commune de Matam BP 2162, Conakry, République de Guinée	Gold mining
High River Gold Mines (West Africa) Ltd	100.0%	100.0%	Fourth Floor, One Capital Place, P.O. Box 847, Grand Cayman, KY1-1103, Cayman Islands	Holding company
Bissa Gold SA	90.0%	90.0%	11 B.P. 1229 CMS 11 OUAGA 11, 783 rue de la Chambre de	Gold mining

Nord Gold UK Societas

Notes to the statement of financial position

As at 31 December 2020

High River Gold Exploration Burkina SARL	100.0%	100.0%	Commerce 15 618 commune de Ouagadougou, Burkina Faso Secteur n°19 (Kossodo), Rue 1749 Boulevard Tânsoba Silzaèdre, section ZZ, Lot 14, parcelle 08, Burkina Faso	Gold exploration
Jilbey Burkina SARL	100.0%	100.0%	Secteur n°19 (Kossodo), Rue 1749 Boulevard Tânsoba Silzaèdre, section ZZ, Lot 14, parcelle 08, Burkina Faso	Gold exploration
Kaya Exploration SARL	100.0%	100.0%	Secteur n°19 (Kossodo), Rue 1749 Boulevard Tânsoba Silzaèdre, section ZZ, Lot 14, parcelle 08, Burkina Faso	Gold exploration
Prognoz Exploration Burkina SARL	100.0%	100.0%	Secteur n°19 (Kossodo), Rue 1749 Boulevard Tânsoba Silzaèdre, section ZZ, Lot 14, parcelle 08, Burkina Faso	Gold exploration
Nord Prognoz Ltd	100.0%	100.0%	Ritter House Wickhams Cay II Road Town, Tortola, British Virgin Islands	Holding company
High River Gold Management Africa S.A.	100.0%	100.0%	11 BP 635 Ouagadougou, CMS 11, Immeuble UPAK Boulevard France – Afrique, secteur 15, Ouaga 2000, Burkina Faso	Other
High River Acquisition Corp.	100.0%	100.0%	200-204 Lambert Street, Whitehorse, Yukon Territory Y1A 1Z4, Canada	Other
Amur Gold Limited	100.0%	100.0%	Karaiskaki, 6 CITY HOUSE 3032, Limassol, Cyprus	Holding company
Ken Kazgan LLP	100.0%	100.0%	122 Frunze street, Semey city, 071400, East-Kazakhstan	Other

Nord Gold UK Societas

Notes to the statement of financial position

As at 31 December 2020

Celtic Asian Gold LLP (2)	-	100.0%	region, the Republic of Kazakhstan 122 Frunze street, Semey city, 071400, East-Kazakhstan region, the Republic of Kazakhstan	Other
Kentau Exploration and Mining LLP	100.0%	100.0%	122 Frunze street, Semey city, 071400, East-Kazakhstan region, the Republic of Kazakhstan	Other
Oldlove Ltd	100.0%	100.0%	1, Costakis Pantelides Avenue, Nicosia, CY1010, CYPRUS	Other

(1) During 2020 7.5% of share in Societe Miniere de Dinguiraye was transferred to the government of Guinea according to the new mining convention terms

(2) Celtic Asian Gold LLP was liquidated in 2020

Impairment of investments in subsidiaries

The recoverable amount for investments in subsidiaries is estimated on a value in use basis using discounted cash flow models.

As at 31 December 2020 and as at 31 December 2019 there were no impairments or impairment reversals of investments in subsidiaries.

Nord Gold UK Societas

Notes to the statement of financial position

As at 31 December 2020

6. Other investments and loans to related parties

	Current assets		Non-current assets	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	\$'000	\$'000	\$'000	\$'000
Equity investments assets designated at FVOCI				
Investments in shares	-	-	2 506	4 763
	-	-	2 506	4 763
Loans receivable carried at amortised cost				
Loans to related parties	134 959	154 745	-	-
Total investments	<u>134 959</u>	<u>154 745</u>	<u>2 506</u>	<u>4 763</u>

The investment in shares of US\$ 2,506 thousand represents by investment in Columbus Gold Corp (31 December 2019: US\$ 2,201 thousand). The investment in shares as at 31 December 2019 includes US\$ 2,462 thousand represents by investment in Alicanto Minerals.

Related party loans includes mainly loans receivable from Delta Gold Mining with interest rate 3 month LIBOR3M + 7% (3 month LIBOR3M + 7% in 2019) and loans receivable from Neryungri-Metallic with interest rates 4% (4%-9.11% in 2019).

7. Trade and other receivable

Trade and other receivables include related party balance of Bissa receivable in total amount US\$9,337 thousand (31 December 2019: US\$9,337 thousand).

8. Cash and cash equivalent

Cash and cash equivalent consists of cheque held in amount US\$ 120,776 thousands which was received as cash proceeds from sales of Cardinal' shares and cash overdraft in amount US\$ 103 thousands.

Nord Gold UK Societas

Notes to the statement of financial position

As at 31 December 2020

9. Income tax payable

Income tax payable balance has increased due to income tax accrued in 2020 in total amount US\$ 12.4 million (US\$ 3.1 million in 2019).

10. Advances received

Advances received represent a US\$ 924 million cash amounts received as at 31 December 2020 (2019: US\$ 924 million) from Celtic Resources Holding Ltd. (a wholly owned subsidiary) in relation to the purchase price of shares of subsidiaries owned by Nord Gold UK Societas, which will be purchased by Celtic Resources Holdings Ltd from Nord Gold UK Societas.

11. Loans and Borrowings

	31.12.2020	31.12.2019
	\$'000	\$'000
Amounts owed to group undertakings	55 460	23 085
Amount due for settlement within 12 months	55 460	23 085
Amounts owed to group undertakings	49 801	25 268
Amount due for settlement after 12 months	49 801	25 268
Amounts owed to group undertakings	105 261	48 353

Amounts owed to group undertakings mainly represent the loans received from the subsidiaries:

Subsidiary/interest rate	31.12.2020	31.12.2019
Celtic Resources Holdings, 3.5%	28 953	-
Opeloak Ltd, 6.9%	24 239	22 827
Rudnik Taborný, 4.5%	1 899	-
Other subsidiaries	369	259
Total	55 460	23 085

Subsidiary/ interest rate	31.12.2020	31.12.2019
Celtic Resources Holdings Asia, 3.5%	49 801	-
Celtic Resources Holdings, 3.5%	-	25 265
Total	49 801	25 265

Nord Gold UK Societas

Notes to the statement of financial position

As at 31 December 2020

12. Share capital

31.12.2020
\$'000

Issued and fully paid:

336 263 929 ordinary shares of EUR 0.01 each

4,644

In 2020 the Company has decided to reduce its share capital by reducing the nominal value of each of the Company's ordinary shares from 1 EUR to 0.01 EUR to create sufficient distributable reserves at a company only level to facilitate the payment of dividends in accordance with UK company law.

On 2 April 2020 the Capital Reduction was formally approved by the High Court of Justice. The effective date of the Capital Reduction shown on Companies House is 27 April 2020. This delay in the Capital Reduction registration was because Companies House has suspended its same day service, and was experiencing considerable delays in processing filings, due to the COVID-19 outbreak.

Following the Capital Reduction the Company's issued share capital as at 30 September 2020 consisted of 336 263 929 ordinary shares (31 December 2019: 336 263 929 ordinary shares) with par value of 0.01 EUR per share amounting to US\$ 4.6 million (31 December 2019: US\$ 464.6 million).

12. Controlling party

As at 31 December 2020 and 2019, the immediate parent company of the Company was Ocean Management Ltd ("the Parent Company"), registered in Cyprus. The controlling shareholders of the Company are Mr. Alexey A. Mordashov and his sons, Mr. Kirill A. Mordashov and Mr. Nikita A. Mordashov.

Nord Gold UK Societas

Notes to the statement of financial position

As at 31 December 2020