

eCommodities PLC

Copper, Gold, Silver and Mining Technology



Annual Reports and Accounts 2018

Registered Number 10866472

TUESDAY



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25/06/2019
COMPANIES HOUSE

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Strategic Report

Our Business at a Glance

Our business is to create value for our shareholders whilst caring about smart, clean and sustainable production of Copper, Gold and Silver.

We are a Public Limited Company with a capital of £75 million .

eCommodities PLC was founded in 2017 and is run by an experienced management team and Board of Directors. The company has stakes in Gold, Copper, Silver and Mining Technology assets.

We have production and projects in Ghana, Turkey, Spain and Portugal - either directly or through stakes in other mining companies.

We also invest in cleaner and more efficient extraction and production technologies for base and precious metals worldwide.

eCommodities produces gold in Ghana in the Pericles Gold Mine (formerly Papa 1 Mine) at a rate of 3,000 troy ounces per annum.

In Ghana, we have an advanced project at the Kingsdown Gold Mine (formerly Kilo Tango 1 Mine), which when in production will produce a further 7,500 troy ounces per annum.

Across our Gold Mines and Gold Projects in Ghana, Portugal and Turkey, we expect to be producing in excess of 500,000 troy ounces of Gold per annum by 2022.

We also have a number of projects in Turkey involving a large Copper, Gold and Silver mine in Sivas and a Gold and Silver tailings project in Keban. In Sivas, we expected to produce 50,000 mt of refined copper cathodes per annum by 2020.

Please note that due the current unfavourable business climate in Turkey, our projects there are currently mothballed and written off (although we still retain ownership).

Financial Highlights

For the year ended 31st July 2018

- Revenues of £1.23m
- Adjusted EBITDA of £0.745m
- Earnings per Share of £0.01
- Cash and Cash Eqv. of £16.15m
- Full Year Dividend of £0.004 per share.

Strategic Report

Strategy

Our vision for eCommodities PLC is to become a leading clean producer of copper, gold and silver whilst developing high value, niche mining technology solutions.

Our vision is being achieved via the delivery of a three pronged strategy.

1. Development of our existing assets using new technology to increase production and reserves as well as decreasing the post mine life clean-up and remediation costs.
2. Acquisition and activation of unwanted mining assets sitting on the balance sheet of other listed and unlisted mining companies.
3. Acquisition of minority stakes in mining technology companies and clean technology companies giving us first dibs on utilizing the technologies in our mining activities.

Achievements 2017/18:

1. We produced 1557 oz of gold in Ghana and are implementing a biodegradable plastic program using Symphony Technology at both the Pericles and Kingsdown mines.
2. We acquired stakes in W Resources (Tungsten, Gold, Copper), Alexander Mining (Mining Technology, Scramasax (Smart Mining Security) and Symphony Environmental (Clean Technology).
3. We identified a number of companies with potential breakthrough clean mining technology and in the process of taking stakes or concluding joint ventures with them. We also appraised numerous potential targets during the year.

Strategic Report

Executive General Manager and General Manager's Report.

Introduction

We are pleased to report that eCommodities has achieved a successful year of trading with good growth across all areas of our business, good levels of revenue and profitability and progress on a range of operational and strategic goals.

The culmination of this progress has translated into strong financial performance and a business that is well positioned to take advantage of interesting and dynamic metals and mining markets that are changing at a significant pace.

Business Overview

We have copper, gold and silver production and projects in Ghana, Turkey, Spain and Portugal - either directly or through stakes in other mining companies.

In 2017/18 we produced 1557 oz gold in Ghana.

Financial Summary and Dividends

For the year ended 31st July 2018

- Revenues of £1.23m
- Adjusted EBITDA of £0.745m
- Earnings per Share of £0.01
- Cash and Cash Eqv. of £16.15m
- Full Year Dividend of £0.004 per share
- We have no debt or receivables

Acquisitions

We closed the acquisition of a 58.60 pct stake in Pera Maden AG, which in turn owns 75 pct of Pera Maden AS, the Turkish Mining Company with mines and tailings projects at Keban.

The stake was acquired from various parties.

The Shareholders in Pera Maden AG are now eCommodities PLC (58.60%), Pera Maden Investment GmbH (20%), Ebullo Commodities (16.40%), B Poisson (2%), PD Ketelsen (2%) and E Nuri (1%).

This acquisition represented very good value and a huge opportunity for copper production at Keban. The mine in its entirety was previously (2012) valued at apprx £600 million by noted mining consultants SRK and Livenca. eCommodities has acquired it at very favorable terms compared to this previous independent valuation.

We also acquired all the outstanding shares in Mercury International Ghana that we didn't already own making us 100 pct owners of the Pericles and Kingsdown mines.

Investments

We acquired stakes in W Resources (Tungsten, Gold, Copper), Alexander Mining (Mining Technology, Scramasax (Smart Mining Security) and Symphony Environmental (Clean Technology).

We bought and sold a stake in Frontline Gold, Canada.

In connection with our gold production and the expected increase in same, we have also invested in various crypto-currencies linked to gold and other commodities, some involving off-take agreements for part of our current and future gold production.

We also hold various fixed income instruments and bonds.

At the balance sheet date we held approx £10m worth of our own shares in Treasury; we expect to (and have) used them for acquisitions and other strategic partnerships.

Summary and Outlook

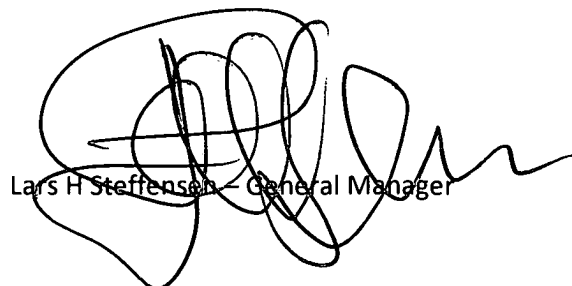
In summary, 2017-18 was a good year for eCommodities on multiple fronts with strong growth and financial performance coupled with operational progress and capped off by exciting acquisitions.

eCommodities will continue to mature and evolve both in terms of people, production and technologies and remains well positioned for the future.

Our thanks go to our staff, customers and partners and we look forward to sharing further success with them in the years ahead.



Alex Willson – Executive General Manager



Lars H Steffensen – General Manager

Strategic Report

Risk Management

General Risks

No business or industry is immune from potential financial loss. The mining industry, for instance, is vulnerable to financial loss because of the high costs of operations and equipment that could potentially breakdown or irreversibly damaged.

The specific risks vary, but generally, many of the factors involved can be foreseen. This means that preventive measures and preparations can help to minimize the impact of a possible unfortunate event.

The mining sector is facing three major risk factors, namely, the shift in global energy demand, the volatility of the commodity markets, and environmental factors, particularly the climate. These factors also bring opportunities so we as a mining company must learn to adapt.

Global energy demand shifts

As the global demand for cleaner energy increases, the mining industry also evolves in order to adapt to the changing demand. The importance of fossil fuel in the world economy is expected to decline. However, the demand for base metals like tungsten, cobalt and lithium (needed for batteries) is likely to increase as the car manufacturing industry shifts to electric power. A significant portion of the energy sector, particularly the solar power industry, will have a higher demand for metals needed in high-capacity batteries.

Governments of industrialized countries are also shifting their policies in favour of renewable energy. In Australia, for instance, the government is giving incentives for companies that are engaged in the production of renewable energy like solar power and wind power. The Renewable Energy Target (RET) scheme of the Australian Department of the Environment and Energy incentivizes and manages the long-term target to shift to renewable energy.

The shift in government policies and change in private sector demand in favour of renewable energy should be seen as opportunities for the mining sector. The sector has to adapt and prepare for the risks involved as the global market changes fast.

Mining companies must be able to implement technological changes and also increase their efficiency. On the other hand, globalization is also a threat that could diminish the viability of mining operations in industrialized countries. Cheaper labour and cheaper natural resources prompt many mining companies to transfer their operations to other countries.

Commodity markets and the environment

The other two major risk factors that the mining sector is facing are the volatility of the commodity markets and the unpredictability of environmental changes.

Our Specific Risks

We produce in varying jurisdictions and are always subject to political and societal upheaval (Turkey being a case in point).

Also, our liquidity is always impacted by logistics, refining cycles and off-take agreement liquidity being forthcoming.

The value of our investments can also be quite volatile as we mark-to-market.

Our strategy also depends on other companies where we may or may not be a shareholder being willing to do deals with us and take our shares and other assets as part-payment or accepting deferred cash payments.

We are not a huge organization, so the key personnel such as management and mining engineers are vitally important and should they be unable for any reason to contribute, it would have a severe effect on the business.

Other than that, we are of course facing all the risk factors that any other business in general and specifically a mining business face.

Country Risks

Possibly the most volatile and in some cases unpredictable risk resides in the relative stability of the political institutions in the countries in which we are conducting mining operations.

Nationalization of assets (even in developed Western countries such as the UK Labour's plan to renationalise energy companies) has serious consequences particularly if the compensation, if any, for the nationalized asset is below market value. Consequently, all strategic and operational decisions must consider political instability as a factor.

During the year 2018/2019 we elected not to proceed with investments in bring our operations back "on-line" in Turkey specifically due to the uncertainty surrounding the political environment in Turkey after the attempted coup

Section 172 Companies ACT 2006 Compliance

As noted in various portions of this report the Directors have acted on multiple occasions (curtailing further investment in assets in Turkey, electing to not proceed with the acquisition of assets in Egypt and seeking new assets in lower risk areas where there is greater political stability such as Portugal).

Additionally, we have actively pursued opportunities to invest in and derive the technological benefits of eco-friendly technologies being developed for the mining industry.

Strategic Report

Key Performance Indicators

Our main Key Performance Indicators (KPIs) are as follows:

- Gold Production of 1557oz
- Revenues of £1.23m
- Adjusted EBITDA of £0.745m
- Earnings per Share of £0.01
- Cash and Cash Eqv. of £16.15m
- Full Year Dividend of £0.004 per share.

Governance

Board of Directors

Executive Directors

Alex Willson (48) Executive General Manager

Alex Willson, who is also a Director of eCommodities PLC, is the Executive General Manager of eCommodities PLC.

Alex has a strong track record and proven success in many early stage, entrepreneurial natural resources businesses during a 30 year career.

Alex harnesses sound strategic vision and couples this focus with an in depth operational understanding. Time after time this application of reasoned, evidence based processes has helped him achieve targeted outcomes in the face of incomplete information.

Alex has impeccable risk management skills and a clear understanding of how best to capture idiosyncratic commodity return streams, especially those generated by short term dynamic relative value trading; particularly in precious metals, base metals and energy.

Alex's prior positions were held at Minemet/Entores, AMT, AIOC, Dean Witter and Colonial Commodities.

Lars H. Steffensen (51) General Manager

Lars H. Steffensen, who is also a Director of eCommodities PLC, is the General Manager, Corporate Strategy & Strategic Shareholdings of eCommodities PLC.

Lars has 33 years of experience in the commodity industry joining Entores (Metals Brokers) Ltd., London in 1986 and has since then worked for various household names in the metals and commodity industry (Gerald Metals, Philipp & Lion, Axel Johnson Resources, Copenhagen Ore & Metals, Next Energy and the Ebullio Group) in London, Southend on Sea, Hong Kong, Lugano, Copenhagen, New York and Newport Beach, CA.

Along the way, Lars has found the time to be educated in Law and Theology at the University of Aarhus, Denmark and one day Lars really needs to find the time to graduate.

Lars has previously held a US NFA/CFTC series 3 and 30 license and has also previously held UK FCA CF10, CF11, CF3, CF30 and CF4 licenses.

Lars has dedicated much time in his life to charity work, mainly involving the Danish and British Armed Forces and is currently Vice-Chairman of The Anders Lassen VC Society, which benefits the British 22 Special Air Service Regiment (SAS), the Danish Jaegerkorps (Paratroop Regiment) and the Danish Naval Special Operations Forces.

Lars has also for many years been an Ambassador for the Fly Navy Heritage Trust.

Lars' great hero is Sir Winston Churchill.

Governance

Board of Directors

Non-Executive Directors

Anders M. Hansen (57) Independent Non-Executive Chairman

Anders Hansen is The Chairman of The Board of eCommodities PLC.

Anders is a lawyer specializing in Corporate & Financial Transactions as well as overall Corporate Governance.

Education

University of California School of Law
(Berkeley) 1994

Master's Degree in Law, University of
Copenhagen 1988

Copenhagen Business School 1983

Army

Lieutenant Colonel, Danish Army -
Royal Guards Regiment

Admissions

The Danish Supreme Court 1999

The Danish High Court 1991

The Danish bar 1991

Memberships

The International Bar Association

The American Bar Association

The Danish Bar and Law Society

Languages

English, the Scandinavian languages

Profile

Anders has vast international experience in a cross-border context. This experience also extends to business leadership, including as former chairman of a Pan-European law firm structured as a partnership of partnerships.

Prior to becoming a lawyer, Anders also gained leadership experience through his career in the Danish Army, where he holds the rank of Lieutenant Colonel with the Royal Guards regiment.

In 2015 Anders was knighted with The Order of Dannebrog for services to Denmark, in particular his charity work for soldiers and their families.

Anders is designated an Honorary Fellow of the Association of Fellows and Legal Scholars of the Center for International Legal Studies, and is a former President of the Danish Guards Associations Abroad as well as a former Chairman of the Danish Guards Association in the UK.

Anders has also written two International Thrillers, of which one is translated into English. Anders spends most of his time in Mayfair, London.

Anders has dedicated much time in his life to charity work, mainly involving the Danish and British Armed Forces and is currently Chairman of The Anders Lassen VC Society, which benefits the British 22 Special Air Service Regiment (SAS), the Danish Jaegerkorps (Paratroop Regiment) and the Danish Naval Special Operations Forces.

Maj Gen John Holly (US Army ret.)(67) Independent Non-Executive Director

John Holly is The Deputy Chairman of The Board of eCommodities PLC.

John is the founder and Managing Director of JH London, a boutique consultancy advising FTSE 100 executives in the areas of Trans-Atlantic operations, high-consequence risk management and business leadership.

Additionally, John serves as the Senior Defence Advisor to KPMG and is the Chairman of Scramasax Ltd, a bespoke service provider to High Net Worth Individuals.

Previously, John was the Chairman of the UK's Atomic Weapons Establishment Management Ltd and the Chief Operating Officer of Lockheed Martin UK.

John is a retired Major General in the United States Army, who was responsible for developing and fielding the National Missile Defense System for the defence of the United States of America against Intercontinental Ballistic Missiles (ICBM).

John supports many charitable activities including Sentebale and Help for Heroes.

Anna Donald (49) Independent Non-Executive Director

Anna Donald is a Director of eCommodities PLC.

Anna has a broad range of corporate experience from her career in the financial industry which has spanned over 20 years in a range of roles including analysis, stockbroking, fund management and marketing based in Hong Kong and London.

She has worked for a spectrum of firms from large global players (Baring Asset Management, Daiwa, BNP Paribas, ABN AMRO and DBS) to small boutiques (Wessex Asset Management, Evolution Securities and Ebullio Capital Management).

Anna holds a Physics degree from Imperial College in London.

Anna dedicates much time to charity work and serves on The Committee of the Pink Ribbon ball for Breast Cancer Now.

Governance

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 July 2018.

eCommodities PLC is a public limited company incorporated and domiciled in the United Kingdom and under the Companies Act 2006.

The Company Number is 10866472.

The address of the Company's registered office is 86-90 Paul Street, 4th Floor, London EC2A 4NE.

The Financial Statements were authorised and approved by the Board of Directors on 24th October 2018 and by the Annual General Meeting on 11th March 2019.

Further information on the activities of the business, the strategy and outlook for the business are presented in the Management's Report in this Annual Report.

Financial Results

Details of the financial Results are set out in the Consolidated Statement of Comprehensive Income and in the Notes.

Dividends

The Directors have adopted a progressive dividend policy subject to growth, profitability and cash position in the future. The Directors proposed a full year dividend for 2018 of 0.4p per share which was paid on January 15th 2019. For 2019 similar interim dividends are proposed for each quarter.

Directors

The directors who serve on the board and served on the board during the year are set out in the Governance, Board of Directors section of this Annual Report.

Information in respect of directors' remuneration is given in the Directors' Remuneration Report.

Governance and Transparency

The company is managed on a day-to-day basis by the Executive Management. On a bi-monthly basis, the Executive Management posts an update on the website for all shareholders to see.

How We are Governed

The Board of Directors routinely meets throughout the year. During 2018/2019 the Board met 4 times, in addition to the Annual General Meeting. Additionally, on average, the Chairman meets weekly with the General Manager and the Deputy Chairman meets monthly with the Executive Manager to discuss governance and current performance.

Directors' Shareholdings

Directors' beneficial interests in the shares of the Company, including family interests, as at 31 July 2018 were as follows:

	Number of shares	% of issued share capital
Alex Wilson	841,680	1.35%
Lars H Steffensen	14,960,862	23.94%
Anders Hansen	841,680	1.35%
John Holly	420,840	0.67%
Anna Donald	336,672	0.54%

None of the Directors had any interests in the share capital of subsidiaries.

Substantial Shareholdings

As at 21 March 201, being the last practicable date prior to the publication of this document, the Company is aware of the following shareholdings of 3 % or more in the issued share capital of eCommodities PLC:

	Number of Shares	% of issued share capital
Spearhavoc Limited	14,960,862	23.94%
Hamish Slater	5,891,760	9.42%
Thuraya Investments	5,050,080	8.08%
PK Ejendomme A/S	4,208,400	7.27%
eCommodities PLC	5,210,977	8.34%
Hans Weiss	2,400,000	3.84%
Link Asset Services	2,255,702	3.61%
Scramasax Limited	1,893,780	3.03%

Payment of Suppliers

It is our policy to pay suppliers in accordance with the terms and conditions agreed in advance, providing all trading terms and conditions have been met. All payments are made in the ordinary course of business and we expect to pay all supplier debts as they become due.

Trade payable days for eCommodities PLC as at 31 July 2018 were 2 days.

Exploration and Development

During the year, we incurred £166,000 of expenditure on exploration and development activity (primarily in Ghana), which has been charged to the income statement.

Financial Instruments

We do not employ any financial instruments other than strategic outright shareholdings or currency holdings.

Employment policy

It is our policy to operate a fair employment policy. No employee or job applicant is less favourably treated than another on the grounds of their sex, sexual orientation, age, marital status, religion, race, nationality, ethnic or national origin, colour or disability and all appointments and promotions are determined solely on merit. The Directors encourage employees to be aware of all issues affecting us and place considerable emphasis on employees sharing in our success through encouragement and inducements to become shareholders.

Environment

We adhere to all environmental regulations and have, where possible, utilised environmental-sustaining policies such as recycling, waste reduction, energy saving and biodegradable plastics.

Significant Contracts

We have a significant off-take agreement with a major gold backed currency company whereby we are pre-paid for gold to be delivered over the next 3 years. We also have a significant amount of business with a number of key clients, partners and service providers, from which we historically have derived a significant amount of business.

Charitable Donations

We made charitable donations to various charities amounting to £10,000 during the year.

Auditor

A resolution to appoint ACME LLP will be proposed at the Annual General Meeting.

Provision of information to auditor

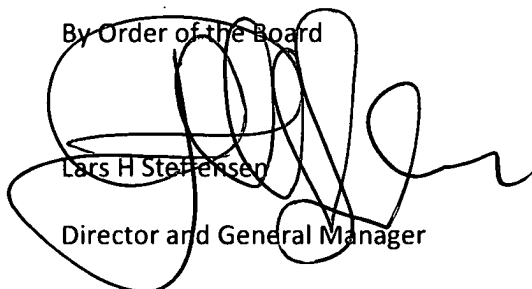
All of the current Directors have taken all steps that they ought to have taken to make themselves aware of any information needed by the Company's auditor for the purposes of their audit and to establish that the auditor is aware of that information.

The Directors are not aware of any relevant audit information of which the auditor is unaware.

Third Party Indemnity Provisions

No Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report. The Company self-insures and indemnifies all Directors with regards to the Company's business.

By Order of the Board

A large, stylized handwritten signature in black ink, appearing to read 'Lars H Steffensen', is written over the printed name and title.

Lars H Steffensen

Director and General Manager

12 April 2019

86-90 Paul Street

4th Floor

London EC2A 4NE.

Governance

Director's Remuneration Report

Unaudited Information

All remuneration levels are proposed by the Board to the Annual General Meeting and approved there.

The following was approved by the AGM on 11 March 2019.

Directors are remunerated as follows

Chairman £75,000 per annum

Vice Chairman £50,000 per annum

Directors £25,000 per annum

Paid in 4 quarterly sums.

Senior Management is remunerated as follows:

Executive General Manager £125,000 per annum

General Manager £100,000 per annum

Paid in 12 equal monthly sums.

Other salaries are set by the Senior Management.

Statement of Director's Responsibilities in respect of the Annual Report and the Financial Statements

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. The directors have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and a Director's Report that complies with that law and those regulations.

The directors are also responsible for the maintenance and integrity of the corporate and financial information included on the company's website www.ecommodities.co.uk. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor's Report

to the members of eCommodities PLC

1. **Our opinion is modified.**

We have audited the financial statements of eCommodities PLC (eCom) for the year ended 31 July 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheet and the related notes.

In our opinion:

- The financial statements give a true and fair view of the state of eCom's affairs as at July 31 2018 and of eCom's profit for the year then ended.
- The eCom financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union
- The eCom financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs(UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities despite not being independent of eCom under and in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to PLCs. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

2. **Key Audit Matters: Our Assessment of Risks of Material Misstatement**

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant risks of material misstatement identified by us.

The Risk

A number of assets on the balance sheet are hard to value mining and crypto currency asset and the exercise to recognise intangible assets acquired at fair value involves a significant degree of judgement on the inputs used to value the intangibles (such as useful economic life of assets, discount rate, NPV (Net Present Value) and mark-to-market) and is a material estimate.

Our Response

We have caused the valuation methodology to be disclosed in the Notes and also qualified the audit in Note 5 in order to make sure the Members understand the valuations underpinning the Balance Sheet.

The Risk

A number of revenue streams have been contracted out to subsidiaries, associated and affiliated companies that are not necessarily in the UK jurisdiction, which has made it harder to recognise revenue on a normal basis.

Our Response

We have obtained independent confirmations from these entities of turnover and assets held obo eCom and have also qualified the audit in Note 5 in order to make sure the Members understand the valuations underpinning the Balance Sheet.

3. Our application of materiality.

Materiality for the eCom financial statements was set at £10k.

4. We have nothing to report on going concern.

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty (other than the substantially delay in filing these accounts) that may cast significant doubt over the use of that basis for a period of at least 12 months from the date of approval of the financial statements. We have nothing to report in these respects.

5. Report on the other information in the Annual Report

A number of assets on the balance sheet are hard to value mining and crypto currency asset and the exercise to recognise intangible assets acquired at fair value involves a significant degree of judgement on the inputs used to value the intangibles (such as useful economic life of assets, discount rate, NPV (Net Present Value) and mark-to-market) and is a material estimate.

We have relied on Senior Management's valuation methodology and have no opinion on whether it is appropriate or not.

Also, a number of revenue streams and holdings have been contracted out to subsidiaries, associated and affiliated companies that are not necessarily in the UK jurisdiction, which has made it harder to recognise revenue and assets on a normal basis.

We have relied on Senior Management's valuation methodology and have no opinion on whether it is appropriate or not.

6. We have nothing to report on other matters on which we are required to report by exception.

Under the Companies Act 2006, we are required to report to you, if, in our opinion:

- Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records or returns
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

7. Respective responsibilities

Directors' responsibilities

As explained in their statement set out on page 13, the directors are responsible for the preparation of the financial statements including being satisfied that they give a true and fair view of eCom's position.

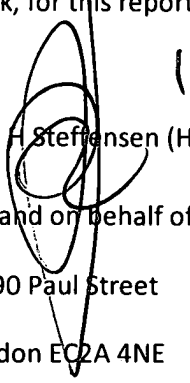
Auditor's responsibilities

Our objective is to obtain reasonable assurances that the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue our opinion in this auditor's report.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

8. The purpose of our audit work and to whom we owe our responsibilities.

This report is made solely to eCom's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to eCom's members those matters we are required to state to them in an auditor's report and for no other purpose. We are a wholly owned entity of eCommodities PLC and not independent. To the fullest extent permitted by law, we do not accept or resume responsibility to anyone other than eCom and eCom's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Lars H. Steffensen (Head of ACME Audit Committee)

For and on behalf of **ACME AUDIT**

86-90 Paul Street

London EC2A 4NE

10 June 2019.

Financial Statements

Consolidated Statement of Comprehensive Income

for the year ended 31 July 2018

	Note	
Revenue	1	£1,230,615.00
Cost of Sales	2	£598,846.00
Gross Revenue		£631,769.00
Other Income	3	£273,666.00
Selling and Distribution Expenses	4	£100,000.00
Security Expenses	5	£30,000.00
Other Operating Expenses	6	£15,000.00
General and Administrative Expenses	7	£15,000.00
Profit Before Tax		£745,435.00
Provisional Income Tax Expense	8	£141,632.65
<u>Profit for the Year</u>		£603,802.35
Total Comprehensive Income		£603,802.35
<u>Earnings per Share</u>	9	£0.01

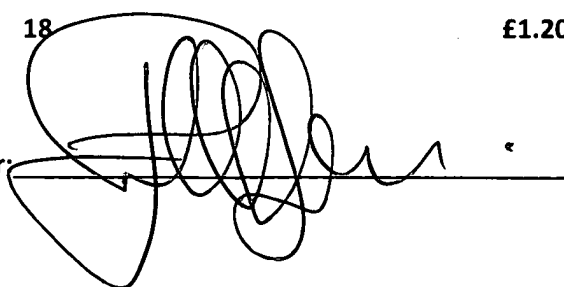
Financial Statements

Consolidated Balance Sheet

as at 31 July 2018 (eCommodities PLC - Company Number 10866472)

	Note	
<u>Non-current Assets</u>		
Ghana Mines	10	£48,461,000.00
Own shares held in Treasury	11	£9,290,394.00
Stakes in Listed Mining Companies	12	£840,000.00
Stakes in Unlisted Companies	13	£400,000.00
<u>Current Assets</u>		
Cash in Hand	14	£161,265.65
Gold in Storage	14a	£277,000.00
Crypto Currencies	15	£13,538,000.00
Bonds	16	£2,173,973.00
Trade and Other Receivables		£0.00
Total Assets		£75,141,632.65
<u>Equity and Liabilities</u>		
Issued Capital		£62,500,000.00
Retained Earnings	17	£12,641,632.65
Total Equity		£75,141,632.65
Deferred Tax		£141,632.65
Total Equity and Liabilities		£75,000,000.00
Price per Share	18	£1.20

Signed by Lars H Steffensen – Director



Financial Statements

Notes to the Consolidated Financial Statements

1. Revenue
1557 oz of gold produced and realized at an average of \$1027 per oz
2. Cost of Sales
Average cost of production \$500 per oz
3. Other Income
Profit mark to market on strategic shareholdings, consulting fees from overseas subsidiaries and sale of shares from treasury.
4. Selling and Distribution Expenses
Transport, Insurance and Packaging.
5. Security Expenses
Mining, gold transport and other security is contracted to Scramasax.
6. Other Operating Expenses
Travel and Entertainment.
7. General and Administrative Expenses
Lawyers (Cameron McKenna and Himsworth Scott)
8. Provisional Income Tax Expense
We expect to offset this with scheduled depreciations on mining equipment and inventory.
9. Earnings per Share
 $62,500,000 \text{ shares} / \text{£}603,802.35 = \text{£}0.01 \text{ per share.}$
10. Ghana Mines
Pericles and Kingsdown expected mine life NPV at 50 pct of value basis USD 1000 per ox gold price.
11. Own Shares held in Treasury
7,741,995 shares at £1.20 per share.
12. Stakes in listed Mining Companies
1.75 pct in W Resources (LSE:WRES) - £417,000.
1.75 pct in Alexander Mining (LSE:AXM) - £43,000.
1.75 pct in Symphony Environmental (LSE:SYM) - £380,000.
13. Stake in Unlisted Company
20 pct of Scramasax Limited, an affiliated security company.
14. Cash in Hand
Incorporating deposits with affiliated companies in UK and overseas.
- 14a. Gold in Storage
300 oz gold held in Ghana en route to be refined.
15. Crypto Currencies
A mixture of BTC, ETH, JNB and ETC held in secure wallets and valued at market or ICO prices. Crypto markets are inherently very volatile and since the balance sheet date the holding has swung between being worth apprx 25 pct less and 240 pct more.

Financial Statements

Notes to the Consolidated Financial Statements (cont.)

16. Bond Holding

Holding is the Spearhavoc Finans A/S 3% Secured 2027 Corporate Bond listed on Nasdaq Copenhagen with a quarterly coupon.

17. Retained Earnings

Goodwill acquired along with full control of Mercury Ghana.

18. Price per Share

£75,000,000.00 equity / 62,500,000.00 shares = £1.20 per share price.

19. The ultimate controlling party is The Board and Management as a body.

eCommodities PLC Information.

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Bankers

Barclays

Danske Bank

Zenith Bank of Ghana

Solicitors

CMS Cameron McKenna

Himsworth Scott