

**Eurasia Mining plc**  
(“Eurasia” or the “Company”)

**Interim Report**  
**six months ended 30 June 2023**

## **Chairman's Statement**

Dear Shareholder

The first six months of 2023 saw the Company focused principally on our plan to sell our Russian assets.

### *Proposed sale of Russian assets*

We have concentrated on this effort since 2020 and can report that we continue to make progress. Our focus on BRICS non-sanctioned counterparties continues, with several parties currently at various stages of their due diligence. Although, as stated previously, there is no guarantee of a positive outcome to this activity, the Board remains focused on achieving a successful conclusion.

### *West Kytlim*

Site preparation work was completed during the first quarter of 2023, but due to the sale process being Eurasia's main priority, no metal concentrate has been produced at West Kytlim since the end of 2022.

Our key focus at West Kytlim has been on the sale of 2022 concentrate, which is currently held in inventory, with no restrictions related to its sale as a precious metals bearing high grade concentrate. The Board expects the concentrates to be sold at carrying value and we are currently evaluating offers from three parties who responded to the tender process.

We have started to receive value-added tax refunds (VAT) against capital expenditure in previous years, which also contributes to our cash position (see below), in addition to the proposed concentrate sale.

### *Monchetundra*

The Definitive Feasibility Study ('DFS') at Monchetundra was approved by the authorities in late June 2023. This allows Eurasia to present this development and the resulting improvement in value to potential purchasers. The Company does not believe it is appropriate to commence construction immediately, as it is expected that any counterparties to the proposed asset sale may have their own plans for the development of Monchetundra and can either proceed with the EPCF contract signed with Sinosteel, or with a different contractor.

### *Financial position*

The Company's current cash assets at 30 June 2023 including cash held in bank accounts (£0.4 million) and US treasury notes (£1.54 million) totalled £1.94 million. The value of unsold concentrate within Inventories at 30 June 2023 was approximately £3.5 million. In addition, the Company expects to receive VAT refunds of circa £1.5 million.

The Company's cash reserves are held in USD and GBP accounts outside of Russia and therefore not directly or indirectly exposed to Rouble foreign exchange gains or losses against other major hard currencies.

### *Sanctions*

The Board continues to maintain a regular dialogue with the Company's legal advisers regarding the potential impact of any US, UK or EU sanctions on the Company, its operations and assets. The Company remains satisfied that its current operations are not prohibited under US, UK or EU sanctions rules. Furthermore, the Group does not engage and has not engaged with any sanctioned persons, entities or agencies. 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.

#### *Management changes*

Following the retirement of James Nieuwenhuys as CEO, the Company has established an Operations Committee, led by Christian Schaffalitzky, which oversees the day-to-day project development activities of the Company, alongside the proposed sale process on which the full Board is engaged. Eurasia does not intend to make any further management appointments at this stage.

#### *Litigation*

The previously announced litigation case between the Company and Queeld Investments Limited and Mispere Limited, and Eurasia remains ongoing. Further developments regarding this case will be announced as appropriate. The previously announced case filed by Logik Developments Ltd was settled in July 2023.

#### *Outlook*

We recognise that, in relation to the potential asset sale, it may be a source of frustration for shareholders that we cannot report on specific counterparties, the nature of our discussions, and the ongoing processes in more detail. This reflects the regulatory regime and the many confidentiality agreements that govern this activity. However, although there can be no guarantees, all the Eurasia Board members are engaged in contributing towards a successful outcome to this process, and we look forward to providing our shareholders with further updates as appropriate.

We again thank our shareholders for their continued support.

**Christian Schaffalitzky**

**Chairman**

**Eurasia Mining PLC**

**Condensed consolidated statement of comprehensive income**  
**for the six months ended 30 June 2023**

	Note	6 months to 30 June 2023 (unaudited) £	12 months to 31 December 2022 (audited) £	6 months to 30 June 2022 (unaudited) £
Sales	4	-	119,525	101,836
Cost of sales		-	(30,173)	(36,197)
<b>Gross profit</b>		<b>-</b>	<b>89,352</b>	<b>65,639</b>
Administrative costs		(1,298,464)	(4,618,351)	(1,257,924)
Investment income		53,184	61,325	10,070
Finance costs		(44,789)	(107,697)	(49,717)
Other gains	5	272,549	187,592	6,108,902
Other losses	5	(6,361,898)	(2,842,309)	(1,024,892)
<b>(Loss)/profit before tax</b>		<b>(7,379,418)</b>	<b>(7,230,088)</b>	<b>3,852,078</b>
Income tax expense		-	-	-
<b>(Loss)/profit for the period</b>		<b>(7,379,418)</b>	<b>(7,230,088)</b>	<b>3,852,078</b>
<b>Other comprehensive (loss)/income:</b>				
<i>Items that will not be reclassified subsequently to profit and loss:</i>				
NCI share of foreign exchange differences on translation of foreign operations		682,020	(61,656)	405,694
<i>Items that will be reclassified subsequently to profit and loss:</i>				
Parents share of foreign exchange differences on translation of foreign operations		1,738,236	(341,762)	945,695
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>2,420,256</b>	<b>(403,418)</b>	<b>1,351,389</b>
<b>Total comprehensive (loss)/income for the period</b>		<b>(4,959,162)</b>	<b>(7,633,506)</b>	<b>5,203,467</b>
<b>(Loss)/profit for the period attributable to:</b>				
Equity holders of the parent		(5,638,150)	(5,840,245)	2,556,416
Non-controlling interest		(1,741,268)	(1,389,843)	1,295,662
		<b>(7,379,418)</b>	<b>(7,230,088)</b>	<b>3,852,078</b>
<b>Total comprehensive (loss)/income for the period attributable to:</b>				
Equity holders of the parent		(3,899,914)	(6,182,007)	3,502,111
Non-controlling interest		(1,059,248)	(1,451,499)	1,701,356
		<b>(4,959,162)</b>	<b>(7,633,506)</b>	<b>5,203,467</b>
Basic and diluted (loss)/profit (pence per share)		(0.20)	(0.21)	0.09

**Condensed consolidated statement of financial position**  
**As at 30 June 2023**

	Note	At 30 June 2023 (unaudited) £	At 31 December 2022 (audited) £	At 30 June 2022 (unaudited) £
<b>ASSETS</b>				
<i>Non-current assets</i>				
Property, plant and equipment	6	8,470,553	9,600,231	12,634,691
Assets in the course of construction		538,537	696,026	1,329,132
Intangible assets	7	2,748,361	2,859,368	3,146,073
Investment in financial assets		1,592,143	3,807,925	
Investments in joint ventures		-	-	584,591
<b>Total non-current assets</b>		<b>13,349,594</b>	<b>16,963,550</b>	<b>17,694,487</b>
<i>Current assets</i>				
Inventories		3,687,482	4,182,382	2,135,082
Trade and other receivables	8	2,684,475	3,171,669	4,124,692
Other financial assets		89,485	-	-
Current tax assets		5,967	6,050	10,371
Cash and bank balances		405,875	1,009,908	13,559,308
<b>Total current assets</b>		<b>6,873,284</b>	<b>8,370,009</b>	<b>19,829,453</b>
<b>Total assets</b>		<b>20,222,878</b>	<b>25,333,559</b>	<b>37,523,940</b>
<b>EQUITY</b>				
<i>Capital and reserves</i>				
Issued capital	9	61,208,111	61,187,111	61,187,111
Reserves	10	5,330,971	3,580,929	4,868,386
Accumulated losses		(44,604,733)	(38,954,777)	(30,558,116)
<b>Equity attributable to equity holders of the parent</b>		<b>21,934,349</b>	<b>25,813,263</b>	<b>35,497,381</b>
Non-controlling interest		(4,460,796)	(3,401,548)	(248,693)
<b>Total equity</b>		<b>17,473,553</b>	<b>22,411,715</b>	<b>35,248,688</b>
<b>LIABILITIES</b>				
<i>Non-current liabilities</i>				
Lease liabilities	11	147,592	181,198	431,973
Provisions	13	173,645	254,218	470,029
<b>Total non-current liabilities</b>		<b>321,237</b>	<b>435,416</b>	<b>902,002</b>
<i>Current liabilities</i>				
Borrowings		-	-	50,833
Lease liabilities	11	98,256	167,071	211,397
Trade and other payables	12	2,265,361	2,230,879	1,111,020
Provisions	13	64,471	88,478	-
<b>Total current liabilities</b>		<b>2,428,088</b>	<b>2,486,428</b>	<b>1,373,250</b>
<b>Total liabilities</b>		<b>2,749,325</b>	<b>2,921,844</b>	<b>2,275,252</b>
<b>Total equity and liabilities</b>		<b>20,222,878</b>	<b>25,333,559</b>	<b>37,523,940</b>

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

**Attributable to owners of the parent**

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

**Condensed statement of changes in equity  
For the six months ended 30 June 2023**

**Attributable to owners of the parent**

<b>Note</b>	<b>Share capital £</b>	<b>Share premium £</b>	<b>Deferred shares £</b>	<b>Other reserves £</b>	<b>Foreign currency translation reserve £</b>	<b>Accumulated losses £</b>	<b>Total attributable to owners of parent £</b>	<b>Non-controlling interest £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2023</b>	2,853,560	51,308,068	7,025,483	3,924,026	(343,097)	(38,954,777)	<b>25,813,263</b>	(3,401,548)	<b>22,411,715</b>
Issue of shares under employee share option plan	5,000	16,000	-	11,806	-	(11,806)	-	-	<b>21,000</b>
<b>Transaction with owners</b>	<b>5,000</b>	<b>16,000</b>	<b>-</b>	<b>11,806</b>	<b>-</b>	<b>(11,806)</b>	<b>-</b>	<b>-</b>	<b>21,000</b>
Loss for the period	-	-	-	-	-	(5,638,150)	<b>(5,638,150)</b>	(1,741,268)	<b>(7,379,418)</b>
<i>Other comprehensive loss</i>									
Exchange differences on translation of foreign operations	-	-	-	-	1,738,236	-	<b>1,738,236</b>	682,020	<b>2,420,256</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,738,236</b>	<b>(5,638,150)</b>	<b>(3,899,914)</b>	<b>(1,059,248)</b>	<b>(4,959,162)</b>
<b>Balance at 30 June 2023</b>	<b>2,858,560</b>	<b>51,324,068</b>	<b>7,025,483</b>	<b>3,935,832</b>	<b>1,395,139</b>	<b>(44,604,733)</b>	<b>21,913,349</b>	<b>(4,460,796)</b>	<b>17,473,553</b>

**Condensed consolidated statement of cash flows  
for the six months ended 30 June 2021**

	<b>6 months to 30 June 2023</b>	<b>12 months to 31 December 2022</b>	<b>6 months to 30 June 2022</b>
	(unaudited)	(audited)	(unaudited)
	£	£	£
<b>Cash flows from operating activities</b>			
(Loss)/profit for the period	(7,379,418)	(7,230,088)	3,852,078
Adjustments for:			
Depreciation and amortisation of non-current assets	497,628	1,006,210	1,194,452
- Asset value write off to cost of sales		2,365,988	
Gain/(loss) on sale or disposal of property, plant and equipment	-	(4,952)	(4,219)
Finance costs recognised in profit or loss	47,548	107,697	49,717
Investment revenue recognised in profit or loss	(53,184)	(61,325)	(10,070)
(Gain)/loss on disposal of investments	18,362	814,158	-
(Loss reversal)/loss recognised on valuation of inventory	(272,549)	2,028,151	1,024,892
Rehabilitation cost recognised in profit or loss	(57,548)	99,725	90,096
Net foreign exchange loss/(profit)	6,343,536	(182,640)	(6,104,683)
	<b>(855,625)</b>	<b>(1,057,076)</b>	<b>92,263</b>
<b>Movements in working capital</b>			
Increase in inventories	(75,390)	(6,166,681)	(3,098,450)
Increase in trade and other receivables	(71,805)	(1,300,887)	(1,614,762)
Increase in trade and other payables	392,291	1,716,777	508,844
<b>Cash used in operations</b>	<b>(610,529)</b>	<b>(6,807,867)</b>	<b>(4,112,105)</b>
<b>Net cash used in operating activities</b>	<b>(610,529)</b>	<b>(6,807,867)</b>	<b>(4,112,105)</b>
<b>Cash flows from investing activities</b>			
Payments for investment securities	-	(7,030,548)	-
Proceeds from sale of investment securities	2,284,775	2,835,299	-
Interest received	-	11,943	10,070
loan provided to non-related party	(143,071)	-	-
Investment to acquire interest in joint venture	-	(354,769)	-
Payments for property, plant and equipment	(1,210,627)	(7,190,406)	(6,221,805)
Payments for other intangible assets	(475,540)	(1,239,085)	(910,258)
Proceeds from disposal of property, plant and equipment	-	4,952	4,219
<b>Net cash generated by/(used in) investing activities</b>	<b>455,537</b>	<b>(12,962,614)</b>	<b>(7,117,774)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings	-	(36,232)	-
Proceeds from issues of equity shares	21,000	-	-
Repayment of lease liability	(41,167)	(141,528)	(24,757)
Interest paid	(33,681)	(90,446)	(41,449)
<b>Net cash used in financing activities</b>	<b>(53,848)</b>	<b>(268,206)</b>	<b>(66,206)</b>
Net decrease in cash and cash equivalents	(208,840)	(20,038,687)	(11,296,085)
Effects of exchange rate changes on the balance of cash held in foreign currencies	(395,193)	(960,912)	2,845,886
Cash and cash equivalents at the beginning of period	1,009,908	22,009,507	22,009,507
<b>Cash and cash equivalents at the end of the period</b>	<b>405,875</b>	<b>1,009,908</b>	<b>13,559,308</b>

## Selected notes to the condensed consolidated financial statements for the six months ended 30 June 2023

### 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 2022, 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 2023 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 2022.

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 2022.

### 4. Revenue

	6 months to 30 June 2023	12 months to 31 December 2022	6 months to 30 June 2022
	£	£	£
Sale of platinum and other metals	-	61,075	-
Other revenue	-	58,450	101,836
	-	<b>119,525</b>	<b>101,836</b>

## 5. Other gains and losses

	6 months to 30 June 2023	12 months to 31 December 2022	6 months to 30 June 2022
	£	£	£
<b>Gains</b>			
Gain on disposal of property, plant and equipment	-	4,952	4,219
Reversal of loss on revaluation of stock to net realisable value	272,549	-	-
Net foreign exchange gain	-	182,640	6,104,683
	<b>272,549</b>	<b>187,592</b>	<b>6,108,902</b>
<b>Losses</b>			
Impairment of investments	(18,362)	(814,158)	-
Loss on revaluation of stock to net realisable value	-	(2,028,151)	(1,024,892)
Net foreign exchange loss	(6,343,536)	-	-
	<b>(6,361,898)</b>	<b>(2,842,309)</b>	<b>(1,024,892)</b>
	<b>(6,089,349)</b>	<b>(2,654,717)</b>	<b>5,084,010</b>

The majority of the foreign exchange gains and losses are a result of the revaluation of monetary assets and liabilities in the subsidiary accounts as a result of movements in the Rouble exchange rates.

In 2022 the Group took a decision to postpone the sale of platinum and other metals due to a strong Ruble and low platinum price. Stock available at 30 June 2023 represents platinum concentrate ready for refining, which was valued (i) using methodology set in the refining and sale and purchase agreement made with local refinery in 2021 and (ii) exchange rate and metal prices at 30 June 2023.

## 6. Property, plant and equipment

	30 June 2023	31 December 2022	30 June 2022
	£	£	£
Net book value at the beginning of period	9,600,231	5,061,743	5,061,743
Additions	1,137,353	2,443,927	5,911,509
Transferred from assets under construction	90,499	4,776,644	-
Written off to inventory	-	(2,365,988)	(2,365,988)
Depreciation	(497,628)	(1,006,210)	(1,194,452)
Exchange differences	(1,859,902)	690,115	2,855,891
<b>Net book value at the end of period</b>	<b>8,470,553</b>	<b>9,600,231</b>	<b>12,634,691</b>

## 7. Intangible assets

	30 June 2023	31 December 2022	30 June 2022
	£	£	£
Net book value at the beginning of period	2,859,368	1,389,029	1,389,029
Additions	475,540	1,239,085	910,258
Exchange differences	(586,547)	231,254	846,786
<b>Net book value at the end of period</b>	<b>2,748,361</b>	<b>2,859,368</b>	<b>3,146,073</b>

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

## 8. Trade and other receivables

	30 June 2023	31 December 2022	30 June 2022
Trade receivables	-	-	78,520
Advances made	677,536	822,280	1,759,183
Prepayments	26,929	135,447	36,681
VAT recoverable	1,496,281	1,942,410	2,123,355
Other receivables	483,729	271,532	126,953
	<b>2,684,475</b>	<b>3,171,669</b>	<b>4,124,692</b>

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.

## 9. Share capital

	30 June 2023	31 December 2022	30 June 2022
<i>Issued ordinary shares with a nominal value of 0.1p:</i>			
Number	2,858,559,995	2,853,559,995	2,853,559,995
Nominal value (£)	2,853,560	2,853,560	2,853,560
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; and
- 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.

<i>Ordinary shares</i>	Number of shares	Share capital £	Share premium £
Balance at 1 January 2023	2,853,559,995	2,853,560	51,308,068
Exercise of warrants and options	5,000,000	5,000	16,000
<b>Balance at 30 June 2023</b>	<b>2,858,559,995</b>	<b>2,858,560</b>	<b>51,324,068</b>
<i>Deferred shares</i>	Number of deferred shares	Deferred share capital £	
<b>Balance at 1 January and 30 June 2021</b>	<b>143,377,203</b>	<b>7,025,483</b>	

## 10. Reserves

	<b>30 June 2023</b>	<b>31 December 2022</b>	<b>30 June 2022</b>
	£	£	£
Capital redemption reserve	3,539,906	3,539,906	3,539,906
Foreign currency translation reserve	1,395,139	(343,097)	944,360
Equity-based payment reserve	395,926	384,120	384,120
	<b>5,330,971</b>	<b>3,580,929</b>	<b>4,868,386</b>

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.

## 11. Lease liabilities

The Group leases certain of its plant and equipment. The average lease term is 4.5 years, expiring in 2025. 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>	<b>30 June 2023</b>	<b>31 December 2022</b>	<b>30 June 2022</b>
	£	£	£
Less than one year	179,418	224,700	315,252
Between one and five years	103,334	202,820	496,817
More than five years	-	-	-
	282,753	427,520	812,069
Less future finance charges	(36,905)	(79,251)	(168,699)
<b>Present value of minimum lease payments</b>	<b>245,848</b>	<b>348,269</b>	<b>643,370</b>

  

<i>Present value of minimum lease payments</i>	<b>30 June 2023</b>	<b>31 December 2022</b>	<b>30 June 2022</b>
	£	£	£
Less than one year	147,592	167,071	211,397
Between one and five years	98,256	181,198	431,973
More than five years	-	-	-
<b>Present value of minimum lease payments</b>	<b>245,848</b>	<b>348,269</b>	<b>643,370</b>

## 12. Trade and other payables

	30 June 2023	31 December 2022	30 June 2022
Trade payables	802,525	270,214	615,115
Accruals	1,326,107	1,825,269	56,826
Social security and other taxes	45,523	46,460	167,392
Other payables	91,206	88,936	271,687
	<b>2,265,361</b>	<b>2,230,879</b>	<b>1,111,020</b>

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

## 13. Provision

	30 June 2023 £	31 December 2022 £	30 June 2022 £
Long term provision:			
Environment rehabilitation	470,029	254,218	470,029
Short term provision:			
Environment rehabilitation	-	88,478	-
	<b>470,029</b>	<b>342,696</b>	<b>470,029</b>
<i>Movement in provision</i>	<b>Six month to 30 June 2023 £</b>	<b>12 month to 31 December 2022 £</b>	<b>Six month to 30 June 2022 £</b>
At 1 January	342,696	200,762	200,762
Recognised in the period	-	54,612	79,541
Utilised in the period	-	-	-
Reduction resulting from re-measurement or settlement without cost	(57,548)	45,446	10,555
Unwinding of discount and effect of changes in the discount rate	13,867	17,251	8,268
Exchange difference	(60,899)	24,625	170,903
<b>At the end of the period</b>	<b>238,116</b>	<b>342,696</b>	<b>470,029</b>

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 6.6% to 6.88% (2020: 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 by 30 June 2023 will be incurred within 2023-2025.

## **14. 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 Rub16.68 mln (approximately £150,000) 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 2023 the average lease term was 2 years and present value of minimum lease payments £245,848 (2022: £643,370).