



Independent Auditor's Report

To the Shareholders and Management of Star Mining LLC:

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Star Mining LLC (the "Company") as at 31 December 2020, and the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2020;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers Audit Azərbaycan



Baku, Republic of Azerbaijan
10 August 2021

"Star Mining" LLC
Statement of Financial Position

<i>In Azerbaijani Manats</i>	Note	31 December 2020	31 December 2019
ASSETS			
Non-current assets			
Property and equipment	8	8,948,096	4,708,373
Intangible assets		3,264	3,626
Right-of-use assets	9	495,835	477,273
Total non-current assets		9,447,195	5,189,272
Current assets			
Inventories	10	2,757,357	1,442,527
Trade and other receivables	11	960,723	1,978,699
Contract assets	12	4,139,627	1,195,145
Prepayments	13	1,503,840	58,759
Cash and cash equivalents	14	176,223	75,663
Total current assets		9,537,770	4,750,793
TOTAL ASSETS		18,984,965	9,940,065
EQUITY			
Share capital	15	50,000	10
Retained earnings		2,702,254	2,422,770
TOTAL EQUITY		2,752,254	2,422,780
LIABILITIES			
Non-current liabilities			
Contract liabilities	12	3,393,387	-
Deferred income tax liabilities	22	94,589	123,365
Lease liability	9	155,364	181,462
Total non-current liabilities		3,643,340	304,827
Current liabilities			
Borrowings	16	1,661,999	2,293,428
Trade and other payables	18	4,528,417	2,983,641
Contract liabilities	12	4,667,605	-
Current income tax payable		1,418,532	1,620,850
Lease liability	9	312,818	314,539
Total current liabilities		12,589,371	7,212,458
TOTAL LIABILITIES		16,232,711	7,517,285
TOTAL LIABILITIES AND EQUITY		18,984,964	9,940,065

Approved for issue and signed on 9 August 2021.



Tural Isqandarov
Director

Gulnar Jalalova
Chief Accountant

The accompanying notes on pages 5 to 34 are an integral part of these financial statements.

"Star Mining" LLC
Statement of Profit or Loss and Other Comprehensive Income

<i>In Azerbaijani Manats</i>	<i>Note</i>	2020	2019
Revenue	19	26,827,248	20,667,683
Cost of services	20	(16,638,589)	(15,478,832)
Gross profit		10,188,659	5,188,851
General and administrative expenses	21	(5,855,195)	(3,029,903)
Other gains and losses		-	64,276
Operating profit		4,333,464	2,223,224
Net finance costs		(202,083)	(169,489)
Foreign exchange gain/(loss)		(59,641)	(25,758)
Profit before income tax		4,071,740	2,027,977
Income tax expense	22	(1,015,516)	(902,242)
PROFIT FOR THE YEAR		3,056,224	1,125,735
Total comprehensive income for the year		3,056,224	1,125,735

"Star Mining" LLC
Statement of Changes in Equity

<i>In Azerbaijani Manats</i>	<i>Note</i>	<i>Share capital</i>	<i>Retained earnings</i>	<i>Total equity</i>
At 1 January 2019		10	2,957,523	2,957,533
Profit for the year		-	1,125,735	1,125,735
Dividends declared		-	(1,660,488)	(1,660,488)
Balance at 31 December 2019		10	2,422,770	2,422,780
Profit for the year			3,056,224	3,056,224
Shares issued	15	49,990	-	49,990
Dividends declared		-	(2,776,740)	(2,776,740)
Balance at 31 December 2020		50,000	2,702,254	2,752,254

"Star Mining" LLC
Statement of Cash Flows

<i>In Azerbaijani Manats</i>	<i>Note</i>	2020	2019
Cash flows from operating activities			
Profit before income tax		4,071,740	2,027,977
Adjustments for:			
Depreciation of property and equipment and intangible assets	8	1,424,509	788,464
Depreciation of right-of-use assets	9	347,476	355,133
Losses less gains on disposals of property and equipment		-	19,437
Finance costs	17	202,083	169,489
Foreign exchange translation differences		59,641	25,758
Provision for tax penalties		-	405,223
Operating cash flows before working capital changes		6,105,449	3,791,481
Decrease in trade and other receivables	11	1,017,976	817,550
(Increase)/decrease in contract asset	12	(2,944,482)	1,405,513
(Increase)/decrease in inventories	10	(1,314,830)	11,036
(Increase)/decrease in prepayments	13	(1,445,081)	403,108
Increase/(decrease) in trade and other payables	18	1,536,430	(1,612,816)
Increase in contract liabilities	12	8,060,992	-
Increase in tax liabilities		-	21,841
Changes in working capital			
Income taxes paid		(1,246,611)	(405,223)
Interest paid	17	(202,083)	(169,489)
Net cash from operating activities		9,567,760	4,263,001
Cash flows from investing activities			
Purchases of property and equipment		(5,760,950)	(2,873,913)
Proceeds from the sale of property and equipment	8	97,081	8,043
Net cash used in investing activities		(5,663,869)	(2,865,870)
Cash flows from financing activities			
Proceeds from borrowings	16	6,887,550	5,190,987
Repayment of borrowings	16	(7,509,234)	(4,555,074)
Repayment of lease liabilities – principal	17	(393,857)	(336,405)
Proceeds from issuance of ordinary shares	15	49,990	-
Dividends paid to the Company's shareholders	15	(2,776,740)	(1,660,488)
Net cash used in financing activities		(3,742,291)	(1,360,980)
Effect of exchange rate changes on cash and cash equivalents		(61,040)	(25,758)
Cash and cash equivalents at the beginning of the year	14	75,663	65,270
Cash and cash equivalents at the end of the year	14	176,223	75,663