

**Report of the Directors and
Financial Statements for the Year Ended 31 December 2019
for
CNUC(UK) MINING CO. LTD**

**Contents of the Financial Statements
for the Year Ended 31 December 2019**

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CNUC(UK) MINING CO. LTD

Company Information for the Year Ended 31 December 2019

DIRECTORS:

R F SUN
T Ni

SECRETARY:

Golden Intelligence Ltd

REGISTERED OFFICE:

113 Gloucester Place
Fly
London
W1U 6JR

REGISTERED NUMBER:

02996686

AUDITORS:

Cartwrights
Chartered Accountants and Business Advisors
Statutory Auditor
Regency House
33 Wood Street
Barnet
London
EN5 4BE

**Report of the Directors
for the Year Ended 31 December 2019**

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of "a holding company for Skeleton Coast Diamonds Limited".

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2019.

DIRECTORS

The directors who have held office during the period from 1 January 2019 to the date of this report are as follows:

R F SUN - appointed 16 July 2019

T Ni - appointed 16 July 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Report of the Directors
for the Year Ended 31 December 2019**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Cartwrights, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

R F SUN - Director

22 March 2021

Report of the Independent Auditors to the Members of CNUC(UK) MINING CO. LTD

Opinion

We have audited the financial statements of CNUC(UK) MINING CO. LTD (the 'company') for the year ended 31 December 2019 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Report of the Independent Auditors to the Members of CNUC(UK) MINING CO. LTD

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Report of the Independent Auditors to the Members of CNUC(UK) MINING CO. LTD

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company'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 the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Brown FCA (Senior Statutory Auditor)
for and on behalf of Cartwrights
Chartered Accountants and Business Advisors
Statutory Auditor
Regency House
33 Wood Street
Barnet
London
EN5 4BE

22 March 2021

CNUC(UK) MINING CO. LTD (Registered number: 02996686)

**Statement of Comprehensive Income
for the Year Ended 31 December 2019**

		31.12.19	31.12.18
	Notes	\$'000	\$'000
TURNOVER		6	6,165
Administrative expenses		<u>1,022</u>	<u>2,410</u>
OPERATING (LOSS)/PROFIT and (LOSS)/PROFIT BEFORE TAXATION	4	(1,016)	3,755
Tax on (loss)/profit	5	<u>-</u>	<u>267</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(1,016)	3,488
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(1,016)</u>	<u>3,488</u>

The notes form part of these financial statements

CNUC(UK) MINING CO. LTD (Registered number: 02996686)**Balance Sheet**
31 December 2019

			31.12.19		31.12.18
	Notes	\$'000	\$'000	\$'000	\$'000
FIXED ASSETS					
Investment property	7		-		-
CURRENT ASSETS					
Debtors: amounts falling due within one year	8		-		997
CREDITORS					
Amounts falling due within one year	9		<u>19</u>		<u>-</u>
NET CURRENT (LIABILITIES)/ASSETS			<u>(19)</u>		<u>997</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(19)</u>		<u>997</u>
CAPITAL AND RESERVES					
Called up share capital	10	-		-	
Retained earnings	11	<u>(19)</u>		<u>997</u>	
SHAREHOLDERS' FUNDS			<u>(19)</u>		<u>997</u>
			<u>(19)</u>		<u>997</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 22 March 2021 and were signed on its behalf by:

R F SUN - Director

T Ni - Director

The notes form part of these financial statements

CNUC(UK) MINING CO. LTD (Registered number: 02996686)

**Statement of Changes in Equity
for the Year Ended 31 December 2019**

	Called up share capital \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2018	-	55,509	55,509
Changes in equity			
Total comprehensive income	-	3,488	3,488
Dividends	-	(58,000)	(58,000)
Balance at 31 December 2018	-	997	997
Changes in equity			
Total comprehensive income	-	(1,016)	(1,016)
Balance at 31 December 2019	-	(19)	(19)

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2019**

1. GOING CONCERN

The financial statements have been prepared on the going concern basis as the directors believe this to be appropriate due to continued financial support of the parent company.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). These financial statements are presented in US Dollars (\$), which is the Company's functional and presentation currency.

3. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

3. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was NIL (2018 - NIL).

	31.12.19	31.12.18
	\$	\$
Directors' remuneration	<u>-</u>	<u>-</u>

4. (LOSS)/PROFIT BEFORE TAXATION

The loss before taxation (2018 - profit before taxation) is stated after charging:

31.12.19	31.12.18
\$'000	\$'000

5. TAXATION

Analysis of tax expense

	31.12.19	31.12.18
	\$'000	\$'000
Current tax:		
Tax	<u>-</u>	<u>267</u>
Total tax expense in statement of comprehensive income	<u>-</u>	<u>267</u>

6. DIVIDENDS

	31.12.19	31.12.18
	\$'000	\$'000
Ordinary share of 1		
Interim	<u>-</u>	<u>58,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

7. INVESTMENT PROPERTY

	Total \$'000
FAIR VALUE	
Additions	12,549
Disposals	<u>(12,549)</u>
At 31 December 2019	<u>-</u>
NET BOOK VALUE	
At 31 December 2019	<u><u>-</u></u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 \$'000	31.12.18 \$'000
Amounts owed by group undertakings	<u>-</u>	<u>997</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 \$'000	31.12.18 \$'000
Accrued expenses	<u>19</u>	<u>-</u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.19 \$	31.12.18 \$
1	Ordinary	1	<u>1</u>	<u>1</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

11. RESERVES

	Retained earnings \$'000
At 1 January 2019	997
Deficit for the year	<u>(1,016)</u>
At 31 December 2019	<u>(19)</u>

12. POST BALANCE SHEET EVENTS

In preparing the financial statements the directors have given due consideration as to whether the impacts upon the business of the Covid-19 pandemic represent adjusting post balance sheet events and are satisfied that they do not.

13. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption contained within paragraph 8(k) of FRS 101 and has not disclosed transactions entered into with wholly-owned Group entities.

14. PARENT AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Rio Tinto Overseas Holdings Limited. The ultimate parent undertaking and controlling party is Rio Tinto plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Rio Tinto plc consolidated financial statements can be obtained from the registered office at 6 St James's Square, London, SW1Y 4AD or from the Rio Tinto website at www.riotinto.com.

15. RELATED UNDERTAKINGS

In accordance with section 409 of the Companies Act 2006, disclosed below is a full list of related undertakings of the Company. Related undertakings include "subsidiaries", "associated undertakings", and "significant holdings in undertakings other than subsidiary companies". The registered office address, country of incorporation, classes of shares and the effective percentage of equity owned by the Company calculated by reference to voting rights, is disclosed as at 31 December 2019.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.