CHAARAT

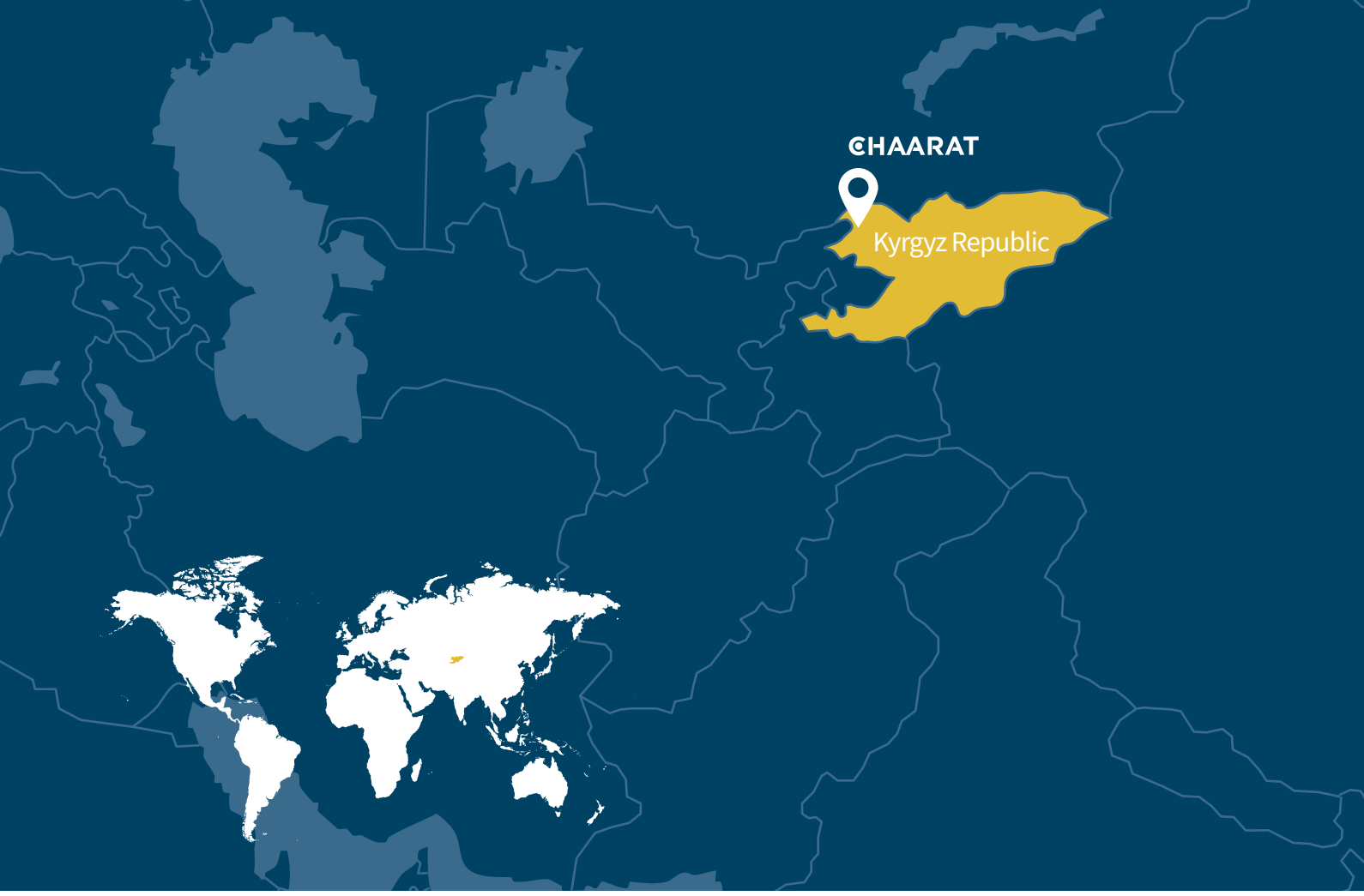
Chaarat Gold Holdings Ltd
Annual Report & Accounts 2017

The next leading emerging markets Gold Company

Chaarat's strategy is to become a leading mid-tier gold producer focused in Central Asia and the Former Soviet Union through a mixture of organic growth and selective acquisitions.

The strategy starts with the development of the Tulkubash heap leach operation, part of the prolific Tien Shan Gold Belt and located in the Kyrgyz Republic, which has the capacity to generate US$40-60 million of free cash flow per annum through approximately 100,000 ounces of gold production per annum.

Organic growth will follow from the neighbouring Kyzyltash deposit, which is capable of producing 200,000-300,000 ounces of gold per annum, and the ongoing exploration of Chaarat's licence area in the Kyrgyz Republic, which comprises an emerging gold district. This will be supplemented by selective mergers and acquisitions.



Mergers and Acquisitions

The Tien Shan Gold Belt hosts numerous world class ore bodies including the 175Moz Muruntau deposit, the largest gold mine in the world, and the 18Moz Kumtor deposit.

The Central Asia and Former Soviet Union Gold industry is highly fragmented. Chaarat intends to lead the consolidation of the industry focusing on projects within geographical clusters.

Criteria for merger and acquisition candidates:

- Gold production or near-term gold production at a competitive cash cost
- Geographic / operational synergies
- Exploration upside
- Potential for extended mine life
- Value accretive to shareholders

Strategic Review

Corporate Governance

Financial Statements

Chairman's Statement

It is a pleasure to report to all our stakeholders on what has been a pivotal year of change for Chaarat Gold. I believe that the most important attributes to building a successful company are to create a clear and unambiguous strategic vision and recruit a team capable of executing that vision. The changes at Chaarat in 2017 have delivered on both.

The Chaarat Project has always exhibited the qualities required to allow for successful development. It contains a significant defined gold resource, at six million ounces, with a strong grade, averaging 2.42 grammes per tonne, and has the potential to sustain production of 300,000-400,000 ounces of gold per annum. Our newly defined strategy extends well beyond the development of this property for the benefit of all our stakeholders: shareholders, bondholders, employees and host communities. I am excited by the opportunity to develop a leading mid-tier gold producer focused in Central Asia and the Former Soviet Union.

Growth strategy

I have long standing ties to the CIS region, which has a highly fragmented gold industry comprising both world class assets and smaller, profitable producers. Due to perceived risk, most of the assets in this region trade at a significant discount compared to equivalent assets in other emerging market locations. This delivers the opportunity for industry consolidation, which Chaarat intends to lead. Ultimately, a diversified portfolio of producing and developing mines will generate the cashflow to fund ongoing organic growth and deliver a strong equity return to investors. By maintaining a focus on active engagement with host communities, the benefits of this strategy will flow to all stakeholders, helping to manage ongoing risks.

In April 2018 our offer for the Kumtor Gold mine in the Kyrgyz Republic was made public. The Kumtor mine is one of the largest gold mines in Central Asia with a history of 21 years of uninterrupted profitable production. Chaarat's offer provides a route to directly align the interests of the Government, which will benefit from a 50 per cent interest in the post-tax cash flow from the mine, with investors. Significant amounts from the ongoing cash flow from Kumtor will be re-invested in the country to further extend the Kumtor mine life and develop the Chaarat project, whilst the existing owners of the project can realise the value of their asset for investment in other regions.

The Kumtor deal, whilst significant, represents only one of a number of potential deals. Our focus is on gold producing or near-term development projects in geographical clusters that provide operational synergies. Each deal will be judged on its ability to deliver accretive value to Chaarat shareholders in both the short term and through longer term exploration potential to extend and enhance production profiles.

A significant defined gold resource, at six million ounces.

The Kyrgyz Republic
Our offer for the Kumtor mine underlines our belief in the Kyrgyz Republic as a stable destination for mining investment. My visits to the country in 2017 to meet local people and political leaders reinforced the support for Chaarat's strategic plans. We have worked with the government to improve the international investor perception of the country's operating environment and are co-hosting a Kyrgyz Investment Forum with the European Bank for Reconstruction and Development in London.

In September 2017 an important milestone was achieved with the signing of Chaarat's licence agreement, allowing the development of the Chaarat project. Negotiations for an investment stabilisation agreement continue, which will stabilise tax rates for the life of the project and define procedures to resolve disputes.

I would like to thank both the Kyrgyz government and the local population for their support of the Chaarat project during 2017 and look forward to working with both as we develop further in 2018 and beyond.

Our team
Forming a team capable of building and operating profitable mines is integral to our business development plans. During 2017 (and continuing in 2018) a number of changes have been made to strengthen our team and its ability to successfully execute our vision.

I would like to thank Dekel Golan for his many years of service as Chief Executive Officer of Chaarat, delivering the strong resource base which underpins the value of our business. I would also like to thank Alex Novak for his ongoing service to the Company. In July 2017, Alex retired from the holding company board to focus on the important job of managing relationships in the Kyrgyz Republic, which is integral to our long-term success.

In July 2017 Bob Benbow took over as Chief Executive Officer. During his 40 year career Bob has worked with junior exploration companies to transform them into operating companies, taking three green field gold projects into production. Prior to joining Chaarat, Bob was part of the team that developed Alacer Gold Corp's Çöpler Gold Mine in Eastern Turkey, which has produced over one million ounces as one of the lowest cost producers in the world and has many similarities to the Chaarat Project.

Bob has recruited a capable team, including Peter Carter, who joined Chaarat as Chief Operating Officer in February 2018 and Davron Vakhabov, who joined Chaarat as General Director of our local operating subsidiary, Chaarat Zaav, in May 2017.

Exploration remains a key focus, and our team has been significantly enhanced by the addition of Dusty Nicol as a non-executive director to our board, in November 2017, to provide oversight of our exploration strategy. Our exploration is led by Frank Fenne, who joined Chaarat in July 2017, supported by a strong in-country team.

With our renewed focus on mergers and acquisitions, Artem Volynets joined our board in March 2018. Artem brings over 20 years' experience to the board, having led private and public transactions worth more than US$30 billion.

We have also strengthened our board and management team with the addition of Gordon Wylie as a non-executive director and Pete Gardner as Chief Financial Officer.

I would like to thank the entire Chaarat team for their hard work and dedication in 2017 and look forward to a year of transformational change in 2018.

Martin Andersson
Chairman

When I first became involved with Chaarat in September 2016 I was excited by the opportunity to bring another green field mine to life.

I firmly believe that the Chaarat Project has the potential to benefit the local communities, the Kyrgyz Republic, and the shareholders of Chaarat for many years to come. Our company and stakeholders will also benefit from the wider exploration potential of our licences in the Kyrgyz Republic, which comprise an emerging gold district. The expanded corporate strategy to develop a true mid-tier gold producer focused on Central Asia and the Former Soviet Union delivers a truly innovative business with a long-term, sustainable future.

Tulkubash heap leach development

Our strategy starts with the development of the Tulkubash heap leach project, with an initial reserve comprising 16 million tonnes of ore with an average gold grade of 0.91 grammes per tonne for 470,000 ounces of contained gold. A feasibility study was completed in April 2018 which sets out a blueprint for the development of the project. The design is based on processing 13,500 tonnes of ore per day to produce over 100,000 ounces of gold per annum during steady state operations with an average post tax free annual cash flow of US$58.6 million for an initial four year mine life.

During 2017 we conducted 17,240 metres of diamond drilling at Tulkubash, adding 319,000 ounces of resources within a one kilometre extension of the previously defined ore-body at an all-in discovery cost of under US$20 per ounce, as announced in January 2018. In 2018 and 2019 a significant ongoing exploration programme is planned, comprising 30,000 metres of diamond drilling per annum. This will focus on defining the extent of mineralisation within the six kilometre long mining licence, of which the current drilling covers approximately two kilometres. Substantial gold in soil anomalies, at or above the reserve grade, have already been defined in this area, and we are confident that we can more than double the existing Tulkubash mine life ahead of first gold production in 2020.

Construction of mine infrastructure for Tulkubash commenced in 2017, with a new access road and bridge over the Sandalash river. During 2018, subject to raising sufficient finance, construction activities are expected to start in earnest. Mobilisation of the mining contractor will allow work to commence on the earthworks for the site infrastructure and pre-stripping of the ore-body. Critical long lead items will be ordered, a long-term mining camp established, and communications infrastructure upgraded to support both the construction and exploration activities on site.

As we progress towards construction, we continue to build a team with the experience to develop the mine on time and on budget.

Building our operational capabilities
As we progress towards construction, we continue to build a team with the experience to develop the mine on time and on budget. The addition of Peter Carter as Chief Operating Officer in February 2018, who has over 30 years' experience in open pit engineering, mine management and project development, marks an important milestone. Peter's experience includes leadership roles in the construction and operation of the Kumtor and Boroo gold mines in the Kyrgyz Republic and Mongolia, and the fast-track development of the Karma heap leach project in Burkina Faso. He will augment the leadership of Davron Vakhabov, who I worked with at the Çöpler Gold Mine in Turkey. I believe we form a formidable mine development team.

In 2018 we are also undertaking a significant project to upgrade our procurement and financial reporting systems in preparation for both the construction and operational phases of our business. This will be critical in ensuring we can construct the mine within budget and control the operating costs going forward. It will form a platform for the long term development of our business.

Kyzyltash
Whilst I was working in Turkey I led the team to develop the refractory sulphide processing plant for the Çöpler Gold Mine. Chaarat's Kyzyltash project is similar, a high grade refractory ore body requiring pre-oxidation to liberate gold. In parallel with the construction of the Tulkubash heap leach, we will consider the optimal route for the Kyzyltash development, building on the existing NERIN feasibility study released in 2016.

TThe Kyzyltash project has a large, high grade defined resource comprising 46.1 million tonnes of ore at a gold grade of 3.75 grammes per tonne for 5.4 million ounces of contained gold. Whilst this is a substantial ore body, it remains open both along strike and down-dip. Based on the work performed by NERIN, Kyzyltash has the potential to produce 200,000-300,000 ounces of gold per annum at low operating cash costs. We plan to develop the Kyzyltash project once the Tulkubash project is in operation, but plan to have both projects in production in parallel in the medium term, producing up to 400,000 ounces of gold per annum from the Chaarat project.

Financing
Our Chairman, Martin Andersson, has led Chaarat's fundraising process to advance our ambitious growth plans. In 2017 we raised US$15 million in convertible loan notes to fund the exploration and feasibility study work for Tulkubash. This was augmented by a further issue of convertible loan notes and equity in December 2017 and the first half of 2018, with a further US$15 million of funds committed, including expressions of interest totalling US$3.6 million from directors and management.

During 2018, we expect to raise further capital to fund our ongoing exploration plans, accelerate the construction of Tulkubash, re-pay existing borrowings due September 2018 and allow our mergers and acquisition activity to advance. Our fundraising process is well underway, with potential term sheets for debt, equity and alternative financing solutions having been received. We are encouraged by the relationships and quality dialogues we have had with both local and global institutions.

We expect 2018 to be a busy year for Chaarat as we transform our company into a substantial gold producer, through internal development and external transactions. I look forward to helping deliver this ambitious vision and would like to thank my fellow team members for their ongoing commitment. I look forward to providing regular updates to all our stakeholders in 2018.

Robert Benbow
Chief Executive Officer

The area is part of the Tien Shan Gold Belt which hosts numerous major world-class gold deposits including the 175Moz Muruntau deposit and the 18Moz Kumtor deposit.

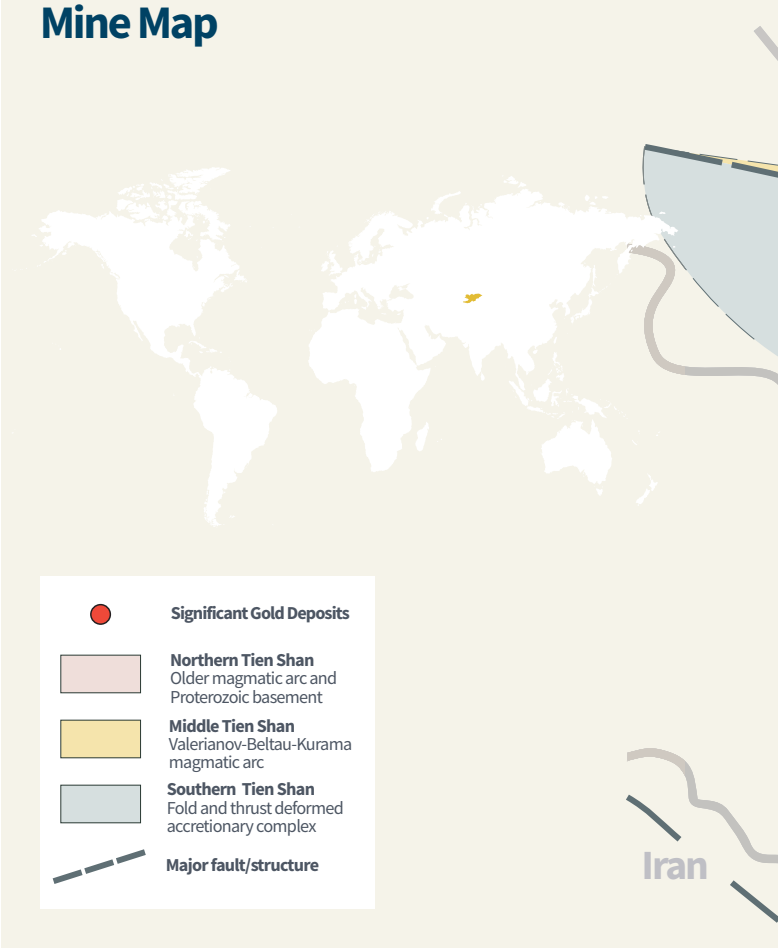
1,054koz

Tulkubash oxide resource at 0.84g/t within 2km of a 24km trend

5,377koz

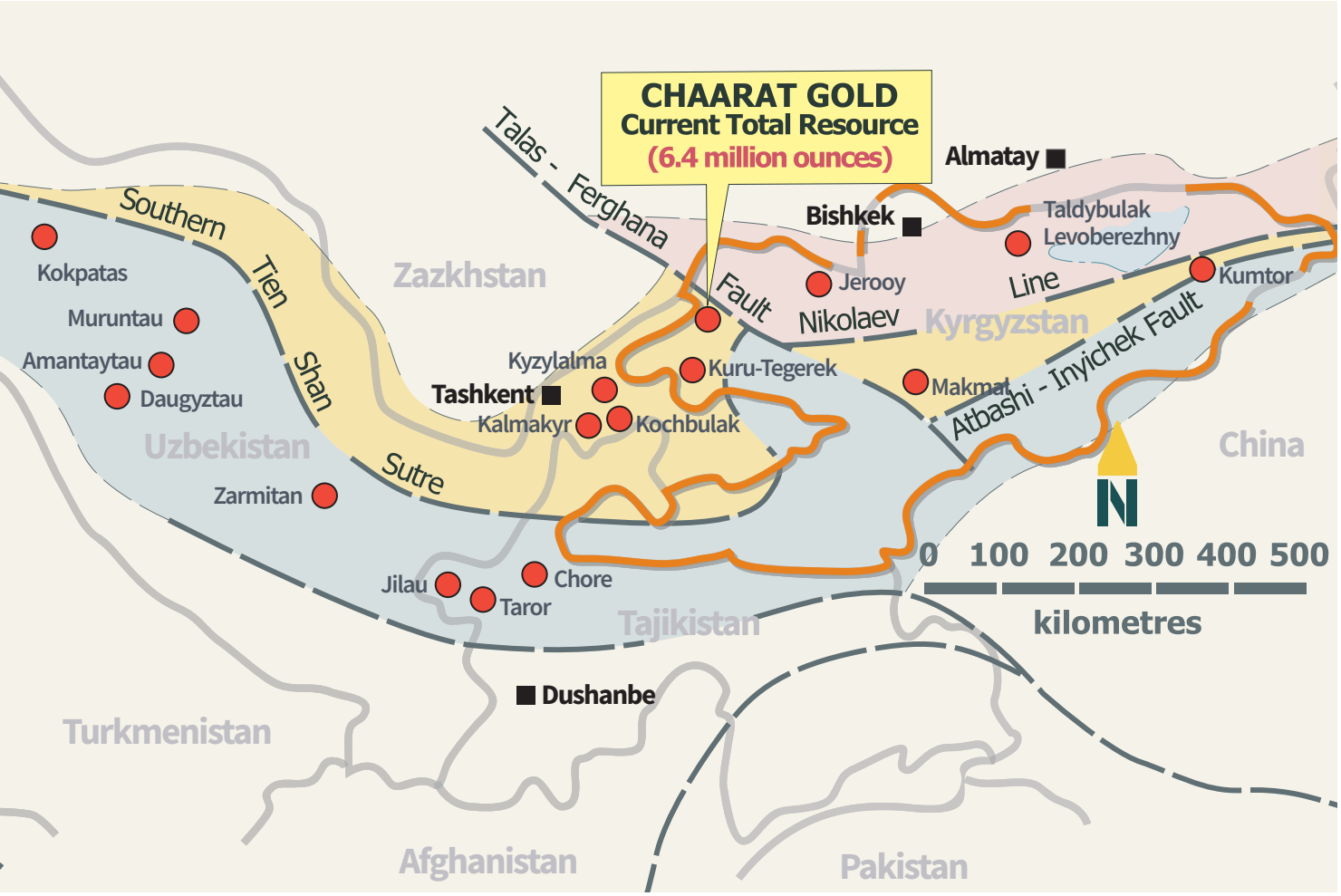
Kyzyltash sulphide resource at 3.75g/t within 3km of a 24km trend

Mine Map



Geology overview

The Chaarat mining and exploration licences are best viewed as comprising an emerging gold district, not simply two deposits. The Company believes that it has only just begun to develop the potential of this emerging district. The Company's land position comprises a surface area approximately 40%-50% the size of the Carlin trend in Nevada, which started with one mine in the 1960's and has now produced over 50 million ounces of gold. Chaarat will be in a position to use its internally generated free cash flow to explore and define the long term potential of the Chaarat District.



Kyrgyz Republic

The government of the Kyrgyz Republic has made great strides to ensure that the country represents a stable regulatory climate for mine development. A tax regime based solely on revenue has been put in place to ensure clarity for both government and investors. Legislation was passed in 2017 to allow taxes to be stabilised throughout a project's life. Investment agreements with the government enshrine the right to international arbitration in the event of a dispute. As a result, a number of mine developments have recently been completed or are currently underway in the country.

Operational team

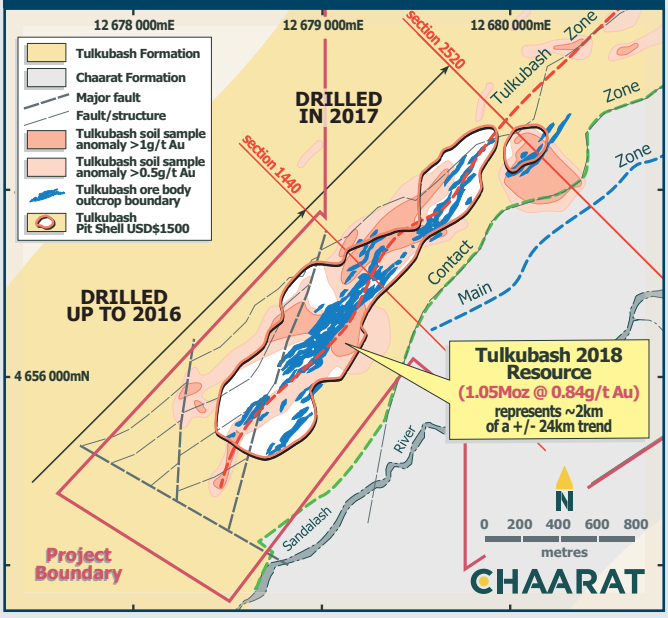
Developing a gold mine requires a skilled and experienced team. Chaarat's team, which is almost entirely based in the Kyrgyz Republic, is led by experienced international operators in respect of both exploration and project development. The majority of staff are Kyrgyz nationals, with the Company recruiting as often as possible from the populations nearest the project site.

Tulkubash

Overview

The Tulkubash oxide heap leach represents the first phase of development for the Chaarat project via a simple, low cost, processing method.

For more information please visit our website:
www.chaarat.com



The Tulkubash oxide heap leach represents the first stage of the development of the Chaarat Gold Project. This has been designed to produce approximately 100,000 ounces of gold per year, generating c.US$40 - 60 million free cash flow per year at the current gold price, during steady state operation, for an initial four year mine life.

Geology and Exploration

Gold mineralisation at Tulkubash, a thickly bedded massive quartzite, occurs in quartzite breccias, quartz stockwork zones, and intensely silicified quartz flooded zones that form multiple parallel lodes trending northeast and dipping 60 to 80 degrees to the northwest. The individual gold-bearing lodes combine to form a mineralised zone that varies from 110 to 250 metres wide that has been developed over a strike length of 2,160 metres. Mineralisation is open to the northeast along strike and down dip below the limits of the current drilling (±150 metres). The gold is very fine grained and is associated with minor pyrite and stibnite. The Tulkubash Zone is strongly oxidised and contains free milling ore suitable for heap leach processing.

Prior to 2017, a total of 299 drill holes had been completed on the Tulkubash deposit. During 2017, a 17,240 metre drilling programme consisting of an additional 135 diamond drill holes was completed at Tulkubash to extend the strike extent of the heap leachable material by approximately one kilometre. An initial programme was planned for 11,000 metres of diamond drilling, which was extended by almost 60 per cent as encouraging results were released. The drill programme demonstrated the strong continuity along strike of the Tulkubash mineralisation. The updated resource resulting from the drilling was announced in January 2018.

Resources as at 31 January 2018

Tulkubash open pit heap leach COG 0.3 g/t Au	Tonnes (kt)	Au grade (g/t)	Content (koz)
Measured	22,915	0.88	647
Indicated	12,329	0.82	324
Measured & Indicated	**35,244**	**0.86**	**971**
Inferred	3,782	0.68	83
Total	**39,026**	**0.84**	**1,054**

1. Chaarat has used a cut-off grade of 0.3 grammes per tonne ("g/t") on the basis of the likely economic cut-off for open pit mining and heap leach processing
2. Quantity and grade are estimates and are rounded to reflect the fact that the resource estimate is an approximation
3. Mineral resources are not ore reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted to reserves
4. Inferred mineral resources have a high degree of uncertainty and have not been drilled enough to warrant their categorisation as Measured or Indicated mineral resources. There is no guarantee that any portion of the Inferred Resources will be upgraded to Indicated or Measured resources.
5. Quantities may not add or multiply due to rounding
6. Resources are stated constrained within a US$1,500/oz open pit shell
7. The resource estimate is suitable for mining selectivity typical for an open pit mining environment

Chaarat's new management team, which has significant experience in bringing mines into production, made a number of changes to the reporting basis of the Tulkubash resource in 2018 to ensure that it reflects the new information made available from the work on the feasibility study and the Company's proposed mining and processing methods. To this end, a block model was also created using the updated estimation methodology excluding the 2017 drill data to ensure that the impact of the 2017 drilling could be properly understood. This demonstrated that the 2017 drilling had led to a 42 per cent increase in measured and indicated resources at a total discovery cost of less than US$20 per ounce.

1,054koz

Tulkubash oxide resource at 0.84g/t

470koz

Initial Tulkubash reserve at 0.91g/t

Tulkubash Mineral Resource, Diluted and Constrained, at 0.3g/t Cut-Off Grade

	2016 (re-calculated)			2018			Increase in Resources		
	Tonnes (kt)	Au grade (g/t)	Gold (koz)	Tonnes (kt)	Au grade (g/t)	Gold (koz)	Tonnes (kt)	Au grade (g/t)	Gold (koz)
Measured	18,435	0.83	489	22,915	0.88	647	4,480	1.10	158
Indicated	7,995	0.76	195	12,329	0.82	324	4,334	0.93	129
Measured & Indicated	**26,430**	**0.81**	**684**	**35,244**	**0.86**	**971**	**8,814**	**1.01**	**287**
Inferred	2,340	0.67	50	3,782	0.68	83	1,442	0.71	33
Total	**28,770**	**0.79**	**735**	**39,026**	**0.84**	**1,054**	**10,256**	**0.97**	**319**

1. The original 2016 resource update for Tulkubash was based on a block model developed for the November 2014 resource update with the following key attributes:
   a. All mineralisation constrained within a 0.3g/t wireframe
   b. Drill hole data composited to 1.5 metre ("m") intervals
   c. Gold grades in Tulkubash estimated via Indicator Modified Ordinary Kriging
   d. Block model constructed from sub-cells with a minimum size of 2m x 2m x 2m with a parent block size of 10m x 10m x 10m.
   e. Grades were estimated into sub-cells. The reported resource was based on the undiluted sub-celled grades assuming that it would be mined by selective underground mining methods
2. The 2016 resource as originally reported represented an in-situ resource above a 0.5g/t cut-off grade and was not constrained within a conceptual open pit shell
3. The re-calculated 2016 resource has been prepared using all data available up to November 2014 on the same basis as the 2018 resource update with the following key attributes:
   a. Wireframes prepared on the basis of a 0.25g/t grade boundary
   b. Drill hole data composited to 3m intervals
   c. Gold grades in Tulkubash estimated via Ordinary Kriging
   d. Block model constructed with a parent block size of 10m x 10m x 5m, with sub-celling to the geological boundaries to increase the resolution of the contacts in the block model
   e. Grades reported on the basis of the diluted parent blocks suitable for mining in an open pit environment
4. The re-calculated 2016 resource has been constrained within a US$1,500/oz pit shell on the same basis as the 2018 resource update and reported above a 0.3g/t cut-off grade

Production is planned to start in the second quarter of 2020 and continues for 3.75 years to the end of 2023.

Ongoing exploration
The reserve and resource for the current mine life is derived from approximately 2.2 kilometres ("km") of a defined 24 km strike length for the Tulkubash trend, with mineralisation remaining open along strike. Numerous occurrences of outcropping ore-grade gold mineralisation and high-grade gold in soil anomalies have been defined along this trend within the existing Chaarat mining and exploration licences.

Extensive exploration is planned in 2018 and 2019, with a total budget for 60,000m of drilling over the next two drill seasons. The Company anticipates an ongoing drill budget of 15,000m to 20,000m per year after that.

The Company sees the potential to more than double the existing Tulkubash resources prior to the first gold pour in 2020 and believes that exploration success will continue to add gold resources in future years. The Company's upcoming and ongoing drill programmes are designed to maximise the ratio of Resources converted to Reserves, using enhanced understanding of the geological controls on mineralisation and economic constraints on Reserve classification as defined by the feasibility study.

Feasibility study
Throughout 2017 technical work to support the Tulkubash feasibility study was carried out. This included a full suite of metallurgical test work, geotechnical studies for the proposed sites of the heap leach pad and other elements of the project, and an environmental and social impact assessment to full international standards.

The full feasibility study for the Tulkubash project was completed by Tetra Tech Inc. and published on 30th April 2018. This confirmed an initial blueprint for the development of the Project:

- Initial reserve base of 16.0 million tonnes ("Mt") ore grading 0.91 g/t gold containing 470,000 ounces of gold with 76.5 per cent recovery via heap leaching
- Average gold production of 95,200 ounces per annum, with peak production during steady state operations in excess of 100,000 ounces per annum
- Annual post-tax free cash flow of US$58.6 million during steady state operational period
- Average cash operating cost of US$726 per ounce
- All-in sustaining cost of US$831 per ounce, including all taxes
- Initial capital expenditure of US$132 million paid back over 3.2 years

The initial post-tax Net Present Value for Tulkubash, using a five per cent discount rate and a long-term gold price of US$1,300 per ounce, totals US$12.1 million with an undiscounted total cash flow of US$36.7 million. These metrics are expected to be significantly enhanced as ongoing exploration extends the reserve base along strike, delivering Tulkubash as a steady cash generator to support Chaarat's ambitions.

The deposit will be developed by a mining contractor using conventional open pit mining methods. Processed ore will be subject to three-stage crushing to produce a 12.5 millimetres ("mm") product which will be stacked at a rate of 13,500 tonnes per day on a conventional valley fill heap leach pad with an initial capacity of 16 million tonnes. All personnel will be housed in an on-site camp. Diesel-generated power totalling 4MW will serve process and support facilities. Roads and infrastructure have been designed and sited to respect regulatory requirements, minimise risk, and promote efficient operation.

Production is planned to start in the second quarter of 2020 and continues for 3.75 years to the end of 2023. Operations will process 4.93 million tonnes of ore annually once ramp-up is complete in 2020. Silver totalling 360,000 ounces will also be produced over the life of the project.

The capital cost for the plant and infrastructure is estimated at US$100.0 million with an additional US$19.7 million for pre-production stripping. Contingency for the project is US$12.3 million giving a total estimated initial capital cost of US$132.0 million. All figures include VAT and import duties where applicable.

The life of mine average mining cost for the project is US$1.88 per tonne mined. This cost covers both ore and waste as well as ex-pit haulage of five kilometres from the mine to the run-of-mine pad. Life of mine process costs are US$4.75 per tonne processed. General and administrative costs total US$1.55 per tonne processed over the life of mine including the owner's cost for mining management, technical support, and grade control. All costs are inclusive of 12 per cent VAT where appropriate. This leads to a life of mine average operating cash cost of US$726 per ounce.

Reserves as at 30 April 2018

Tulkubash open pit heap leach COG 0.37-0.40 g/t Au	Tonnes (kt)	Au grade (g/t)	Content (koz)
Proven	12,503	0.95	382
Probable	3,490	0.79	88
Proven & probable	**15,993**	**0.91**	**470**

1. Ore reserves are reported with appropriate modifying factors of dilution and recovery
2. Quantities may not add or multiply due to rounding
3. Ore reserves based on a gold price of US$1,250 per ounce

Permitting
In September 2017 full local permitting was achieved for construction of the project, clearing a major milestone in the path to production. This included government approval of the local environmental impact assessment. With the support of the local communities, the majority of the land required to develop the Tulkubash heap leach has also been leased by Chaarat, ensuring that construction activities can commence in 2018 subject to local confirmation of the detailed design parameters.

Infrastructure development
Construction work at Tulkubash commenced in 2017, with infrastructure upgrades for the main site access road, the bridge across the Sandalash river and the communications infrastructure. Previously capitalised costs for infrastructure that no longer form part of the development plans have been written off in the year.

Subject to financing, full construction of Tulkubash is expected to commence in 2018.

5,377koz

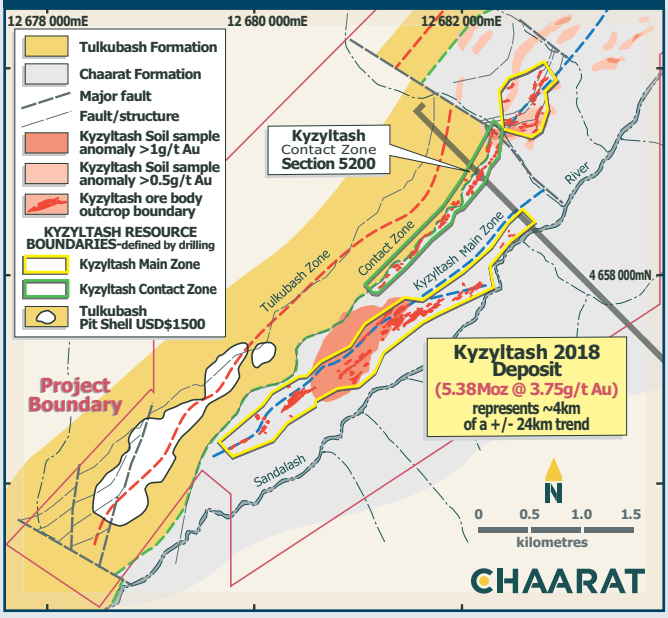
Kyzyltash sulphide resource at 3.75g/t

Kyzyltash

Overview

The large, high grade Kyzyltash sulphide ore body will form the second phase of development at the Chaarat project.

For more information please visit our website: www.chaarat.com



The Kyzyltash ore body represents most of the currently defined mineralisation at the Chaarat project and provides Chaarat with a clear path to organic growth. Due to the more complex, refractory nature of the mineralisation, Kyzyltash will be developed once the Tulkubash project is in production. Based on the work performed by NERIN, Kyzyltash has the potential to produce 200,000-300,000 ounces of gold per annum at low operating cash costs.

Resources as at 31 January 2018

Following the update to the 2016 resource for Tulkubash, the Kyzyltash resources have also been restated at a cut-off grade of 2.0 g/t. This is based on a block model which had been prepared on a basis suitable for selective mining in an underground environment.

Underground COG 2.0 g/t Au	Tonnes (kt)	Au grade (g/t)	Content (koz)
Measured	6,722	3.26	681
Indicated	32,794	3.79	3,864
Measured & Indicated	**39,516**	**3.70**	**4,545**
Inferred	6,611	4.05	832
Total	**46,127**	**3.75**	**5,377**

1. The Kyzyltash resource is based on the block model originally developed for the November 2014 resource update
2. Resources have been stated on the basis of underground mining as this reflects the selectivity of mining consistent with the estimation parameters
3. The potentially open pitable resources at Kyzyltash, previously announced in 2016, have not been re-estimated to understand the impact of dilution - all resources have been included within the underground mineable resource table
4. A new block model would be required prior to reporting resources at Kyzyltash suitable for open pit mining
5. The underground resources at Kyzyltash have been reported at a cut-off grade of 2.0g/t. The previously reported underground mineable resources in 2016 were reported at a cut-off grade of 1.8g/t.

Whilst the Kyzyltash resource constitutes a large ore body capable of generating a robust mine life for initial development, the mineralisation remains open both along strike and at depth. Further exploration has the potential to vastly increase the size of the deposit.

Development options

Building on the foundation of the NERIN feasibility study, Chaarat will continue advancing technical studies on the Kyzyltash Project. Ongoing work will include further metallurgical testing, a review of the most appropriate mining method, and a review of the optimal processing plant layout given the infrastructure in place for the Tulkubash heap leach processing facility. This will develop an optimised and updated feasibility study. A desktop review of the development opportunities is expected to be completed in 2018.

Kyzyltash will produce gold through a refractory processing plant recovering gold via pre-oxidation followed by direct cyanidation. Ore will be sourced from high grade underground stopes accessible via simple adit development into the hillside, which could be augmented by ore accessible via open pit mining. The currently defined resource of 5.4 million ounces of gold is potentially capable of supporting at least a seven to eight year mine life at a production rate of 200,000-300,000 ounces of gold per year.

On completion of an updated feasibility study for Kyzyltash, the decision to commence construction will be dependent on the Group's cash flow and development plans, as the Company's balance sheet continues to be strengthened by Tulkubash production and the results of merger and acquisition activity.

Operational Review
Regional exploration

Located in the prolific Tien Shan gold belt, the Chaarat Project has the potential to become the next multi-million ounce producer alongside other large mines in the area.

The Tien Shan belt hosts the Muruntau mine at the west end and the Kumtor mine in the east with several large deposits in between. Chaarat already has six million ounces of gold resources and a large, underexplored area that has the potential to add significantly more.

The Chaarat mining and exploration licences are best viewed as comprising an emerging gold district, not simply two deposits. The Company believes that it has only just begun to develop the potential of this emerging district. The Company's land position comprises a surface area approximately 40-50 per cent the size of the Carlin trend in Nevada, which started with one mine in the 1960's and has now produced over 50 million ounces of gold. Chaarat will be in a position to use its internally generated free cash flow to explore and define the long-term potential of the Chaarat District.

In 2018, initial exploration work will be undertaken in the large exploration licence north-east of the six kilometre Chaarat mining licence.

- Initial scout drilling will be undertaken on a large soil anomaly at Ishakuldy, approximately 10 kilometres along strike from the proposed Tulkubash open pit.
- Detailed mapping, trenching and surface sampling to develop long term drill targets will be carried out in the unexplored area between the mining licence boundary and the Ishakuldy soil anomaly.
- Beyond the Ishakuldy soil anomaly, district scale exploration of the trend will be undertaken. This will include a stream sediment and panned concentrate sampling programme supported by a remote camp.

Financial Review

At the beginning of 2017 a total of US$15.0 million was raised by way of convertible debt to support the Group's activities. At the year-end an ongoing fundraising exercise was in process with commitments received totalling a further US$15.0 million, including US$5.0 million of further convertible loan notes. At 31 December 2017 Chaarat had US$7.5 million of cash and cash equivalents, which included US$4.5 million of receipts from the ongoing fundraising effort.

Total cash expenditure in 2017 totalled US$15.5 million comprising: US$1.8 million of exploration expenses recognised directly in the income statement; US$7.9 million of exploration and evaluation costs capitalised during the year; US$2.8 million of capitalised expenditure on assets under construction; and US$3.0 million of administrative expenses.

During 2017 work on the Tulkubash feasibility study, which was published on 30 April 2018, confirmed that previously capitalised assets under construction were no longer intended to be utilised as part of the development of the Chaarat Project. An impairment of US$10.0 million was recognised during the year in respect of these costs.

During 2018 Chaarat intends to invest significant further sums in the Tulkubash project and will need to repay or re-finance US$15.0 million of convertible debt plus US$2.1 million of associated interest on 30 September 2018. The Directors are encouraged by the relationships and ongoing quality dialogues with both local and global institutions, and are confident that sufficient funds can be raised to ensure that Chaarat remains a going concern, is able to develop the Tulkubash project and fulfil the planned merger and acquisition activities. Further details of the Group's status as a going concern are set out in the Directors' Report.

Corporate Social Responsibility

Every year Chaarat Zaav's Deputy Director, Turat Usubaliev, agrees to a "social package" of support with the local communities in the immediate vicinity (c. 30km) around the Chaarat deposit. He does this through the Community Consultation Group (CCG) we established in 2013 which ensures participation from all sections of the local communities.

Our priority is to ensure the support provided is invested according to the priorities of the local communities and for the greatest benefit of the majority of the population. In 2017, Chaarat Zaav and the Chatkal district Administration signed a Memorandum with the Kanysh-Kiya and Chatkal Ayil Okmotu (Rural Councils), aimed at providing support to the local residents in the priority areas of education, medical treatment, promoting sports and rehabilitation, and social infrastructure development.

We are pleased that our successful implementation of the social package was rewarded by letters of appreciation from both Okmotus as well as the Akim who is head of the Chatkal district administration.

We have a regional office in the Chatkal district at Kanysh-Kia which logs all comments and complaints received from local residents and our staff work on resolving the identified issues. The office is also responsible for informing the local community about the activities of Chaarat, including employment opportunities, so maintaining our licence to operate as we develop the Tulkubash Project.

During the year the Chatkal District Administration organised public hearings attended by representatives of eight mining companies operating in the Chatkal district. At the hearings, our representatives presented a report on the work completed in 2016, including implementation of the 2016 Memorandum; and also informed the public about the Company's plans for 2017.

We continue to be fully committed to ensuring the highest standards of health and safety, as well as taking all precautions for the protection of the environment, and at the same time respecting local culture.

Employment
In 2017, 139 employees from the local community worked at the Chaarat deposit during the field season, including 39 employees hired by the Company directly and 100 people working for contractors as drill rig operators, assistant drill operators, samplers, ditchers and labourers.

Council members from both Okmotus visited the Chaarat site in the summer on a fact-finding mission about the activities of the Company and to discuss the provision of jobs for the local residents with contracted organisations engaged in geological exploration and drilling.

We continued our programme of summer placements for the geology and mining students we sponsor through their studies. We also provided financial support for a new school in Aigyr-Zhal.

Small wholesale shops in Kanysh-Kiya and Jany-Bazar villages operate successfully providing the local residents with groceries at wholesale prices. We helped with the purchase of fuel and lubricants for a vehicle to supply the shops as well as the purchase of wheat seeds.

Medical
We sponsor medical students since there continues to be a shortage of doctors and medical facilities in rural communities. The Kanysh Kia and Chatkal rural councils requested our help with the provision of medical treatment to residents (mainly orphans and the elderly) which we were glad to provide. In 2017 we refurbished medical stations at Korgon-Sai and Kurulush villages.

Transport and infrastructure
The Chaarat deposit is approximately 300km south west of the capital, Bishkek. From Bishkek the property is accessed via a combination of approximately 800km of paved and unpaved roads. During the summer an alternative route provides access at a distance of approximately 520km from Bishkek. The remoteness of the location means that transport and infrastructure are high priorities for the local communities.

We have therefore provided assistance through the construction and repair of roads in the Chatkal district, contributed to the design of a suspension bridge at Kanysh-Kiya and the repair of a bridge used by cattle herders, purchased a vehicle for the use of the local council and provided fuel and lubricants for the equipment clearing the Karabuura pass.

Donations
We continue to provide gifts to children and elderly residents at holidays and local celebrations, including World Children's Day and New Year. During the year the children in Jany-Bazar were able to improve their wrestling skills courtesy of a coach provided by Chaarat in the sports hall we built in the village. We also purchased equipment such as portable radio sets and sponsored regional sporting events and tournaments.

Board of Directors

1. Martin Andersson
Non-Executive Chairman

4. Dorian L. (Dusty) Nicol
Independent Non- Executive Director

2. Richard Rae
Senior Independent Non-Executive Director

5. Artem Volynets
Independent Non-Executive Director

3. Martin Wiwen-Nilsson
Non-Executive Director

6. Gordon Wylie
Independent Non-Executive Director

7. Linda Naylor
Company Secretary

1. Martin Andersson
Non-Executive Chairman
Martin is a long term and supportive shareholder and brings both his significant experience of Russia and the region and his contacts from an extensive network to assist the achievement of the strategy set by the Chaarat Board.

He manages an active portfolio with an interest in real estate, financial services and information technology. In 1993 he co-founded Brunswick Brokerage – a Moscow based investment bank that was later sold to UBS – initially holding the position of CEO and from 1999 as Chairman of the joint venture, Brunswick UBS Warburg. Between 2006 and 2013 he was a shareholder and served on the Board of Siberian Coal Energy Company (SUEK), one of the largest thermal coal producers in Russia. He is currently a director of Brunswick Real Estate S.A.R.L., Cabo Delgado Investments Limited and Central Atlantic Investment Holding LLC.

2. Richard Rae
Senior Independent Non-Executive Director
Richard is an experienced City professional, a former managing director of ABN AMRO, who brings his contacts and in depth understanding of the equity markets to the Board of Chaarat which assists in the Company's engagement and communication with its shareholders.

He is a non-executive Director and member of the Audit Committee of Aberforth Smaller Companies Investment Trust plc, the largest investment trust within the UK Smaller Company sector. He is also a non-executive director and the chairman of the audit committee of Maistro plc.

A Chartered Accountant, Richard is Chairman of both Chaarat's Audit and Remuneration Committees.

3. Martin Wiwen-Nilsson
Non-Executive Director
During Martin's 21 years at Goldman Sachs, where he was a Partner from 2008 to 2015, he held leadership positions in, amongst others, the global emerging markets, commodities and sovereign wealth fund businesses. This knowledge of global markets is now bringing significant benefits to the sourcing of funding of the Chaarat Project. A close associate of the Chairman, he is also a director of Brunswick Real Estate S.A.R.L.

He is a member of Chaarat's Remuneration Committee.

4. Dorian L. (Dusty) Nicol
Independent Non- Executive Director
Dorian (known as Dusty) has 40 years' experience at every stage of the mining process – from exploration to construction and development and management of mines and has built multi-disciplinary teams in a variety of cultures. He works closely with the management team to realise the potential of the Board's plans for the Chaarat Deposit, both in terms of the construction programme for the heap leach operation as well as further exploration of the Tulkubash oxides.
His experience with refractory ore will be invaluable to Chaarat when the oxide resource is in production and the Company seeks to expand further and develop the very substantial Kyzyltash refractory ore resource. He is Chairman of Chaarat's Technical Committee and is also responsible for the technical evaluation of M&A targets.

Dusty is President and CEO of Azarga Metals Corp., a mineral exploration and development company, that owns 100% of the Unkur Copper-Silver Project in the Zabaikalsky province in eastern Russia.

5. Artem Volynets
Independent Non-Executive Director
Artem has more than 20 years' experience in mergers and acquisitions, capital markets, and senior corporate management roles. From 2003 to 2013 he worked on the key transactions in the Russian aluminium and energy industries.

His M&A, capital markets and executive experience in the mining sector, combined with his global industry and investor connections in Russia and Asia, will be invaluable to progress the Chaarat Project and achieve further growth based on acquisitions in Central Asia and the Former Soviet Union.

In 2014 He founded ACG Amur Capital Group Ltd which is an advisory and investment management firm. He is also a director of Norilsk Nickel, the world's largest producer of palladium and one of the largest producers of nickel, platinum and copper.

6. Gordon Wylie
Independent Non-Executive Director
With more than 41 years in the mining industry and directly relevant experience of growing companies from exploration to production, Gordon has overcome the challenges involved in moving an exploration company on to a development company with a clear path towards production. He has been non-executive Chairman of Lydian International since its inception. Lydian is constructing a mine at the Amulsar open pit, heap leach gold project in Armenia.

Gordon is a member of Chaarat's Audit and Technical Committees.

7. Linda Naylor
Company Secretary
Linda handed over the responsibility for the finance and treasury functions to Pete Gardner, the Chief Financial Officer during 2018.
A Chartered Accountant and a former partner in Grant Thornton UK LLP, her experience gained over more than twenty years included working as a nominated adviser in the Capital Markets team from 1996 and as an audit partner specialising in the natural resource sector.
She fulfills the role of Company Secretary.

Senior Management

1. Robert Benbow
Chief Executive Officer

4. Pete Gardner
Chief Financial Officer

2. Alexander Novak
Chairman Chaarat Zaav

5. Frank Fenne
Head of Geology

3. Peter Carter
Chief Operating Officer

6. Davron Vakhabov
General Director Chaarat Zaav

7. Turat Usubaliev
Deputy General Director Chaarat Zaav

1. Robert Benbow
Chief Executive Officer
Bob's primary responsibility is to develop and build the Tulkubash Project and oversee mining operations once in production. During his 40 year career Bob has worked with junior exploration companies to bring them into production and transform them into operating companies. He has taken three green field gold developments into production and from 2007 he served as the Vice President and Country Manager of Alacer Gold Corp.'s Çöpler Gold Mine in Eastern Turkey, which has produced over one million ounces as one of the lowest cost producers in the world.

Bob built a team of expatriates and Turkish nationals to execute the successful start-up of Çöpler, which was initially developed as an open pit heap leach operation. The Çöpler mine is now moving into development of the refractory ore contained within the deposit. The two similar stages in Chaarat's development will benefit directly from Bob's relevant experience.

2. Alexander Novak
Chairman Chaarat Zaav
Alexander is based in Bishkek and is responsible for all Chaarat's activities in the Kyrgyz Republic, in particular licencing and community relations. He has assisted companies investing in the Kyrgyz Republic in various aspects of finance, administration and representation with the authorities since 2000. He has more than 25 years of experience in all aspects of business management in Central Asia including negotiations with governmental institutions, contractors, preparation of development plans, monitoring of operations and public relations.

3. Peter Carter
Chief Operating Officer
Peter's 30 year career in open pit engineering, mine management and project development includes leadership roles in the construction and operation of the Kumtor and Boroo gold mines in the Kyrgyz Republic and Mongolia, bringing direct experience of operating in Central Asia.

He was also involved with the fast-track development of the Karma heap leach project in Burkina Faso, which was successfully developed by TrueGold Mining Inc. prior to its acquisition by Endeavour Mining in 2016.

4. Pete Gardner
Chief Financial Officer
A Chartered Accountant and qualified Corporate Finance professional, Pete's experience will be invaluable as the Company transitions from its current stage of development to becoming a gold producing company. From 2009 to 2016, Pete was Finance Director of Amara Mining plc until its sale to Perseus Mining Limited.

Responsible for finance and treasury matters and financial modelling, Pete is upgrading the financial reporting systems to ensure these meet all necessary requirements in the transition from exploration to construction and production.

5. Frank Fenne
Head of Geology
Frank oversees the expansion and development of the Tulkubash oxide resource by supervising the drilling programme as well as managing the collection and interpretation of geologic data to meet JORC reporting standards. Frank also manages the exploration of the extensive area of prospective ground within the Chaarat licenses.

He has over 30 years of experience in exploration, project development, and mine operations.

6. Davron Vakhabov
General Director Chaarat Zaav
Davron has more than 10 years of extensive international contracting and projects management experience. He held various project management positions in Alacer Gold Corp's Çöpler Gold Mine where he was a part of the original mine construction and then was responsible for all plant and heap leach pad expansion projects. Prior to joining Chaarat, Davron was an area manager responsible for infrastructure at Lydian International's Amulsar Gold Project in Armenia.

7. Turat Usubaliev
Deputy General Director Chaarat Zaav
Turat joined Chaarat in 2007. He had previously worked as a Senior Geologist at the Jerooy Gold Project, the Kumtor mine in the Kyrgyz Republic and Frontier Mining in Kazakhstan. He left Chaarat in 2012 to accept a position as Vice-President of Centerra Gold in Toronto and returned to Chaarat in August 2013 as Deputy General Director with responsibility for community relations.

Directors' Report

The Directors present their report and audited financial statements for the year ended 31 December 2017.

Principal Activities
The principal activity of the Group is exploration for gold and the development of the Chaarat Gold project in the Kyrgyz Republic. The principal activities of the Company are those of a holding, management and finance company. Further information is included in the Strategic Report, which is set out on pages 2 to 13 of this annual report.

Business Review
The Strategic Report incorporates the Chairman's Statement, Chief Executive Officer's Report, Operational Review and Corporate Social Responsibility Report. The Strategic Report contains certain forward-looking statements, particularly concerning the development plans at the Chaarat Gold project and the Group's merger and acquisition strategy. These statements have been made by the Directors in good faith based on the information available at the time of the approval of the Annual Report.

By their nature, such forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements depending on a variety of factors such as, inter alia, increased costs, possible variations in Mineral Resources, grades or recovery rates, disruption of supplies, failure of equipment or processes to operate as anticipated, a weaker gold market and changes in exchange rates.

Results and Dividends
The Group made a consolidated loss after taxation for the year of US$18.1 million (2016: US$4.5 million). The Directors do not recommend the payment of a dividend (2016: nil).

Financial instruments
The Group's exposure to financial risks and its policies in relation to the use of financial instruments are explained in note 24 to the financial statements.

Details of shares issued during the year pursuant to the exercise of financial instruments are set out in note 16 to the financial statements.

Details of convertible loan notes issued during the year are set out in note 19 to the financial statements.

Share Capital and Substantial Share Interests
Details of the Company's share capital, including share options and warrants, and shares and share options issued in the year, are disclosed in note 16 to the financial statements.

On 30 April 2018, the Company was aware of the following holdings of 3% or more in the Company's issued share capital:

	Number of shares	%
Labro Investments Limited*	131,878,037	35.51
China Nonferrous Metals Int'l Mining Co. Ltd	22,469,289	6.05
Sarastro Group	17,606,228	4.74
UBS Wealth Management	15,473,393	4.17

* Martin Andersson, the Company's Non-executive Chairman, is the ultimate controlling party of Labro Investments Limited.

Directors
The Directors who served during the year were:

Martin Andersson	Non-executive Chairman	
Richard Rae	Non- executive director	
Martin Wiwen-Nilsson	Non- executive director	
Linda Naylor	Finance Director	
Dorian Nicol	Non-executive director	Appointed 13 November 2017
Gordon Wylie	Non-executive director	Appointed 13 November 2017
Alexander Novak	Executive Director	Resigned 10 July 2017
Dekel Golan	Chief Executive Officer	Resigned 1 November 2017

In accordance with the Company's Articles of Association the Directors who have been longest in office since their last election must retire by rotation at the Annual General Meeting and may stand for re-appointment at the Meeting. Accordingly, the Directors retiring by rotation, Richard Rae and Martin Andersson, being eligible, offer themselves for re-appointment.

Artem Volynets was appointed a non-executive director on 25 March 2018.

During the year, directors' and officers' liability insurance was maintained for the Directors and other officers of the Company.

Going concern
In common with many exploration and development groups, the Group raises finance for its exploration, appraisal and development activities in discrete tranches which finance its activities for limited periods. Further fundraising is undertaken as and when required. At 31 December 2017, the Group was involved in a fundraising exercise through a mixture of equity and convertible loan notes. At 31 December 2017, a total of US$1.6 million had been received representing an initial tranche of 4,611,940 shares which were issued during the year. A further US$1.9 million had been received in respect of equity and US$1.0 million had been received in respect of loan notes which were issued in 2018. These are included as shares to be issued and other liabilities respectively in the consolidated balance sheet at 31 December 2017.

As at 31 December 2017 the Group had US$7.5 million of cash and cash equivalents and US$15.4 million of debt in the form of a convertible loan note, including accrued interest to date.

A further US$6.9 million was received during the first quarter of 2018, bringing the total funds received to US$11.4 million, with expressions of interest received from the directors and management of the Company totalling US$3.6 million to bring the total to US$15.0 million.

At 30 April 2018 the Group had approximately US$10.0 million of cash and cash equivalents. The first tranche of the Group's convertible loan is due for repayment in September 2018, which will total US$17.1 million at the redemption date. In the absence of conversion of this facility to equity, or a deferral of the repayment date, additional funds will need to be raised to repay this amount.

The Board has reviewed the Group's cash flow forecast for the period to 31 December 2019. Plans to develop the Tulkubash heap leach facility, commencing in 2018, remain subject to the Group raising sufficient funds. The Group plans an ambitious 30,000 metre exploration programme in 2018 to extend the Tulkubash heap leachable resources, completion of which is also subject to additional fund raising expected to be completed before the end of the third quarter of 2018. Additional funds may also be required to complete the preparatory detailed engineering and infrastructure upgrades envisaged for the Tulkubash project prior to the commencement of construction, and for any work towards an updated feasibility study for the Kyzyltash deposit.

Subject to the above, which the Board is confident can be achieved, the Board is satisfied that the Group has sufficient funds to maintain the Group as a going concern for a period of at least twelve months from the date of signing the annual report and accounts.

However, there are currently no binding agreements in place and therefore, as set out above, this indicates the existence of a material uncertainty which may cast doubt over the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Website publication
The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the British Virgin Islands governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Provision of information to auditor
In the case of each of the Directors who are Directors of the company at the date when this report is approved:
- So far as they are individually aware, there is no relevant audit information of which the company's auditor is unaware; and
- Each of the Directors has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of the information.

Auditor
A resolution to re-appoint BDO LLP as auditors of the company will be put to the next Annual General Meeting.

Corporate Governance
"In essence, good corporate governance is about having the right people (in the right roles), working together, and doing the right things to deliver value for shareholders as a whole over the medium to long term." QCA Corporate Governance Code (2018).

During 2017, the Chairman has focussed on two key responsibilities: articulating a clear strategy for the Company to build long term shareholder value and building the Board to deliver that strategy. The culture of the Company has evolved in line with the strategy and the new Chief Executive Officer. The new management team in Bishkek has worked closely with the Chief Executive Officer to develop the highest standards of performance and ethical behaviour. Continuous assessment and an emphasis on continuing improvement are the foundation of the Company's new approach. All employees are encouraged to contribute ideas to improve operations whether in safety or efficiency.

As a Board committed to good practice in corporate governance the company is guided by the 10 principles set out in the Quoted Companies Alliance's Corporate Governance (2018). Chaarat's progress with implementation is explained further in this report.

The Board has established a number of committees which report to the Board to assist with the implementation of its polices, risk management and improve effectiveness.

Independence

Relationship Agreement with Labro Investments Limited

Chaarat's Chairman, Martin Andersson, is the largest shareholder of Chaarat as he is indirectly beneficially interested in the majority of the shares in Labro Investments Limited (Labro) which as at 30 April 2018 holds 35.51% of the Company's issued share capital.

A relationship agreement has been put in place between the Company and Labro which provides, inter alia, that for so long as Labro beneficially owns or is interested in 20% or more of the issued share capital of the Company, Labro shall have the right to nominate one director to the Board, and not take any action which will circumvent the proper application of the AIM Rules or enter into any transactions with the Company or the Group on any other than on normal commercial terms.

There is a provision in the Company's Articles of Association which states that the Board has the right to require any holder of more than 20% of the Company's Shares to make a mandatory offer to all the Company's shareholders to acquire their Shares if they acquire an additional interest in any Shares. The Board has previously exercised its discretion to waive the requirement for a mandatory offer when Labro acquired Shares in excess of a 20% holding.

A number of associates of the Chairman (being Martin Wiwen-Nilsson, Willem De Geer and Sarastro Group Limited) became shareholders in the Company in September 2016. Martin Wiwen-Nilsson is also a director of the Company. The Chairman, taking a conservative view and based on legal advice, deemed it appropriate that those parties should be considered as forming a concert party with Labro and that, subject to the waiver described above, further additional share purchases by them will have to be approved by the Directors who are independent of the concert party (being Linda Naylor, Artem Volynets, Richard Rae, Dorian Nicol and Gordon Wylie) who decide whether to exercise their discretion to waive the requirement to make a mandatory offer to all shareholders.

The Board believes this is best practice for corporate governance purposes in order to protect minority holders of the Company's shares so that there is no perception that shares are being accumulated with the objective of acquiring the Company at a potentially depressed valuation.

Non-executive directors

Richard Rae is the senior non-executive Director and is considered independent by the rest of the Board.

In November 2017 two independent non-executive directors were appointed to the Board, Gordon Wylie and Dorian Nicol. Given the Company's stage of development, certain NEDs are heavily involved in technical and financing matters related to the achievement of the Company's strategy. Dorian Nicol was appointed Chairman of the Technical Committee and has a full-time role which includes planning and supervision of the 2018 drilling programme and technical evaluation of possible acquisition targets. The Chairman and Martin Wiwen- Nilsson have led the financing strategy and Artem Volynets is driving the Company's M&A strategy since his appointment as a non-executive director in March 2018. The particular skills and expertise provided by these non-executive directors are critical to support the CEO, Robert Benbow, and to drive the achievement of the Company's strategy.

The Board is mindful that these increased responsibilities mean that there are only two independent non-executive directors on the Board which is the minimum set out in the QCA Code. The Chairman has stated his intention to recruit more independent non-executive directors to redress the balance and add value and diversity to the Board.

Board and Committees
The directors and senior management meet quarterly to review progress, to approve strategy and budgets, major capital expenditure and the financial statements and certain other matters which are reserved for decision by the Board. Monthly Board calls also take place to provide an update between the quarterly meetings. The quarterly meetings were attended by all directors during 2017.

The directors and senior management have access to the advice and services of the Company Secretary, who is responsible for ensuring that all Board procedures are followed. Any Director may take independent professional advice at the Company's expense in the furtherance of their duties.

2017 saw a number of changes to the Board as set out in the Directors' Report. Accordingly, the Chairman did not consider it appropriate to undertake a Board evaluation process until the composition of the Board had stabilised. He intends to instigate an internal Board evaluation process in 2018 and review the need for an external evaluation based on the results.

Remuneration committee
The remuneration committee comprises Richard Rae as Chairman and Martin Wiwen-Nilsson. The committee meets as required during each financial year. It is responsible for reviewing the performance of the executive Directors and senior management and for setting the scale and structure of their remuneration, having due regard to the interests of shareholders as a whole and the performance of the Group. The remuneration committee also administers the company's share option arrangements. The remuneration of the non-executive Directors is reviewed by the whole Board.

Details of Directors' emoluments and share options are disclosed in the Remuneration Report.

Audit committee
The audit committee comprises Richard Rae as Chairman and Gordon Wylie. The committee meets formally on at least two occasions each financial year. It reviews the Company's interim and annual financial statements before submission to the Board for approval, as well as regular reports from management and the external auditors on audit, accounting and internal control matters which are also reviewed by the Board and senior management. Where appropriate, the audit committee monitors the progress of action taken in relation to such matters. The audit committee also recommends the appointment of, and reviews the fees of, the external auditors as well as their independence and any non-audit services provided. In 2017 and 2016 the only non-audit service was the review of the interim statement.

Technical committee
The technical committee comprises Dorian Nicol as Chairman and Gordon Wylie. The committee reviews and provides input to all technical reports and provides guidance to senior management.

Nominations committee
The nominations committee is comprised of the whole Board of Directors. The Chairman reviews all proposed changes to the Board with regard to the balance of skills necessary to achieve Chaarat's strategic objectives.

Health, Safety, Environment and Community committee
The health, safety, environment and community committee is responsible for the overall health, safety and environmental performance of the Company and its operations and its relationship with the local community in the Kyrgyz Republic. The Committee is comprised of the entire Board of Directors. The membership of this committee will be reviewed in 2018 given the appointment of non-executives with directly relevant skills in these areas.

Risk management
The Board has recognised the need to formalise its review of the risk management framework and how it is embedded in the organisation. Previously, the whole Board had considered the key risks of the Company relating (for example) to security of the licences, local relations and safety. The use of the skills of experienced non-executives has been invaluable in this regard. However, in 2018 the Chairmen of the Audit and Technical Committees will consider how best to divide the relevant risks between their two committees, given the increased complexity of the environment in which the Company is now operating, so that a full review is undertaken and effectiveness is ensured.

Relations with shareholders
The Board recognises the importance of maintaining a dialogue with all its shareholders and carefully considering the feedback and taking appropriate action. Dialogue can take the form of individual meetings or presentations to retail investors. The Chairman, Chief Executive Officer and relevant non-executive directors meet with shareholders, analysts and other institutions regularly throughout the year to keep them updated. The AGM and website encourage engagement with the Board and all correspondence and queries are dealt with promptly by the Company Secretary.

During 2017 Chaarat engaged Blytheweigh to increase the effectiveness of communication with all stakeholders. Separate public relations advice has been taken in relation to M&A activities in 2018.

Remuneration Report

Policy

The policy of the Company is to ensure the members of the Board are fairly remunerated with regard to the responsibilities undertaken and with regard to comparable pay levels in the mining industry. Bonuses and the award of share options are used to attract, retain and motivate Directors and senior management where appropriate. The award of bonuses and share options is recommended to the Board for approval by the Remuneration Committee.

Total remuneration of Directors serving in the year:

Year ended 31 December 2017	Salary US$'000	Fees US$'000	Termination payments US$'000	Share based payments US$'000	Total US$'000
Dekel Golan*	225	-	428	166	819
Alexander Novak**	135	-	-	58	193
Linda Naylor	223	-	-	116	339
Richard Rae	-	3	-	12	15
Martin Wiwen-Nilsson	-	-	-	8	8
Gordon Wylie	-	3	-	-	3
Dorian Nicol	-	3	-	-	3
Total	**583**	**9**	**428**	**360**	**1,380**

* resigned 1 November 2017.

** resigned 10 July 2017 – excludes amount paid as an employee after resignation as a director.

Year ended 31 December 2016	Salary US$'000	Fees US$'000	Share based payments US$'000	Total US$'000
Dekel Golan	428	-	-	428
Alexander Novak	266	-	-	266
Linda Naylor	235	-	-	235
Richard Rae	-	40	2	42
Christopher Palmer-Tomkinson*	-	40	-	40
Total	**929**	**80**	**2**	**1,011**

* retired 1 October 2016.

Directors' Interests

Share Interests

The following Directors of the Company, who held office at 31 December 2017, held beneficial interests, either directly or indirectly, (including interests held by spouses, minor children or associated parties) in the ordinary shares, share options and warrants over shares of the Company at 30 April 2018:

	Number of shares	Number of options	Number of warrants
Martin Andersson	131,878,037	-	21,367,521
Linda Naylor	1,200,000	4,873,244	-
Richard Rae	400,000	500,000	-
Martin Wiwen-Nilsson	9,998,237	200,000	-

Share Options

At 31 December 2017 the following directors held options to subscribe for ordinary shares in the Company:

	Number of share options 2017	Number of share options 2016	Exercise price	Exercise period
Linda Naylor	-	156,000	25p	1 September 2012 – 31 August 2017
	317,073	317,073	41p	25 February 2011 – 24 February 2018[1]
	213,116	213,116	61p	22 December 2011 – 21 December 2018[1]
	555,555	555,555	27p	22 December 2012 – 21 December 2019[1]
	787,500	787,500	25p	31 December 2013 – 30 December 2020[1]
	3,000,000	-	15p	12 February 2017 – 12 February 2025[2]
Richard Rae	200,000	200,000	25p	1 January 2015 – 1 January 2022[1]
	300,000	-	15p	12 February 2017 – 12 February 2025[2]
Martin Wiwen-Nilsson	200,000	-	15p	12 February 2017 – 12 February 2025[2]

1. Options vest in 3 equal annual tranches – exercise period start date relates to exercise period for first tranche to vest.
2. 50% of the options vest in 3 equal annual tranches – exercise period start date relates to exercise period for first tranche to vest. The remaining 50% vest according to the achievement of milestones: 20% on completion of the Tulkubash Feasibility Study; 20% on the receipt of local permit approvals for the Tulkubash Project; 20% on successful fundraising for the Tulkubash Project; 40% on the first gold pour at Tulkubash.

The former Chief Executive Officer, Dekel Golan, who resigned on 1 November 2017, held 5,809,330 options to acquire ordinary shares at 31 December 2016. Of these, 2,800,000 lapsed during 2017 and the remaining 3,009,330 lapsed on 30 April 2018. A further 4 million options with an exercise price of 15 pence per share were issued in 2017 prior to Dekel Golan's resignation as a director. Of these, 400,000 were exercised in December 2017, a further 1,250,000 vested in 2017 and remain exercisable until 8 July 2018 and 750,000 lapsed during 2017. The remaining 1,600,000 vest on the fulfilment of future milestones in line with other director options awarded in 2017, and will be exercisable for a period of six months once vested.

Alexander Novak, who resigned on 10 July 2017, held 3,632,124 options to acquire ordinary shares at 31 December 2016. Of these, 1,752,000 lapsed during 2017. A further 3 million options were awarded in 2017 while Mr Novak was a director of Chaarat on the same terms as the other options issued to directors in 2017. Mr Novak remains an employee of the group and the balance of his options, including all options issued in 2017, remain exercisable in accordance with their original terms.

By Order of the Board

Linda Naylor
Company Secretary

8 June 2018

Statement of Directors' Responsibilities

The Directors are responsible for preparing the financial statements and have, as required by the AIM Rules of the London Stock Exchange, elected to prepare the group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union in order to give a true and fair view of the state of affairs of the group and of its profit or loss 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 records that are sufficient to show and explain the company's transactions and will, at any time, enable the financial position of the company to be determined with reasonable accuracy. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps to prevent and detect fraud and other irregularities and for the preparation of any additional information accompanying the financial statements that may be required by law or regulation.

Independent Auditor's Report
to the Members of Chaarat Gold Holdings Limited

Opinion
We have audited the financial statements of Chaarat Gold Holdings Limited and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:
- the financial statements give a true and fair view of the state of the group's affairs as at 31 December 2017 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 as applied to listed entities 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.

Material uncertainty related to going concern
We draw attention to note 2 in the financial statements concerning the group's ability to continue as a going concern. The matters explained in the note indicate that the group will require additional funding within the next four months. There are currently no formal binding agreements in place for raising additional funding and there is no certainty that the funding required by the group will be secured within the necessary timescale. These conditions, along with the other matters as set out in note 2, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the group was unable to continue as a going concern. Our opinion is not modified in respect of this matter.

We considered going concern to be a Key Audit Matter based on our assessment of the risk and the effect on our audit. We performed the following work in response to this key audit matter:
- We critically challenged the directors' forecasts to assess the group's ability to meet their financial obligations as they fall due within the period of twelve months from the date of approval of the financial statements by reviewing the assumptions and inputs in the directors' cashflow forecast to assess whether these were in line with our understanding of the group's operations and other information obtained by us during the course of the audit.
- We compared the forecast expenditure by reference to actual expenditures in 2017 and the directors' budgeted expenditure in 2018 to ensure that the forecast expenditure is complete. We ensured the forecasts included the repayment of the convertible loan note maturing September 2018.
- We performed a mechanical check on the cashflow forecast model prepared by the directors.
- We corroborated the opening cash positions, and
- We reviewed the disclosure included within the financial statements.

Key audit matters
In addition to the matter described in the material uncertainty related to going concern section, key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Carrying value of the exploration and evaluation assets and assets under construction
As at 31 December 2017, the group's exploration and evaluation assets relating to the Chaarat Gold Project in Kyrgyzstan were carried at US$35m as disclosed in notes 2, 10 and 12.

The above project is considered one "cash generating unit" (CGU).

The directors' performed an impairment indicator review to assess whether there were any indicators of impairment for the exploration asset. Following this assessment, Management and the directors' concluded that there were no indicators of impairment and therefore no impairment was required.

As disclosed in Notes 2 and 12, following the undertaking of the feasibility study in 2017, certain assets under construction are no longer expected to be utilised as part of the development of the Chaarat Gold Project. Consequently, such assets were fully impaired during the year.

Given the inherent judgement involved in the assessment of impairment indicators and the carrying value of the exploration and evaluation assets and assets under construction, we considered the carrying value of exploration and evaluation assets and assets under construction to be a significant risk for the audit.

How the matter was addressed in our audit
We assessed the directors' review of indicators of impairment. In doing so we performed the following procedures:

- We reviewed the existing licences to confirm that the group holds a valid right to explore the Chaarat Gold Project. We confirmed that the group's exploration licence is valid until October 2023 and the mining licence valid until 2032.
- We reviewed the commitments and obligations associated with the licences to confirm compliance with the licences.
- We reviewed Board minutes, made specific inquiries of management and reviewed budgets and work programmes submitted to the Kyrgyz authorities to confirm that further drilling and exploration is planned.
- We assessed the independence and competence of Tetra Tech Inc as a management expert.
- We reviewed the disclosures included in the financial statements at notes 10 and 12.

We reviewed the directors' assessment of the impairment of assets under construction. In doing so, we reviewed current development plans and made enquiries of operational management to confirm that the assets were no longer expected to be utilised as part of the development of the Chaarat Gold Project.

Our application of materiality

Group materiality as at 31 December 2017	Basis for materiality
US$510,000	1.2% of total assets

We apply the concept of materiality both in planning and performing our audit and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Materiality for the group financial statements as a whole was set at US$510,000, being 1.2% of total assets (2016: US$570,000). We consider total assets to be the most relevant consideration of the group's financial performance as the group continues to focus on enhancing its assets.

In performing the audit we applied a lower level of performance materiality in order to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds financial statement materiality. Performance materiality for the group financial statements was set at US$330,000, being 65% of financial statement materiality. In setting the level of performance materiality we considered a number of factors including the expected total value of known and likely misstatements (based on past experience and other factors), the amount of areas of estimation within the financial statements and the type of audit testing to be completed. Each significant component of the group was audited using a lower level of performance materiality ranging from US$195,000 to US$250,000 (2016: US$130,000 to US$280,000).

We agreed with the Audit Committee that we would report to the committee all individual audit differences in excess of US$25,000 (2016: US$28,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit
Our group audit was scoped by obtaining an understanding of the group and its environment and assessing the risks of material misstatement in the financial statements at the group level.

The group's operations principally comprise exploration of gold deposits located in the Kyrgyz Republic. We assessed there to be two significant components. These were subject to full scope audits and non-significant components were principally covered using analytical review procedures. All audit work was performed by BDO LLP and included an onsite visit by BDO LLP to Kyrgyzstan.

We set out above the risks that had the greatest impact on our audit strategy and scope.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

Independent Auditor's Report
to the Members of Chaarat Gold Holdings Limited

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, 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 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, the directors are responsible for assessing the group'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 group or to cease operations, or have no realistic alternative but to do so.

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 (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 auditor's report.

Use of our report
This report is made solely to the company's members, as a body, in accordance with our engagement letter. 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 an auditor's report 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.

BDO LLP
Chartered Accountants
London

8 June 2018

BDO LLP is a limited liability partnership registered in England and Wales
(with registered number OC305127).

Consolidated Income Statement
For the year ended 31 December 2017

	Note	2017 US$'000	2016 US$'000
Exploration expenses		**(1,850)**	(1,060)
Impairment of Assets under Construction	12	**(10,008)**	-
Administrative expenses		**(4,746)**	(3,634)
Total administrative expenses		**(16,604)**	(4,694)
Other operating income		**8**	220
Operating loss	3	**(16,596)**	(4,474)
Interest receivable		**69**	19
Interest payable	7	**(1,565)**	-
Loss before and after tax for the year, attributable to equity shareholders of the parent		**(18,092)**	(4,455)
Loss per share (basic and diluted) – US$ cents	9	**(5.14)**	(1.52)

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2017

	2017 US$'000	2016 US$'000
Loss for the year, attributable to equity shareholders of the parent	**(18,092)**	(4,455)
Other comprehensive income:		
Items which may subsequently be reclassified to profit and loss		
Exchange differences on translating foreign operations and investments	**455**	2,602
Other comprehensive income for the year, net of tax	**455**	2,602
Total comprehensive loss for the year attributable to equity shareholders of the parent	**(17,637)**	(1,853)

The notes on pages 32 to 48 are an essential part of these financial statements.

Consolidated Balance Sheet
As at 31 December 2017

	Note	2017 US$'000	2016 US$'000
Assets			
Non-current assets			
Exploration and evaluation costs	10	**31,385**	23,425
Other Intangible assets	11	**9**	26
Property, plant and equipment	12	**3,252**	10,849
Total non – current assets		**34,646**	34,300
Current assets			
Inventories	13	**-**	209
Trade and other receivables	14	**194**	366
Cash and cash equivalents	15	**7,461**	3,285
Total current assets		**7,655**	3,860
Total assets		**42,301**	38,160
Equity and liabilities			
Equity attributable to shareholders			
Share capital	16(b)	**3,569**	3,518
Share premium	16(b)	**138,184**	136,554
Share warrant reserve	16(d)	**1,352**	1,358
Convertible loan note reserve	19	**867**	-
Merger reserves		**10,885**	10,885
Share option reserve	16(c)	**2,912**	3,964
Shares to be issued	16(e)	**1,926**	-
Translation reserve		**(15,472)**	(15,927)
Accumulated losses		**(118,952)**	(102,755)
Total equity		**25,271**	37,597
Current liabilities			
Trade and other payables	17	**600**	563
Other liabilities	18	**1,000**	-
Convertible loan note	19	**15,430**	-
Total liabilities		**17,030**	563
Total liabilities and equity		**42,301**	38,160

The financial statements were approved and authorised for issue by the Board of Directors on 8 June 2018.

Linda Naylor
Finance Director

The notes on pages 32 to 48 are an essential part of these financial statements.

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2017

	Note	Share capital US$'000	Share premium US$'000	Share warrant reserve US$'000	Convertible loan note reserve US$'000	Merger reserve US$'000	Share option reserve US$'000	Shares to be issued US$'000	Translation reserve US$'000	Accumulated losses US$'000	Total US$'000
As at 1 January 2016		**2,730**	**132,109**	**1,358**	**-**	**10,885**	**4,067**	**-**	**(18,529)**	**(98,405)**	**34,215**
Loss for the year		-	-	-	-	-	-	-	-	(4,455)	(4,455)
Currency translation		-	-	-	-	-	-	-	2,602	-	2,602
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,602**	**(4,455)**	**(1,853)**
Share options lapsed		-	-	-	-	-	(105)	-	-	105	-
Share options expense		-	-	-	-	-	2	-	-	-	2
Issuance of shares for cash	16 (b)	788	4,588	-	-	-	-	-	-	-	5,376
Share issue cost		-	(143)	-	-	-	-	-	-	-	(143)
As at 31 December 2016		**3,518**	**136,554**	**1,358**	**-**	**10,885**	**3,964**	**-**	**(15,927)**	**(102,755)**	**37,597**
Loss for the year		-	-	-	-	-	-	-	-	(18,092)	(18,092)
Currency translation		-	-	-	-	-	-	-	455	-	455
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**455**	**(18,092)**	**(17,637)**
Share options lapsed		-	-	-	-	-	(1,895)	-	-	1,895	-
Share options expense		-	-	-	-	-	875	-	-	-	875
Share options exercised		4	109	-	-	-	(32)	-	-	-	81
Issuance of shares for cash	16 (b)	46	1,498	-	-	-	-	-	-	-	1,544
Shares to be issued	16 (e)	-	-	-	-	-	-	1,926	-	-	1,926
Exercise of warrants		1	23	(6)	-	-	-	-	-	-	18
Equity element of convertible loan note	19	-	-	-	867	-	-	-	-	-	867
As at 31 December 2017		**3,569**	**138,184**	**1,352**	**867**	**10,885**	**2,912**	**1,926**	**(15,472)**	**(118,952)**	**25,271**

Consolidated Cash Flow Statement
For the Year Ended 31 December 2017

	Note	2017 US$'000	2016 US$'000
Cash flows used in operating activities			
Operating loss		**(16,596)**	(4,474)
Depreciation and amortisation	11/12	**333**	340
(Gain)/loss on disposal of property, plant and equipment	3	**(8)**	40
Provision/(release of provision) for inventories		**267**	(22)
Impairment of assets under construction	12	**10,008**	-
Other operating income		**-**	(220)
Share based payments	3	**875**	2
(Increase)/decrease in inventories		**(58)**	147
Decrease/(increase) in accounts receivable		**172**	(1)
Increase/(decrease) in accounts payable		**37**	(58)
Net cash flow used in operations		**(4,970)**	(4,246)
Investing activities			
Purchase of tangible fixed assets	12	**(2,754)**	(69)
Exploration and development costs	10	**(7,879)**	(2,053)
Sale of subsidiary		**-**	200
Proceeds from sale of property, plant & equipment		**27**	1,106
Interest received		**69**	19
Net cash used in investing activities		**(10,537)**	(797)
Financing activities			
Proceeds from issue of share capital, net of costs		**1,643**	5,233
Receipt of funds for shares to be issued		**1,926**	-
Proceeds from convertible loan notes issued, net of costs	19	**14,732**	-
Receipt of funds for convertible loans to be issued	18	**1,000**	-
Net cash from financing activities		**19,301**	5,233
Net change in cash and cash equivalents		**3,794**	190
Cash and cash equivalents at beginning of the year		**3,285**	2,839
Effect of changes in foreign exchange rates		**382**	256
Cash and cash equivalents at end of the year	15	**7,461**	3,285

1 General information and group structure

Chaarat Gold Holdings Limited (the Company) (registration number 1420336) was incorporated in the British Virgin Islands (BVI), and acts as the ultimate holding company for the companies set out below (the Group). The Company is quoted on the Alternative Investment Market of the London Stock Exchange (AIM:CGH).

The legal address of the Company is: Palm Grove House, PO Box 438, Road Town, Tortola, British Virgin Islands, VG1110. The Group's principal place of business is at: 10th floor, Business Centre "Victory", 103, Ibraimov str., Bishkek, Kyrgyz Republic 720011.

At 31 December the Group consisted of the following companies all of which are wholly owned:

Group company	Country of incorporation	Principal activity
Chaarat Gold Holdings Limited	BVI	Ultimate holding company
Zaav Holdings Limited	BVI	Holding company
Chon-tash Holdings Limited	BVI	Holding company
At-Bashi Holdings Limited	BVI	Holding company
Akshirak Holdings Limited	BVI	Holding company
Goldex Asia Holdings Limited	BVI	Holding company
Chon-tash Mining LLC*	Kyrgyz Republic	Exploration
At-Bashi Mining LLC*	Kyrgyz Republic	Exploration
Akshirak Mining LLC*	Kyrgyz Republic	Exploration
Goldex Asia LLC*	Kyrgyz Republic	Exploration
Chaarat Zaav CJSC*	Kyrgyz Republic	Exploration
Chaarat Operating Company GmbH**	Switzerland	Management company

* Companies owned indirectly by Chaarat Gold Holdings Limited

** In liquidation

2 Accounting policies

The significant accounting policies which have been consistently applied in the preparation of these consolidated financial statements are summarised below:

Basis of preparation

The financial information has been prepared in accordance with IFRS as adopted by the European Union.

New and revised standards and interpretations

The following new standards and amendments to standards are mandatory for the first time for the Group for the financial year beginning 1 January 2017. The implementation of these standards did not have a material effect on the Group.

Standard	Description	Effective date
IAS 7	Amendment - Disclosure initiative	1 Jan 2017
IFRS 12	Disclosure of interest in other entities	1 Jan 2017

The Group has not adopted any standards or interpretations in advance of the required implementation dates. The following new or revised standards which may have an impact on the Group have been issued but are not yet effective:

New/Revised International Financial Reporting Standards		Effective Date
IFRS 9	Financial Instruments: Classification and Measurement	1 Jan 2018
IFRS 15	Revenue from Contracts with Customers	1 Jan 2018
IFRS 2	Amendment - Classification and measurement of share-based payment transactions	1 Jan 2018
IFRIC 22	Foreign currency transactions and advance considerations	1 Jan 2018
IFRS 16	Leases	1 Jan 2019

Management has made an assessment of these new standards. It is not expected that the changes reflected in these standards are likely to have a material impact on the Group.

Basis of consolidation

Where the Company has control over an investee it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee and the ability of the investor to use its power to affect those variable returns. Control is re-assessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.
The consolidated financial statements present the results of the Company and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. As permitted by BVI law the Company has not presented its own financial information.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration for acquisition is measured at the fair values of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in order to obtain control of the acquiree (at the date of exchange). Costs incurred in connection with the acquisition are recognised in profit or loss as incurred.

Adjustments are made to fair values to bring the accounting policies of acquired businesses into alignment with those of the Group.
The costs of integrating and reorganising acquired businesses are charged to the post acquisition profit or loss.

Cash and cash equivalents

Cash includes petty cash and cash held in current bank accounts. Cash equivalents include short-term investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Interest

Interest is recognised using the effective interest method which calculates the amortised cost of a financial asset or liability and allocates the interest income or payments over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to the net carrying amount of the financial asset or liability.

2 Accounting policies (continued)

Exploration and evaluation assets

Property, plant and equipment

Property, plant and equipment are stated at cost, excluding the costs of day-to-day servicing, less any subsequent accumulated depreciation and impairment losses. The historical cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the assets to their working condition and location for their intended use. Depreciation of these assets commences when the assets are ready for their intended use.

Depreciation is charged on each part of an item of property, plant and equipment so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method. Depreciation is charged to the income statement, unless it is considered to relate to the construction of another asset, in which case it is capitalised as part of the cost of that asset. Land and assets in the course of construction are not depreciated. The estimated useful lives are as follows:

• Buildings	5 years
• Office equipment and facilities	2.5 to 5 years
• Machinery and equipment	3 to 10 years
• Motor vehicles	5 years

Residual values, remaining useful lives and depreciation methods are reviewed annually and adjusted if appropriate.

Expenses incurred in respect of the maintenance and repair of property, plant and equipment are charged against income when incurred. Refurbishments and improvements expenditure, where the benefit enhances the capabilities or extends the useful life of an asset, is capitalised as part of the appropriate asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

Assets under construction include costs incurred for the development of tangible assets that will form part of a mine development or exploration which is not yet complete.

Once the project is capable of commercial production capitalisation will cease (other than for large development programmes), the asset will be reclassified to Mining Properties from Assets under Construction, and depreciation will commence on a unit of production basis over the mine life.

Exploration and evaluation costs

During the initial stage of a project, exploration and evaluation costs are expensed in the Income Statement as incurred.

Once there is a high degree of confidence in the commercial viability of a property, further evaluation expenditures relating to the project are capitalised, including directly attributable pre-production development expenditure. Capitalised evaluation and exploration costs are classified as intangible assets.

The criteria for concluding that expenditure should be capitalised is based on the probability that future economic benefits will be realised from the project. The directors use a number of sources in deciding on the probability of such future economic benefits. For the majority of projects this requires a feasibility study supporting the economic development together with confidence that the necessary technical, financial and other necessary resources to complete the development can be sourced.

Exploration and evaluation assets are carried at cost less impairment. No depreciation is charged against assets for projects in the exploration and evaluation stage. If the project proceeds to development, all capitalised costs are transferred to property, plant and equipment.

Other intangible assets

Other intangible assets comprise computer software, which is initially capitalised at cost. Amortisation is provided on a straight-line basis over a period of 3 years.

Impairment

All capitalised exploration and evaluation assets are monitored for indications of impairment. Where a potential impairment is indicated, assessment is made for the group of assets representing a cash generating unit. Indicators of impairment for capitalised exploration and evaluation assets include:

i. unexpected geological occurrences render the resource uneconomic;
ii. title to the asset is compromised;
iii. variations in metal prices render the project uneconomic; or
iv. no further work is planned for a given area.

If any indication of impairment exists, the recoverable amount of the asset is estimated, being the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. Such impairment losses are recognised in profit or loss for the year.

Leased assets
The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any, to be borne by the lessee. A corresponding amount is recognised as a finance leasing liability. Leases of land and buildings are split into land and buildings elements according to the relative fair values of the leasehold interests at the date the asset is initially recognised or the date of entering into the lease agreement. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the income statement on a straight-line basis over the lease term. Lease incentives are spread over the term of the lease.

Taxation
The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate. As at 31 December 2017 the Group's operations have an effective tax rate of 0% in all jurisdictions, with tax for gold mining companies in the Kyrgyz Republic based on revenue. Non-profit based taxes are included within administrative expenses. No deferred tax arises.

Inventories
Inventories consist of equipment spares and consumables which are stated at the lower of cost or net realisable value. Cost is calculated using the average cost method. Net realisable value is the estimated value in use for the work for which the inventories are acquired.

Equity
Equity comprises the following:
- "Share capital" represents the nominal value of equity shares.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Share warrant reserve" represents the equity portion of warrants in issue.
- "Convertible loan note reserve" represents the equity component of convertible loan notes issued by the Company.
- "Merger reserve" represents the difference between the issued share capital and share premium of Chaarat Gold Holdings Limited and its former subsidiary Chaarat Gold Limited arising as a result of the reverse acquisition,
- "Share option reserve" represents the equity component of share options issued.
- "Shares to be issued" represents cash received for shares during a period for which equity was not yet issued.
- "Translation reserve" represents the differences arising from translation of investments in overseas subsidiaries.
- "Accumulated losses" include all current and prior period results as disclosed in the income statement.

Foreign currency
These consolidated financial statements are presented in United States dollars (US$), rounded to the nearest thousand dollars, as the Company believes it to be the most appropriate and meaningful currency for investors. Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of the Group's operating subsidiary, Chaarat Zaav CJSC, is the Kyrgyz Som (KGS).

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are similarly recognised immediately in the income statement.

The presentation currency is the United States dollar (US$). On consolidation, the results of overseas operations are translated into US$ at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the balance sheet date. Exchange differences arising on translating the opening net assets at the opening rate and the results of overseas operations at the actual rate are recognised directly in the consolidated statement of comprehensive income.

The intercompany loans form a part of the Company's investment in a foreign operation. The exchange difference arising on the intercompany loans is recognised in other comprehensive income and accumulated in a separate component of equity until disposal of the foreign operation. On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated income statement as part of the profit or loss on disposal.

2 Accounting policies (continued)

Share-based employee remuneration

The Company operates equity-settled share-based remuneration plans for some of its employees. The Company awards share options to certain Company Directors and employees to acquire shares of the Company.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee.

The fair value is appraised at the grant date and excludes the impact of non-market vesting conditions. Fair value is measured by use of the Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are ultimately recognised as an expense in the income statement with a corresponding credit to "other reserves".

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if the number of share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital and, where appropriate, share premium.

After the vesting date no subsequent adjustments are made to total equity. In the year when the share options lapse the total accumulated charge to the share based payment reserve is transferred to retained earnings.

Retirement and other benefit obligations

The Group does not offer any pension arrangements other than those provided under the State pension system of the Kyrgyz Republic, which requires current contributions by the employer, calculated as a percentage of current gross salary payments. Such expense is charged in the period the related salaries are earned. The Group does not have any obligations in respect of post-retirement or other significant compensation benefits.

Financial instruments

Financial assets

Financial assets are classified into the following categories: financial assets "at fair value through profit or loss" ("FVTPL"), "held-to-maturity" investments, "available-for-sale" ("AFS") financial assets and "loans and receivables". The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The Group did not have any financial assets "at fair value through profit or loss" nor any "available for sale" financial instruments as at 31 December 2017 or 31 December 2016.

Loans and receivables

Trade receivables, loans and other receivables, which are non-derivative financial assets that have fixed or determinable payments that are not quoted in an active market, are classified as loans and receivables. They are included in current assets, except where maturity occurs greater than 12 months after the reporting date, in which case they are classified as non-current assets.

Loans and receivables are initially measured at fair value and subsequently carried at their amortised cost using the effective interest rate method, net of any impairment. Interest income is recognized by applying the effective interest rate method, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for impairment at each reporting date. Financial assets are impaired when there is objective evidence that the estimated future cash flows of the asset have been impacted. For loans and receivables, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

In the event of impairment, the carrying amount of the financial asset is reduced by the impairment loss, except for trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectable, it is written off against the allowance account, and the amount of loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited against the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances and deposits in banks and similar institutions, which are readily convertible to cash and which are subject to insignificant risk of changes in value.

Financial liabilities

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Interest income is recognised by applying the effective interest rate, except for short-term payables when the recognition of interest would be immaterial.

Convertible loan notes

Convertible loan notes are compound financial instruments that can be converted to ordinary shares at the option of the holder.

The liability component of convertible loan notes is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the convertible loan note as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a convertible loan note is not remeasured.

Interest related to the financial liability is recognised in profit and loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

Going concern

At 31 December 2017 the Group was involved in a fundraising exercise through a mixture of equity and convertible loan notes. At 31 December 2017 a total of US$1.6 million had been received representing an initial tranche of 4,611,940 shares which were issued during the year. A further US$1.9 million had been received in respect of equity and US$1.0 million had been received in respect of loan notes which were issued in 2018. These are included as shares to be issued and other liabilities respectively in the consolidated balance sheet at 31 December 2017.

As at 31 December 2017 the Group had US$7.5 million of cash and cash equivalents and US$15.4 million of debt in the form of a convertible loan note, repayable in September 2018, including accrued interest to date.

A further US$6.9 million was received during the first quarter of 2018, bringing the total funds received to US$11.4 million, with expressions of interest received from the directors and management of the Company totalling US$3.6 million to bring the total to US$15.0 million.

At 30 April 2018 the Group had approximately US$10.0 million of cash and cash equivalents. The first tranche of the Group's convertible loan is due for repayment in September 2018, which will total US$17.1 million at the redemption date. In the absence of conversion of this facility to equity, or a deferral of the repayment date, additional funds will need to be raised to repay this amount.

The Board has reviewed the Group's cash flow forecast for the period to 31 December 2019. Plans to develop the Tulkubash heap leach facility, commencing in 2018, remain subject to the Group raising sufficient funds. The Group plans an ambitious 30,000 metre exploration programme in 2018 to extend the Tulkubash heap leachable resources, completion of which is also subject to additional fund raising expected to be completed before the end of the third quarter of 2018. Additional funds may also be required to complete the preparatory detailed engineering and infrastructure upgrades envisaged for the Tulkubash project prior to the commencement of construction, and for any work towards an updated feasibility study for the Kyzyltash deposit.

Subject to the above, which the Board is confident can be achieved, the Board is satisfied that the Group has sufficient funds to maintain the Group as a going concern for a period of at least twelve months from the date of signing the annual report and accounts.

However, there are currently no binding agreements in place and therefore, as set out above, this indicates the existence of a material uncertainty which may cast doubt over the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

2 Accounting policies (continued)

Significant areas of judgement and uncertaintity

The application of the accounting policies described in note 2 require the Directors to make judgements, estimates and assumptions which affect the carrying amounts of assets and liabilities in the financial statements. The estimates and associated assumptions are based on experience and knowledge of the relevant facts and circumstances which the Directors consider to be relevant and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if actual results may differ from these estimates. The areas requiring a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed below.

Carrying value of exploration and evaluation assets

At 31 December 2017, the capitalised costs of the exploration and evaluation assets amounted to US$44.6 million (prior to carrying out any impairment review), details of which are set out in notes 10 to 12. As required under IFRS 6, the Directors have allocated costs to cash generating units ("CGU") and considered whether indicators of impairment exist in respect of each CGU. Where a potential impairment is indicated, an impairment review is performed for each CGU in accordance with IAS 36.

The assets relate to the Chaarat Gold Project in Kyrgyzstan, which comprises two distinct mineralised zones: Tulkubash and Kyzyltash, which will be developed separately. Both zones are located on a single mining licence and are therefore not capable of being independently sold. At 31 December 2017 development has not commenced for either zone. As such, the Chaarat Gold Project is considered a single CGU. All exploration and evaluation assets have been included in this CGU.

At 31 December 2017 the Directors do not consider any indications of impairment exist in respect of the assets included in the Chaarat Gold Project CGU. Specifically, the Directors noted that the licence for the project remains in good standing, significant exploration and evaluation activities are planned in 2018, internal financial models suggest that the ultimate development of the project will generate robust financial returns at the current gold price, and the value of the capitalised costs are significantly below the market value of the Company, for which this CGU is the primary asset.

Work is ongoing to secure financing for the first stage Tulkubash development, which is expected to commence development in 2018, and to increase the resource base for this development through further exploration. Work is also ongoing to understand the development options for the Kyzyltash zone. As this work continues, current views on key estimates and assumptions may change and if these changes are adverse then an impairment of the current carrying value of the exploration and evaluation assets and related assets under construction may arise.

Further to studies undertaken in 2017, assets under construction totalling US$10.0 million are no longer intended to be utilised as part of the long-term development of the property and therefore the value in use for these assets is presently nil. Due to the nature of the assets they cannot be individually sold, and therefore the fair value less costs to sell of these assets is also nil. No sensitivities are considered relevant in respect of these judgements. Accordingly, the Directors considered these assets to be fully impaired at 31 December 2017 and an impairment provision has been recognised in the consolidated income statement. Should the Group's development plans change such that these assets are used as part of the long-term development of the Chaarat Gold Project this impairment could be reversed.

Share based payments

The expected life of share options used in the Black Scholes model for calculating the fair value of those options is based on the Director's best estimate, adjusted for the effects on non-transferability, exercise restrictions and behavioural considerations. The share price volatility used in that calculation is based on the historical weighted average volatility of the Company's share price together with a proxy of other AIM listed gold exploration companies for whom trading data was available in the relevant period to best approximate the Directors assessment of future volatility expectations. See note 16 (c) for further information.

Convertible loan notes

The fair value of the equity component of the convertible loan notes has been calculated based on the Director's best estimate of the equivalent market rate for a loan without a conversion option.

3 Operating loss

The operating loss is stated after charging/(crediting):

	2017 US$'000	2016 US$'000
Depreciation of property, plant and equipment	**315**	333
Amortisation of intangible assets	**18**	7
Operating lease expenses	**163**	145
Share based payment charges	**875**	2
(Gain)/loss on the sale of fixed assets	**(8)**	40
(Gain)/loss on foreign exchange	**(14)**	334
Audit remuneration for group audit	**47**	45
Impairment of Assets under construction	**10,008**	-

4 Segmental analysis

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board, in order to allocate resources to the segments and to assess their performance.

The Group's operations relate to the exploration for mineral deposits in the Kyrgyz Republic with support provided from the British Virgin Islands and as such the Group has only one reportable segment. The non-current assets in the Kyrgyz Republic are US$34,646,000 (2016: US$34,300,000), which comprise all non-current assets of the Group.

5 Staff numbers and costs

	2017 Number	2016 Number
Management and administration	**29**	24
Exploration and evaluation	**44**	65
Total	**73**	89

The aggregate payroll costs of these persons were as follows:

	US$'000	US$'000
Staff wages and salaries	**2,490**	736
Social security and other pension costs	**392**	53
Employee share-based payment charges	**457**	-
Directors' remuneration as detailed in the Remuneration Report		
Wages and salaries	**1,020**	1,009
Share based payment charge	**360**	2
Total	**4,719**	1,800

Share based payment charges relate to the notional charge attributed to share options granted.

The staff wages and salaries and social security and other pension costs includes amounts capitalised to exploration and evaluation assets of US$1,071,000 (2016: US$484,000).

6 Directors' remuneration

The costs of certain Directors' services were charged to the Company via consultancy companies, as separately detailed below and in the related party transactions note 21, rather than directly as short-term employment costs. These arrangements are in place purely for administrative convenience and are not methods to mitigate, reduce or remove liabilities to taxation in the respective Director's country of residence. Details of Directors' remuneration are provided in the Remuneration Report.

- Dekel Golan paid via related party, Mada Consulting Pte Limited up to resignation on 1 November 2017
- Alexander Novak paid via related party, Vetan Limited up to resignation on 10 July 2017
- Linda Naylor paid via related party, Central Asia Services Limited up to 31 December 2017

Total remuneration	2017 US$'000	2016 US$'000
Salary paid directly	**31**	126
Salary paid via related party consultancy companies	**561**	883
Termination benefits paid via related party consultancy companies	**428**	-
Share-based payment charge	**360**	2
Total	**1,380**	1,011

The share-based payment charges relate to the fair value charge attributed to share options granted.

7 Interest payable

	2017 US$'000	2016 US$'000
Interest on convertible loan notes	**1,565**	-

8 Taxation

The Group is not subject to corporate tax in the British Virgin Islands. Companies engaged in the production and sale of gold in the Kyrgyz Republic pay a revenue-based tax on the sales of gold rather than tax on profit. Accordingly, the Group has an effective rate of tax on profit of 0% in all jurisdictions in which it is active and has no tax expense for the years ended 31 December 2017 or 31 December 2016.

Within the Kyrgyz Republic a fixed royalty of 7% (which comprises a royalty of 5% and a contribution to local infrastructure of 2%) is payable on the sales of gold and a further percentage rate of tax is based on the average monthly international gold price, being 1% if the gold price is below US$1,300 per ounce and up to 20% when the gold price exceeds US$2,501 per ounce. The maximum royalty payable when the gold price is above USD$2,501 per ounce is therefore 27%. As the Group's assets are at an exploration stage, the Group has no revenue tax expense for the years ended 31 December 2017 or 31 December 2016.

At the balance sheet date the Group has received no tax claims and the Directors believe that the Group is in compliance with the tax laws affecting its operations.

The Group has substantial losses to date but, as it is not subject to tax on profit in any jurisdiction, no losses are carried forward for tax purposes and therefore no deferred tax asset arises.

9 Loss per share

Loss per share is calculated by reference to the loss for the year of US$18,092,000 (2016: US$4,455,000) and the weighted average number of ordinary shares in issue during the year of 351,912,981 (2016: 293,310,960).

At 31 December 2017 22,367,521 (2016: 22,457,521) warrants and 28,676,088 (2016: 14,213,622) share options have been excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive. Subsequent to the year-end the Company has issued additional equity, as set out in note 25, which would have affected the number of ordinary shares in issue.

10 Exploration and evaluation assets

	US$'000
At 1 January 2016	19,797
Additions	2,149
Exchange differences	1,479
At 31 December 2016	**23,425**
Additions	7,879
Exchange differences	81
At 31 December 2017	**31,385**

Exploration and evaluation assets comprise costs associated with exploration for, and evaluation of, mineral resources together with costs to maintain mining and exploration licences for mining properties that are considered by the Directors to meet the requirements for capitalisation under the Group's accounting policies as disclosed in note 2.

11 Other intangible assets (Computer software)

	US$'000
Cost	
At 1 January 2016	181
Exchange differences	7
At 31 December 2016	**188**
Exchange differences	5
At 31 December 2017	**193**
Amortisation	
At 1 January 2016	152
Charge for the year	7
Exchange differences	3
At 31 December 2016	**162**
Charge for the year	18
Exchange differences	4
At 31 December 2017	**184**
Net Book Value	
At 31 December 2017	**9**
At 31 December 2016	26
At 1 January 2016	29

12 Property, plant and equipment

	Buildings US$'000	Machinery and equipment US$'000	Office equipment and facilities US$'000	Motor vehicles US$'000	Assets under construction US$'000	Total US$'000
Cost						
At 1 January 2016	500	2,385	117	260	9,259	12,521
Additions	-	3	8	58	-	69
Disposals	(19)	(1,477)	(11)	(99)	-	(1,606)
Impairment	-	-	-	-	(52)	(52)
Exchange differences	38	79	11	24	801	953
At 31 December 2016	**519**	**990**	**125**	**243**	**10,008**	**11,885**
Additions	1	3	20	52	2,678	2,754
Disposals	-	-	(10)	(31)	-	(41)
Impairment	-	-	-	-	(10,008)	(10,008)
Exchange differences	(7)	4	-	1	(3)	(5)
At 31 December 2017	**513**	**997**	**135**	**265**	**2,675**	**4,585**
Depreciation						
At 1 January 2016	167	762	87	71	-	1,087
Charge for the year	66	192	25	50	-	333
Disposals	(12)	(433)	(9)	(27)	-	(481)
Exchange differences	12	69	9	7	-	97
At 31 December 2016	**233**	**590**	**112**	**101**	**-**	**1,036**
Charge for the year	122	129	12	52	-	315
Disposals	-	-	(10)	(12)	-	(22)
Exchange differences	1	3	-	-	-	4
At 31 December 2017	**356**	**722**	**114**	**141**	**-**	**1,333**
Net book value						
At 31 December 2017	**157**	**275**	**21**	**124**	**2,675**	**3,252**
At 31 December 2016	286	400	13	142	10,008	10,849
At 1 January 2016	333	1,623	30	189	9,259	11,434

The Group's property, plant and equipment are free from any mortgage or charge.

During 2017 a new feasibility study for the Tulkubash development was commenced along with development of a new site access road. As a result of that work, all of the previously capitalised assets under construction, including the previous site access road and other site infrastructure, is no longer planned to be utilised as part of the development of the Chaarat Project. As these assets are not capable of separate disposal, an impairment charge has been recognised in respect of the previously capitalised costs.

13 Inventories

	2017 US$'000	2016 US$'000
Equipment spares and consumables	**237**	455
Provision	**(237)**	(246)
Total	**-**	209

14 Trade and other receivables

	2017 US$'000	2016 US$'000
Advance payments to sub-contractors	**179**	349
Other receivables	**15**	17
Total	**194**	366

15 Cash and cash equivalents

	2017 US$'000	2016 US$'000
Cash		
Cash in hand	**6**	10
Short-term deposits held in UK	**7,140**	3,194
Short-term deposits held in the Kyrgyz Republic	**315**	81
Total	**7,461**	3,285

There are no amounts of cash and cash equivalents which are not available for use by the Group. All short-term deposits can be drawn on demand if required.

16 Capital and reserves

The share capital of Chaarat Gold Holdings Limited consists of shares of a single class. All shares have equal rights to receive dividends or capital repayments and all shares represent one vote at meetings of Chaarat Gold Holdings Limited.

a) Capital management policies and procedures

The Group's objectives for the management of capital have not changed in the year. The Directors seek to ensure that the Company will continue to operate as a going concern in order to pursue the development of its mineral properties, to sustain future development and growth as well as to maintain a flexible capital structure which optimises the cost of capital at an acceptable risk. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue shares, seek debt financing, or acquire or dispose of assets. The Company, following approval from the Board of Directors, will make changes to its capital structure as deemed appropriate under specific circumstances.

The Company considers equity to be all components included in shareholders' funds and net debt to be long term borrowings including convertible loan notes less cash and cash equivalents. The Group's net debt to equity ratio at 31 December 2017 was as follows:

	2017 US$'000	2016 US$'000
Total Equity	**25,271**	37,597
Convertible loan note	**15,430**	-
Less: cash and cash equivalents	**(7,461)**	(3,285)
Net debt	**7,969**	(3,285)
Net debt to equity ratio	**32%**	N/A

b) Share capital

	2017		2016	
	Number of Shares ('000)	**Nominal Value US$'000**	Number of Shares ('000)	Nominal Value US$'000
Authorised	**600,000**	**6,000**	600,000	6,000
Issued and fully paid				
As at 1 January	**351,776**	**3,518**	272,935	2,729
Issued for cash	**4,612**	**46**	78,841	789
Exercise of warrants	**90**	**1**	-	-
Exercise of share options	**400**	**4**	-	-
As at 31 December	**356,878**	**3,569**	351,776	3,518

On 5 December 2017 40,000 ordinary shares were issued pursuant to the exercise of warrants at an exercise price of 15p per share.

On 5 December 2017 50,000 ordinary shares were issued pursuant to the exercise of warrants at an exercise price of 14.43p per share.

On 20 December 2017 4,611,940 ordinary shares were issued by way of a placing at 25p per share.

On 27 December 2017 400,000 ordinary shares were issued pursuant to the exercise of share options at an exercise price of 15p per share.

c) Share options and share based payments

The Group operates a share option plan under which directors, employees, consultants and advisers have been granted options to subscribe for ordinary shares. All options are share settled. The number and weighted average exercise price of share options are as follows:

	2017		2016	
	Number of Options	**Weighted average exercise price (US$)**	Number of Options	Weighted average exercise price (US$)
Outstanding at 1 January	**14,213,622**	**0.590**	14,573,622	0.646
Exercised during the year	**(400,000)**	**0.203**	-	-
Granted during the year	**22,400,000**	**0.206**	-	-
Lapsed during the year	**(7,537,534)**	**0.752**	(360,000)	0.664
Outstanding at 31 December	**28,676,088**	**0.264**	14,213,622	0.590
Exercisable at 31 December	**10,116,088**	**0.371**	14,146,956	0.591

The share options outstanding at 31 December 2017 had a weighted average remaining contractual life of 6.4 years (2016: 3.3 years). At the date of exercise of the 400,000 options above the share price was US$ 0.305. The share options outstanding at 31 December 2017 had a range of exercise prices between US$0.203 and US$0.824.

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted. This estimate is based on a Black-Scholes model which is considered most appropriate considering the effects of the vesting conditions, expected exercise period. The inputs into the Black-Scholes model for options granted in the year were as follows:

	Options issued 12 February 2017	**Options issued 10 July 2017**
Share price when issued	US$0.162	US$0.210
Exercise price	US$0.187	US$0.210
Expected volatility	77.45%	84.63%
Expected life	3.5 years	3.5 years
Risk free rate (US Federal Funds Rate)	0.59%	0.61%
Expected dividends	Nil	Nil
Average fair value per option	US$0.081	US$0.121

The expected volatility used in the Valuation Model has been derived from the historical share price of the Company using the weighted average volatility of the Company's share price.

16 Capital and reserves (continued)

The total number of options over ordinary shares outstanding at 31 December 2017 was as follows:

Exercise period	Number	Exercise price
25 February 2011 to 24 February 2018	1,199,953	£0.410
22 December 2011 to 21 December 2018	767,356	£0.610
22 December 2012 to 21 December 2019	2,100,029	£0.270
31 December 2013 to 30 December 2020	3,158,750	£0.250
1 January 2015 to 1 January 2022	200,000	£0.250
12 February 2017 to 12 February 2025	17,750,000	£0.150
10 July 2017 to 10 July 2025	3,500,000	£0.163
Total	**28,676,088**	

Vesting Conditions

All options were fully vested by 31 December 2017 apart from those with an exercise period commencing 12 February 2017 and 10 July 2017. Half of these options vest equally over a three-year period beginning one year after the date of grant, with a vesting condition of continued employment by a Group Company. The remaining half vest on the achievement of milestones as follows:

- 20% on completion of the Tulkubash Feasibility Study.
- 20% on the receipt of local permit approvals for the Tulkubash Project.
- 20% on successful fundraising for the Tulkubash Project.
- 40% on the first gold pour at the Tulkubash Project.

During the period local permit approvals were received for the Tulkubash Project.

Options not yet vested will lapse if an employee or director leaves the Company prior to the vesting date. Unexercised vested options will lapse six months after an employee or director leaves the Company.

d) Warrants

Warrants to purchase ordinary shares were outstanding at 31 December 2017 as follows:

	2017		2016	
	Number of Warrants	**Exercise price (£)**	Number of Warrants	Exercise price (£)
23 December 2017	**-**	**-**	50,000	0.144
17 December 2019	**21,367,521**	**0.150**	21,367,521	0.150
23 December 2019	**1,000,000**	**0.150**	1,040,000	0.150
Total	**22,367,521**	**0.150**	22,457,521	0.150

Warrants were issued in 2014 in conjunction with a share placing. During 2016 the warrant expiry date was amended from December 2017 to December 2019 for all except 50,000 warrants. During 2017 90,000 warrants were exercised.

e) Shares to be issued

As set out in note 25, during 2017 the Company received US$1.9 million for shares that were issued in 2018. at 31 December 2017 these funds were treated as shares to be issued, a separate component of equity, reflecting the unconditional nature under which the funds had been remitted.

17 Trade and other payables

Trade and other payables at 31 December consisted of the following:

	2017 US$'000	2016 US$'000
Trade payables	**491**	380
Social security and employee taxes	**40**	21
Accruals	**69**	162
Total	**600**	563

Trade and other payables are all unsecured. Trade and other payables at 31 December 2017 and 2016 do not include any amounts owed to Directors or companies controlled by Directors.

18 Other liabilities

Other current liabilities at 31 December consisted of the following:

	2017 US$'000	2016 US$'000
Funds received for convertible loan notes not yet issued	**1,000**	-

Convertible loan notes were issued in January 2018 in respect of funds received during 2017 details of which are set out in note 25. No amounts are related to Directors or companies controlled by Directors.

19 Convertible loan notes

The Group issued US$15 million of secured convertible loan notes in April 2017.

	US$'000
Proceeds from the issue of convertible loan notes	15,000
Transaction costs	(268)
Net proceeds	**14,732**
Amount classified as equity (net of US$16,000 transaction costs)	(867)
Accrued interest	1,565
Carrying amount of liability at 31 December 2017	**15,430**

The number of shares to be issued on conversion is fixed and does not vary with changes in fair value or the foreign exchange rate.

The notes accrue interest at 10% and are secured on the shares of the Group's principal operating subsidiary, Chaarat Zaav CJSC via the intermediate holding company Zaav Holdings Limited. The notes are repayable on 30 September 2018 and can be redeemed early at the election of the Company subject to paying a minimum of 10% interest. The notes, including accrued interest, can be converted at any time at the holder's option at a price of £0.30 per ordinary share and a fixed exchange rate of £0.811:US$1.

The value of the liability component and the equity conversion component were determined at the date of issue. The fair value of the liability component at inception was calculated using a market interest rate of 15% for an equivalent instrument without conversion option.

20 Reconciliation of liabilities arising from financing activities

	Convertible loan notes US$'000
As at 1 January 2016 and 31 December 2016	-
Cash flows	14,732
Amount classified as equity	(867)
Accrued interest	1,565
Total liabilities from financing activities	**15,430**

21 Related party transactions

Remuneration of key management personnel

Remuneration of key management personnel is as follows:

	2017 US$'000	2016 US$'000
Short term employee benefits	**1,487**	1,164
Termination benefits	**428**	-
Share option charge	**731**	2
Total	**2,646**	1,166

Included in the above key management personnel are 7 directors and 6 key managers (2016: 7 and 2).

Certain key management personnel charged for services via related party entities that they control (except for Central Asia Services Limited, which is controlled by Dekel Golan) as follows:

	2017 US$'000	2016 US$'000
Mada Consulting Pte Limited (in respect of Dekel Golan's services)	**646**	417
Vetan Investments Limited (in respect of Alex Novak's services)	**239**	231
Vetan Investments Limited (for other management services)	**13**	15
Central Asia Services Limited (in respect of Linda Naylor's services)	**223**	235
Central Asia Services Limited (for other management services)	**180**	168
Powderhouse Gulch LLC (in respect of Robert Benbow's services)	**69**	-
Total	**1,370**	1,066

At 31 December 2017 the Company's Chairman, Martin Andersson, via Labro Investments Limited, had made an expression of interest to acquire additional shares or convertible loan notes in the Company with a total value of US$3,638,000 as part of an ongoing financing process.

22 Commitments and contingencies

Capital expenditure commitment

The Company had a commitment of US$810,000 at 31 December 2017 (2016: US$649,000) in respect of capital expenditure contracted for but not provided for in these financial statements.

Operating lease commitments

Details of operating lease commitments are set out in note 23 below.

Licence retention fee commitments

The Company has calculated a commitment of US$388,000 at 31 December 2017 (2016: US$55,000) in respect of licence retention fees not provided in these financial statements. The amount to be paid will be determined by the Kyrgyz authorities and is not payable until a demand for payment is received by the Company. No demand in respect of extant licences had been received at the date of these financial statements.

Licence agreements

There are minimum expenditure commitments under the exploration and mining license agreements. These minimum levels of investment have always been achieved. The commitment for 2018 is US$252,000.

Site restoration liability

According to Kyrgyz legislation and the licence agreements, the Kyrgyz subsidiaries are committed to restore working areas on the deposits. The restoration is only required to be made if mining or exploration ceases on the deposit. At 31 December 2017, management deemed the cost of restoration to be immaterial, and is likely to remain so until construction work commences at the project.

23 Operating leases

Non-cancellable operating lease liabilities of the Group are as follows:

	2017 US$'000	2016 US$'000
Less than one year	**157**	155
Between one and two years	**3**	5
Between two and three years	**3**	4
Total	**163**	164

Leases relate to the Company's office in Bishkek and land leases in the Kyrgyz Republic.

24 Financial instruments and financial risk management

The Group is exposed to a variety of financial risks which result from its operating activities. The Group's risk management is coordinated by the executive Directors, in close co-operation with the Board of Directors, and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets. The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below.

Categories of financial instruments

Financial assets classified as loans and receivables	**2017 US$'000**	2016 US$'000
Trade and other receivables	**15**	17
Cash and cash equivalents	**7,461**	3,285
Total financial assets	**7,476**	3,302

Financial liabilities measured at amortised cost

Trade and other payables	**560**	542
Other liabilities	**1,000**	-
Convertible loan notes	**15,430**	-
Total financial liabilities	**16,990**	542

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's significant credit risks relate to cash at bank. Cash at bank is held principally at an independently 'A' rated bank. No significant cash amounts are held at banks rated less than 'B'. Cash is held either on current account or on short-term deposit at floating rates of interest determined by the relevant prevailing base rate. The fair value of cash and cash equivalents at 31 December 2017 and 2016 did not differ materially from its carrying value. The carrying value of financial assets represents the maximum credit exposure.

Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or foreign exchange rates (currency risk). The Group's financial instruments affected by market risk include bank deposits, trade and other receivables and trade payables.

The Group holds short term bank deposits on which short term fluctuations in the interest rate receivable are to be expected but are not deemed to be material.

Foreign currency risk
The Group carries out expenditure transactions substantially in US dollars, with a lesser amount in GBP pounds and Kyrgyz Som. Equity fund-raising has taken place mainly in GBP pounds, with debt denominated in US dollars. Any resulting gains or losses are recognised in the income statement.

Foreign currency risk arises principally from the Group's holdings of cash in GBP pounds and from the foreign currency translation risk arising on exposure to the local currency denominated net assets of the Kyrgyz operating subsidiaries.

The Group's presentational currency is the US dollar. In the year under review the exchange rate movement between the US dollar and the Kyrgyz Som was limited. However, in previous years the Kyrgyz Som has suffered serious depreciation against the US dollar, which has materially affected the Group.

In the event that the Kyrgyz Som is devalued against the US dollar, the Som denominated costs fall when reported in US dollars. In addition, the exploration expenses recorded in Kyrgyz Som in the subsidiary company books are translated to US dollars for presentational purposes. Between 1 January 2015 and 31 December 2017 the Kyrgyz Som devalued against the US dollar from US$1:KGS59 to US$1:KGS 69, resulting in an accounting reduction in the US dollar carrying value of the exploration and evaluation assets. The US$31.4 million carrying value at 2017 would have been approximately US$36.7m in the absence of such a devaluation.

To mitigate the Group's exposure to foreign currency risk, cash holdings are maintained to closely represent the expected short-term profile of expenditure by currency. Apart from these resultant offsets, no further hedging activity is undertaken.

As at 31 December the Group's net exposure to foreign exchange risk was as follows:

	Functional currency of individual entity					
	US$		KGS		Total	
Net foreign currency financial assets/(liabilities)	**2017 US$'000**	**2016 US$'000**	**2017 US$'000**	**2016 US$'000**	**2017 US$'000**	**2016 US$'000**
US$	-	-	314	76	314	76
GBP	257	(175)	-	-	257	(175)
KGS	-	-	-	-	-	-
Other	10	5	-	-	10	5
Total net exposure	**267**	**(170)**	**314**	**76**	**581**	**(94)**

The table below sets out the impact of changes in exchange rates on the financial assets of the Group due to monetary assets denominated in GBP pounds and Kyrgyz Som, with all other variables held constant:

		Income statement			Income statement	
US$ '000	**2017 Move (%)**	**Profit/(loss)**	**Equity**	**2016 Move (%)**	**Profit/(loss)**	**Equity**
Fall in value of GBP vs US$	5	(13)	(13)	5	8	8
Increase in value of GBP vs US$	5	13	13	5	(8)	(8)
Fall in value of KGS vs US$	10	(31)	(31)	10	(7)	(7)
Increase in value of KGS vs US$	10	31	31	25	18	18

The percentage change for each currency represents management's assessment of the reasonable possible exposure given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for the future.

Fair value of financial instruments
The fair value of the Group's financial instruments at 31 December 2017 and 31 December 2016 did not differ materially from their carrying values. The Group does not have any long-term borrowings.

Liquidity risk
The Group, at its present stage of development, has no sales revenues. It therefore finances its operations through the issue of equity share capital and debt in order to ensure sufficient cash resources are maintained to meet short-term liabilities. Management monitors availability of funds in relation to forecast expenditures in order to ensure timely fundraising. Funds are raised in discrete tranches to finance activities for limited periods. Funds surplus to immediate requirements are placed in liquid, low risk investments.

The Group's ability to raise finance is partially subject to the price of gold, from which eventual sales revenues are to be derived. There can be no certainty as to the future gold price.

The Group's convertible loan notes are repayable on 30 September 2018.

25 Post balance sheet events

On 18 December 2017, Chaarat announced that the Board had decided to conduct a private placing to raise up to US$20 million through a mixture of equity at a price of 25 pence per new Chaarat ordinary share and short-term Senior Secured Convertible Loan Notes with a conversion price of 33 pence per share. By 20 December 2017 the Company had received settlement funds of US$1.545 million representing an initial tranche of 4,611,940 Shares which were issued and admitted to AIM on 29 December 2017.

At 31 December 2017 the Company had also received US$1.9 million in respect of shares which were issued in January 2018. This amount is included in shares to be issued, which is considered a component of equity, at the balance sheet date.

At 31 December 2017 the Company had received US$1.0 million in respect of funds for convertible loan notes, which were issued in January 2018. This amount is included in other liabilities at the balance sheet date as set out in note 18.

As at 31 January 2018, the Company had received settlement funds of US$4.1 million, including the US$1.9 million received by 31 December 2017, representing 12,132,089 Shares, and an additional US$0.803 million representing 2,397,015 Shares which was paid within 3 Business Days of admission to AIM of the shares on 7 February 2018. As at 31 January 2018, the Company had also received settlement funds of US$4.95 million representing 4,950,000 Convertible Loan Notes.

The directors and management of the Company have together provided expressions of interest totalling US$3.64 million in respect of Shares and Notes. This means that, as at 31 January 2018, the Company has received US$15.0 million in committed funds or funding commitments.

On 26 March Artem Volynets was appointed a non-executive director of the Company.

On 24 April trading in the Company's shares was suspended following the proposal made by Chaarat in relation to the potential acquisition of the Kumtor mine from Centerra Gold Inc. The proposed acquisition would constitute a Reverse Takeover as defined under the AIM Rules, due (among other things) to the size of the acquisition. Accordingly, trading in Chaarat's ordinary shares was suspended and, in accordance with AIM Rule 14, will remain suspended pending the publication of the required AIM Admission Document (or an announcement being made by Chaarat that the Acquisition is no longer in contemplation by Chaarat).

On 27 April options over 225,000 ordinary shares of US$0.01 each in the Company at a price of 15 pence per share were exercised. As a result, the Company received proceeds of £33,750. As the Company's shares were suspended from trading on 27 April 2018 application will be made to the London Stock Exchange to admit the 225,000 new ordinary shares to trading on AIM at the appropriate time. The new ordinary shares will rank pari passu with the existing ordinary shares. Following the issue of these shares the enlarged issued share capital of the Company comprises 371,631,876 ordinary shares of US$ 0.01 each.

Company Information

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Martin Andersson	Non-executive Chairman
Richard Rae	Senior independent non-executive Director
Linda Naylor	Finance Director
Dorian Nicol	Non-executive Director
Artem Volynets	Non-executive Director
Martin Wiwen-Nilsson	Non-executive Director
Gordon Wylie	Non-executive Director

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