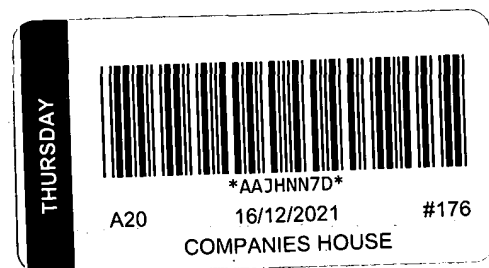


**SUMO RESOURCES PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



## SUMO RESOURCES PLC

### COMPANY INFORMATION

<b>Directors</b>	AB Odendaal HA Claassen
<b>Company secretary</b>	@Ukplc Client Secretary Ltd
<b>Registered number</b>	08330294
<b>Registered office</b>	Winnington House 2 Woodberry Grove Finchley London N12 0DR United Kingdom
<b>Independent auditors</b>	Fisher Michael Chartered Accountants The Old Grange Warren Estate Lordship Road Chelmsford CM1 3WT

# SUMO RESOURCES PLC

## CONTENTS

	Page
<b>Group Strategic Report</b>	1 - 2
<b>Directors' Report</b>	3 - 4
<b>Independent Auditors' Report</b>	5 - 8
<b>Consolidated Profit and Loss Account</b>	9
<b>Consolidated Statement of Comprehensive Income</b>	10
<b>Consolidated Statement of Financial Position</b>	11
<b>Company Statement of Financial Position</b>	12
<b>Consolidated Statement of Changes in Equity</b>	13
<b>Company Statement of Changes in Equity</b>	14
<b>Consolidated Statement of Cash Flows</b>	15
<b>Notes to the Financial Statements</b>	16 - 26

# SUMO RESOURCES PLC

## GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

### Introduction

Sumo Resources is a group of companies focused on the trade and extraction of rare minerals like Tantalum, Niobium and Gold. These minerals, specifically Tantalum, are essential in the manufacture of electronic components for mobile devices, medical equipment, specialised steel alloys, lenses and engineering supplies to name a few. The group targets geographical areas that are rich in high value low volume minerals but with an underdeveloped mining sector typically due to a lack of infrastructure.

### Business review

#### Business Structure

The group structure includes a holding company, a trading company and geographical subsidiaries. Sumo Resources Plc, incorporated in England, is the holding company for the group and is listed on the Euronext Paris Access segment. Sumo Resources FZC, incorporated in the United Arab Emirates, is one hundred percent owned by Sumo Resources Plc and is the trading company for the group. All sales outside the group are done via this entity. Subsidiaries are entities incorporated in the geographical areas where the group chooses to operate and establish projects to source rare minerals. These entities are typically majority owned by Sumo Resources. The balance of shareholding belongs to locals that add value through local knowledge of the geographical region. Currently the group has a subsidiary, SR Tanmin Sarl, established in the Democratic Republic of Congo of which it owns seventy five percent.

#### Business Model

In our business model Sumo Resources Plc is used to attract capital for the group operations. Sumo Resources FZC is the central trading company in the group. It may source and sell a wide variety of resources to external customers. In order to provide a dedicated flow of resources Sumo Resources Plc establishes its own mining and trading operations in geographical areas that meet its criteria.

The typical projects that the subsidiaries get involved in is high value rare minerals, like Tantalum, that can be extracted by small scale surface mining operations that do not require large investments. The group provides funding for the projects and in return the subsidiaries supply all production to Sumo Resources FZC at a predetermined margin on cost.

#### Business Activities

During the reporting period the activities of the company were focused on research for its exploration plans and to reduce operating costs. The further development of the business was severely impacted by the pandemic cause by Covid-19.

The travel restrictions due to the pandemic limited access to most of our operating areas as the majority of senior staff are foreigners in these countries. As such all our trading activities have been suspended to reduce overhead costs.

There is a high level of uncertainty about how long the restrictions will last for some intercontinental travel and as such there is uncertainty regarding the future of the business in its current format.

#### Next Steps

There is uncertainty about when the situation with the pandemic will have sufficiently stabilised to recommence operations. In the mean time the directors are actively looking for alternatives which may include being acquired or merging with another entity. Progress will be shared via news publications.

**SUMO RESOURCES PLC**

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Principal risks and uncertainties**

The impact of the pandemic is the biggest risk for the business at present. Travel restrictions and uncertainty about the demand for minerals has a knock-on effect and impacts operations and capitalisation of projects.

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'AB Odendaal', is written over a faint circular stamp.

**AB Odendaal**  
Director

Date: 29 September 2021

## SUMO RESOURCES PLC

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

#### **Principal activity**

The principal activity of the company is that of the trade and extraction of rare minerals like Tantalum, Niobium, Gold and Diamonds

#### **Results and dividends**

The loss for the year, after taxation and minority interests, amounted to £ 30,144 (2019 - loss £60,121).

#### **Directors**

The directors who served during the year were:

AB Odendaal  
HA Claassen

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

**SUMO RESOURCES PLC**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Post balance sheet events**

For reference to post balance sheet events, see the strategic report.

**Auditors**

The auditors, Fisher Michael Chartered Accountants, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'AB Odendaal', is written over a faint circular stamp or watermark.

**AB Odendaal**  
Director

Date:

Date: 29 September 2021

## SUMO RESOURCES PLC

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUMO RESOURCES PLC

#### Opinion

We have audited the financial statements of Sumo Resources plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Profit and Loss account, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.



## SUMO RESOURCES PLC

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUMO RESOURCES PLC(CONTINUED)

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## SUMO RESOURCES PLC

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUMO RESOURCES PLC (CONTINUED)

#### **Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the group and the industry in which it operates and considered the risk of the group not complying with such laws and regulations, including fraud, where non-compliance could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting and tax legislation. In relation to the industry, this included health and safety and employment legislation.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified as follows:

- Review of the control environment
- Discussions with key personal responsible for specific functions relating to laws and regulations
- Agreeing the financial statement disclosures to underlying supporting documentation
- Reviewing the key accounting policies and estimates

To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness and evaluated the business rationale of significant transactions outside of the normal course of business.

Because of the inherent limitations of an audit there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion and misrepresentation.

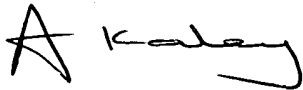
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**SUMO RESOURCES PLC**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUMO RESOURCES PLC(CONTINUED)**

**Use of our report**

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



Andrea Kaley (Senior Statutory Auditor)  
for and on behalf of Fisher Michael Chartered Accountants  
The Old Grange  
Warren Estate  
Lordship Road  
Writtle  
Essex  
CM1 3WT

29 September 2021

**SUMO RESOURCES PLC**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	140,000	143,922
Cost of sales		-	(3,922)
<b>Gross profit</b>		<u>140,000</u>	<u>140,000</u>
Administrative expenses		(174,344)	(212,311)
Exceptional item	9	-	-
<b>Operating loss</b>	5	<u>(34,344)</u>	<u>(72,311)</u>
Tax on loss	8	-	-
<b>Loss for the financial year</b>		<u><u>(34,344)</u></u>	<u><u>(72,311)</u></u>
<b>Loss for the year attributable to:</b>			
Non-controlling interests		(4,200)	(12,190)
Owners of the parent		<u>(30,144)</u>	<u>(60,121)</u>
		<u><u>(34,344)</u></u>	<u><u>(72,311)</u></u>

The notes on pages 16 to 26 form part of these financial statements.

**SUMO RESOURCES PLC**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	£	£
Loss for the financial year	<u>(34,344)</u>	<u>(72,311)</u>
<b>Other comprehensive income</b>		
Profit/(Loss) on foreign exchange	<u>-</u>	<u>837</u>
<b>Other comprehensive income for the year</b>	<u>-</u>	<u>837</u>
<b>Total comprehensive income for the year</b>	<u><u>(34,344)</u></u>	<u><u>(71,474)</u></u>
<b>(Loss) for the year attributable to:</b>		
Non-controlling interest	(4,200)	(12,190)
Owners of the parent Company	<u>(30,144)</u>	<u>(60,121)</u>
	<u><u>(34,344)</u></u>	<u><u>(72,311)</u></u>
<b>Total comprehensive income attributable to:</b>		
Non-controlling interest	(4,200)	(12,190)
Owners of the parent Company	<u>(30,144)</u>	<u>(59,284)</u>
	<u><u>(34,344)</u></u>	<u><u>(71,474)</u></u>

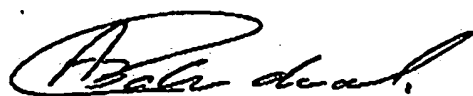
The notes on pages 16 to 26 form part of these financial statements.

**SUMO RESOURCES PLC**  
**REGISTERED NUMBER: 08330294**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

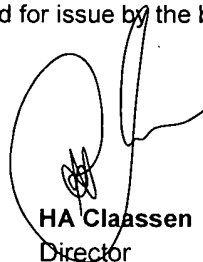
	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	10	236,023	387,779
Tangible assets	11	6,043	10,309
		242,066	398,088
<b>Current assets</b>			
Stocks	13	-	-
Debtors: amounts falling due within one year	14	-	-
Cash at bank and in hand	15	-	-
		-	-
Creditors: amounts falling due within one year	16	(208,239)	(189,917)
		(208,239)	(189,917)
<b>Net current liabilities</b>		(208,239)	(189,917)
<b>Total assets less current liabilities</b>		33,827	208,171
Creditors: amounts falling due after more than one year	17	(86,042)	(226,042)
		(86,042)	(226,042)
<b>Net (liabilities)/assets</b>		(52,215)	(17,871)
<b>Capital and reserves</b>			
Called up share capital	19	3,100,000	3,100,000
Non-controlling Interests		(106,101)	(101,901)
Profit And Loss Account	20	(3,046,114)	(3,015,970)
		(52,215)	(17,871)

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**AB Odendaal**  
Director

Date: 29 September 2021



**HA Claassen**  
Director

Date: 29 September 2021

The notes on pages 16 to 26 form part of these financial statements.

**SUMO RESOURCES PLC**  
**REGISTERED NUMBER: 08330294**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

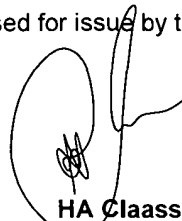
	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	12	365,490	365,490
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	14	54,067	49,022
Cash at bank and in hand	15	-	-
		54,067	49,022
Creditors: amounts falling due within one year	16	(42,514)	(24,192)
<b>Net current assets</b>		11,553	24,830
<b>Net assets</b>		377,043	390,320
<b>Capital and reserves</b>			
Called up share capital	19	3,100,000	3,100,000
Profit and loss account	20	(2,722,957)	(2,709,680)
		377,043	390,320

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**AB Odendaal**  
Director

Date: 29 September 2021



**HA Claassen**  
Director

Date: 29 September 2021

The notes on pages 16 to 26 form part of these financial statements.

**SUMO RESOURCES PLC**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 January 2020	3,100,000	(3,015,970)	84,030	(101,901)	(17,871)
<b>Comprehensive income for the year</b>					
Loss for the year	-	(30,144)	(30,144)	(4,200)	(34,344)
Currency translation differences	-	-	-	-	-
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>At 31 December 2020</b>	<u>3,100,000</u>	<u>(3,046,114)</u>	<u>53,886</u>	<u>(106,101)</u>	<u>(52,215)</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 January 2019	3,100,000	(2,956,686)	143,314	(89,711)	53,603
<b>Comprehensive income for the year</b>					
Loss for the year	-	(60,121)	(60,121)	(12,190)	(72,311)
Currency translation differences	-	837	837	-	837
<b>Other comprehensive income for the year</b>	-	837	837	-	837
<b>At 31 December 2019</b>	<u>3,100,000</u>	<u>(3,015,970)</u>	<u>84,030</u>	<u>(101,901)</u>	<u>(17,871)</u>

The notes on pages 16 to 26 form part of these financial statements.



**SUMO RESOURCES PLC**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	3,100,000	(2,709,680)	390,320
<b>Comprehensive income for the year</b>			
Loss for the year	-	(13,277)	(13,277)
<b>Total comprehensive income for the year</b>	-	(13,277)	(13,277)
<b>At 31 December 2020</b>	<u>3,100,000</u>	<u>(2,722,957)</u>	<u>377,043</u>

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	3,100,000	(2,695,088)	404,912
<b>Comprehensive income for the year</b>			
Loss for the year	-	(14,592)	(14,592)
<b>Total comprehensive income for the year</b>	-	(14,592)	(14,592)
<b>At 31 December 2019</b>	<u>3,100,000</u>	<u>(2,709,680)</u>	<u>390,320</u>

The notes on pages 16 to 26 form part of these financial statements.

**SUMO RESOURCES PLC**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	£	£
<b>Cash flows from operating activities</b>		
Loss for the financial year	(34,344)	(72,311)
<b>Adjustments for:</b>		
Amortisation of intangible assets	151,756	151,756
Depreciation of tangible assets	4,266	4,266
Non cash government grant income	(140,000)	(140,000)
Decrease/(increase) in stocks	0	3,930
Decrease in debtors	0	29,166
Increase/(decrease) in creditors	18,322	15,547
Corporation tax paid	-	-
Foreign exchange	-	837
<b>Net cash generated from operating activities</b>	-	(6,809)
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	-	-
<b>Net cash from investing activities</b>	-	-
<b>Net (decrease) in cash and cash equivalents</b>	-	(6,809)
Cash and cash equivalents at beginning of year	-	6,809
<b>Cash and cash equivalents at the end of year</b>	-	-
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	-	-

The notes on pages 16 to 26 form part of these financial statements.

## SUMO RESOURCES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1. General information

Sumo Resources plc is a public company limited by shares, incorporated in England, United Kingdom. The address of the registered office is given in the company information page of these financial statements.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the group's management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of Sumo Resources plc and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

Sumo Resources plc is not presenting its own Profit and Loss Account.

##### 2.3 Going concern

Following the 2020 year end the company has been affected by restrictions imposed by governments globally and the Democratic Republic of Congo government in specific, in response to the COVID-19 pandemic. As a result of this some activities were completely suspended and projects delayed. In the Democratic Republic of Congo on-site work has been halted as foreign senior staff and consultants do not have reliable access to and exit to and from the country. The company is continuing with activities that can be done remotely but the impact on future demand for the minerals the company is exploring for is unclear. The impact is partially offset by lower expenditure on projects and operational costs.

The group has no external debt to service and the projected group operational expenses have been reduced significantly. The directors consider that the resources available to the company, by the way of funding by major shareholders, will be sufficient for it to be able to continue as a going concern during the restrictions and once the restrictions are lifted. However, there is a high level of uncertainty about how long the restrictions will last which could affect this assessment. The financial statements do not contain any adjustments that would be required if the company were not able to continue as a going concern.

## SUMO RESOURCES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2. Accounting policies (continued)

##### 2.4 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is GBP, rounded to the nearest pound.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

##### 2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

###### Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 2.6 Government grants

The Group receives government grants in respect of Licences. These grants are recognised at the fair value of the asset received or receivable, when there is reasonable assurance that the Group will comply with conditions attaching to them and the grants will be received using the accrual model.

##### 2.7 Taxation

Tax is recognised in the Consolidated Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

## SUMO RESOURCES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2. Accounting policies (continued)

##### 2.8 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

##### 2.9 Intangible assets

###### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and Loss Account over its useful economic life.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

###### Licences

Intangible assets are initially recognised at cost. The cost of the licences which are received through a government grant, is the fair value of the grant on the date it was received. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. The estimated useful life of the licence is five years and amortisation will be provided on a straight line basis.

##### 2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	20%
---------------------	---	-----

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Profit and Loss Account.

##### 2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

## SUMO RESOURCES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2. Accounting policies (continued)

##### 2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.13 Debtors

Short term debtors and loans receivable are measured at transaction price, less any impairment.

##### 2.14 Cash and cash equivalents

Cash is represented by deposits with financial institutions. There are no cash equivalents.

##### 2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans are measured initially at fair value, net of transaction costs and are measured subsequently at amortised cost using the effective interest method.

##### 2.16 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

Judgements in applying the accounting policies are detailed within the individual policies. They are continually evaluated based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The estimate considered to be potentially material to the financial statements is in relation to the fair value of the government grant for research concessions.

## SUMO RESOURCES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Sales	-	3,922
Government grants	140,000	140,000
	<u>140,000</u>	<u>143,922</u>

#### 5. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	4,266	4,266
Amortisation of intangible assets, including goodwill	151,756	151,165
Exchange differences	-	837
	<u>-</u>	<u>837</u>

#### 6. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	3,540	4,380
	<u>3,540</u>	<u>4,380</u>

#### 7. Employees

During the year, staff costs amounted to £8,182 (2019: £48,698).

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Average number of employees	<u>5</u>	<u>5</u>

**SUMO RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**8. Taxation**

	2020 £	2019 £
<b>Foreign tax</b>		
Foreign tax on income for the year	-	-
	<u>          </u>	<u>          </u>

**9. Exceptional items**

	2020 £	2019 £
Exceptional items	-	-
	<u>          </u>	<u>          </u>

**10. Intangible assets**

**Group**

	Licences £	Goodwill £	Total £
<b>Cost</b>			
At 1 January 2020	744,658	610,935	1,355,593
At 31 December 2020	<u>744,658</u>	<u>610,935</u>	<u>1,355,593</u>
<b>Amortisation</b>			
At 1 January 2020	356,879	610,935	967,814
Charge for the year on owned assets	151,756	-	151,756
At 31 December 2020	<u>508,635</u>	<u>610,935</u>	<u>1,119,570</u>
<b>Net book value</b>			
At 31 December 2020	<u>236,023</u>	<u>-</u>	<u>236,023</u>
At 31 December 2019	<u>387,779</u>	<u>-</u>	<u>387,779</u>

Licences have been valued by the Director; the estimation is based on the cost to replace the licences.



SUMO RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Tangible fixed assets

Group

	Plant and machinery £
<b>Cost or valuation</b>	
At 1 January 2020	21,329
At 31 December 2020	<u>21,329</u>
<b>Depreciation</b>	
At 1 January 2020	11,020
Charge for the year on owned assets	4,266
At 31 December 2020	<u>15,286</u>
<b>Net book value</b>	
At 31 December 2020	<u>6,043</u>
At 31 December 2019	<u>10,309</u>

**SUMO RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**12. Fixed asset**

**investments Company**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2020	2,612,825
At 31 December 2020	2,612,825
<b>Impairment</b>	
At 1 January 2020	2,247,335
At 31 December 2020	2,247,335

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Sumo resources Ltd	65-67 Bonham Strand East, Sheung Wan, Hong Kong	Dormant	Ordinary	100%
SR Tanmin SARL	4 Avenue Du Marche, Gombe, Kinshasa, Democratic Republic of Congo	Mining	Ordinary	75%
Sumo Resources FZC	Business Centre, A1 Smookh Building, UAQ Free Trade Zone, Umm A1 Quwain, United Arab Emirates	Minerals trading	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Sumo Resources Ltd	364,283	-
SR Tnmin SARL	(405,685)	(16,801)
Sumo Resources FZC	(22,366)	(4,266)

**SUMO RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**13. Stocks**

	Group 2020 £	Group 2019 £
Raw materials and consumables	-	-
	<u>          </u>	<u>          </u>

**14. Debtors**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Debtors: amounts falling due after one year</b>				
Amounts owed by group undertakings	-	-	54,067	49,022
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

	Group 2020 £	Group 2019 £
<b>Debtors: amounts falling due within one year</b>		
Prepayments and accrued income	-	-
	<u>          </u>	<u>          </u>

**15. Cash and cash equivalents**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**16. Creditors: Amounts falling due within one year**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Other creditors	59,594	41,272	33,869	15,547
Accruals and deferred income	148,645	148,645	8,645	8,645
	<u>208,239</u>	<u>189,917</u>	<u>42,514</u>	<u>24,192</u>

**SUMO RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**17. Creditors: Amounts falling due after more than one year**

	Group 2020 £	Group 2019 £
Accruals and deferred income	86,042	226,042
	<u>86,042</u>	<u>226,042</u>

As at the balance sheet date, the group had deferred income of £86,042 (2019: £226,042), which is being released over a 5 year period. This balance relates to the government grants received in the form of research concessions.

**18. Financial instruments**

Financial assets that are debt instruments measured at amortised cost, comprise of amounts owed to group undertakings and other debtors.

Of the above, the amount outstanding in respect of the company as at the balance sheet date, amounted to £54,067 (2019: £49,022).

Financial liabilities measured at amortised costs comprise accruals, trade creditors, other creditors and amounts owed to group undertaking.

Of the above, the amount outstanding in respect of the company as at the balance sheet date, amounted to £42,514 (2019: £24,192).

The amount outstanding in respect of the group, as at the balance sheet date was £68,239 (2019: £49,917).

**19. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
31,000,000 (2019 - 31,000,000) Ordinary shares of £0.10 each	3,100,000	3,100,000
	<u>3,100,000</u>	<u>3,100,000</u>

The holders of the Ordinary shares are entitled to a single vote per share, and rights to distributions.

**20. Reserves**

**Profit and loss account**

The profit and loss account is a distributable reserve that comprises cumulative net profits and losses.

**21. Transactions with directors**

During the year, a loan of £18,322 (2019: £15,547) was received in order to cover expenses. As at the balance sheet date, the amount included within other creditors for the company is £33,869 (2019: £15,547). The balance is interest free and repayable on demand.

**SUMO RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**22. Related party transactions**

The company has taken advantage of exemptions available under paragraph 33.1A of FRS102 to not disclose related party transactions with wholly owned group entities.

The amounts paid to key management personnel in the year totalled £NIL (2019: £NIL).