

## NorthCapital Resources ApS

c/o NorthCapital Holding ApS  
Havnegade 39  
1058 København K

CVR No. 39973251

## Annual Report 2018

1. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 31 May 2019

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Werner Schmidt  
Chairman

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## Management's Statement

Today, Management has considered and adopted the Annual Report of NorthCapital Resources ApS for the financial year 26 October 2018 - 31 December 2018.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 26 October 2018 - 31 December 2018.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the Financial Statement have been met.

The Annual General Meeting of the Company decides that the Financial Statements for next year are not to be audited. The conditions for not conducting an audit of the Financial Statements have been met.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 31 May 2019

### Executive Board

Werner Schmidt  
Man. Director

Kim Hersland  
Manager

### Supervisory Board

Christian Frederik Harboe Wissum  
Chairman

Werner Schmidt

Kim Hersland

## Company details

<b>Company</b>	NorthCapital Resources ApS c/o NorthCapital Holding ApS Havnegade 39 1058 København K
CVR No.	39973251
Date of formation	26 October 2018
Financial year	26 October 2018 - 31 December 2018
<b>Supervisory Board</b>	Christian Frederik Harboe Wissum Werner Schmidt , Man. Director Kim Hersland , Manager
<b>Executive Board</b>	Werner Schmidt , Man. Director Kim Hersland , Manager

## Management's Review

### **The Company's principal activities**

Welcome to our 2018 Annual Report.

NorthCapital Resources is a fully owned subsidiary of NorthCapital Gemstones ApS - a diversified North-European investment company.

The company's purpose is to operate as the group's projekt management company.

North Capital Resources Aps completed the negotiations in December 2018 and acquired the 99% shares in Belmont Meneracao Ltda in Itabira, Brazil. The acquisition was made through the 99% owned North Capital Mining Holding do Brasil Ltda.

Belmont Meneracao Ltda owns and operates the Belmont mining operations in the Itabia area of Brazil and is one of Brazil's most modern and efficient mines for the production of primarily Emeralds.

It is planned to expand the activities by purchasing another mine in the same area in Brazil.

### **Insecurity regarding recognition or measurement**

There is no material insecurity regarding recognition or measurement.

### **Exceptional circumstances**

No exceptional circumstances have affected recognition or measurement.

### **Development in activities and financial matters**

The Company's Income Statement of the financial year 26 October 2018 - 31 December 2018 shows a result of DKK and the Balance Sheet at 31 December 2018 a balance sheet total of DKK 13.500 and an equity of DKK 6.750.

## Accounting Policies

### Reporting Class

The Annual Report of NorthCapital Resources ApS for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

As the financial year 2018 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

## General Information

### Basis of recognition and measurement

The financial statement have been prepared under the historical cost princip.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

## Income Statement

### Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, work in progress and goods for resale, other operation income, cost of raw and consumables and other external expenses.

### Revenue

## Accounting Policies

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive of VAT and net of sales discounts.

### Other external expenses

Other external costs include costs for distribution, sales, advertising, administration, premises, loss of debtors, operating leasing costs etc.

### Income from investments in group enterprises and associates

Income from equity investments comprises dividends received from group enterprises and associates in so far as they do not exceed the accumulated earnings in the group enterprise or the associate during the ownership period.

### Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Dividends equity investments are recognised as income in the financial year in which the dividends are declared.

### Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

## Balance Sheet

### Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are measured at cost. Dividends that exceed accumulated earnings of the group enterprise or the associate during the ownership period are treated as a reduction of the cost. If cost exceeds the net realisable value, a write-down to this lower value will be performed.

### Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

### Equity

#### Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

## Accounting Policies

### Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

### Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.



## Income Statement

	Note	2018 kr.
Gross profit		0
Employee benefits expense	1	<u>0</u>
<b>Profit from ordinary operating activities</b>		<u>0</u>
<b>Profit from ordinary activities before tax</b>		<u>0</u>
<b>Profit</b>		<u>0</u>

**Balance Sheet as of 31 December**

	<b>Note</b>	<b>2018 kr.</b>
<b>Assets</b>		
Long-term investments in group enterprises	2	6.750
<b>Investments</b>		<u>6.750</u>
<b>Fixed assets</b>		<u>6.750</u>
Short-term receivables from group enterprises		6.750
<b>Receivables</b>		<u>6.750</u>
<b>Current assets</b>		<u>6.750</u>
<b>Assets</b>		<u>13.500</u>

**Balance Sheet as of 31 December**

	<b>Note</b>	<b>2018 kr.</b>
<b>Liabilities and equity</b>		
Contributed capital	3	6.750
<b>Equity</b>		<u><b>6.750</b></u>
Payables to group enterprises		6.750
<b>Short-term liabilities other than provisions</b>		<u><b>6.750</b></u>
<b>Liabilities other than provisions within the business</b>		<u><b>6.750</b></u>
<b>Liabilities and equity</b>		<u><b>13.500</b></u>
Contingent liabilities	4	
Collaterals and assets pledges as security	5	

## Notes

2018

### 1. Employee benefits expense

Average number of employees 0

### 2. Disclosure in long-term investments in group enterprises and associates

### 3. Contributed capital

Additions during the year 6.750

**Balance at the end of the year** **6.750**

The share capital has remained unchanged for the last 5 years.

### 4. Contingent liabilities

The Group's Danish companies are jointly and severally liable for tax on the Group's jointly taxed income, etc. The total amount of corporation tax payable is stated in the annual report of NORTHCAPITAL GEMSTONES APS, which is a management company in relation to joint taxation. The Group's Danish companies are jointly and severally liable for Danish taxes in the form of income tax, royalties and interest tax. Any subsequent corrections to corporation tax and other taxes may result in the company's liability amounting to a larger amount.

No other contingent liabilities exist at the balance sheet date.

### 5. Collaterals and securities

No securities or mortgages exist at the balance sheet date.