

Company Registration No. 03040758 (England and Wales)

SALINAS GOLDMINE LIMITED
DIRECTOR'S REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

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COMPANIES HOUSE

DAVIES • GIMBER • BROWN LLP
CHARTERED ACCOUNTANTS



SALINAS GOLDMINE LIMITED

COMPANY INFORMATION

Director	G Bilton
Secretary	Alan Pereira
Company number	03040758
Registered office	Gallinar Pilgrims Close Westhumble Dorking Surrey RH5 6AR
Accountants	Davies Gimber Brown LLP Ryebrook Studios Woodcote Side Epsom Surrey KT18 7HD

SALINAS GOLDMINE LIMITED

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SALINAS GOLDMINE LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 OCTOBER 2013

The Director presents his report and financial statements for the year ended 31 October 2013.

Principal activities

The principal activity of the Company continued to be that of investment.

Director

The following Director has held office since 1 November 2012:

G Bilton

Statement of Director's responsibilities

The Director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Director is required to:

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

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

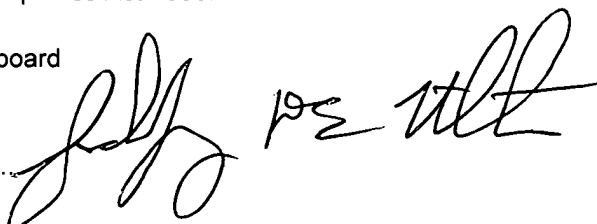
This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

G Bilton

Director

7 October 2014



SALINAS GOLDMINE LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF SALINAS GOLDMINE LIMITED FOR THE YEAR ENDED 31 OCTOBER 2013

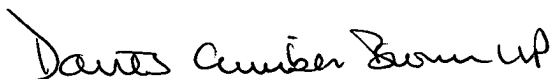
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Salinas Goldmine Limited for the year ended 31 October 2013 set out on pages 3 to 9 from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at icaew.com/membershandbook.

This report is made solely to the Board of Directors of Salinas Goldmine Limited, as a body, in accordance with the terms of our engagement letter dated 29 April 2010. Our work has been undertaken solely to prepare for your approval the financial statements of Salinas Goldmine Limited and state those matters that we have agreed to state to the Board of Directors of Salinas Goldmine Limited, as a body, in this report in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Salinas Goldmine Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Salinas Goldmine Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Salinas Goldmine Limited. You consider that Salinas Goldmine Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Salinas Goldmine Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



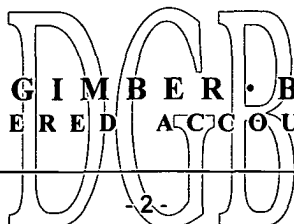
Davies Gimber Brown LLP

Chartered Accountants

8 October 2014
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Ryebrook Studios
Woodcote Side
Epsom
Surrey
KT18 7HD

DAVIES • GIMBER • BROWN LLP
CHARTERED ACCOUNTANTS



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SALINAS GOLDMINE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2013

	Notes	2013 £	2012 £
Administrative expenses		(141,578)	(346,127)
Operating loss	2	(141,578)	(346,127)
Exceptional items			
Loan and interest provisions	14	(9,505,480)	(2,749,727)
Loss on ordinary activities before interest		(9,647,058)	(3,095,854)
Investment income	3	10,831,567	2,770,304
Other interest receivable and similar income	3	235,499	-
Amounts written back to (off) investments	4	(1,091,907)	8,491
Interest payable and similar charges		-	(41,185)
Profit/(loss) on ordinary activities before taxation		328,101	(358,244)
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) for the year	11	£328,101	(£358,244)

SALINAS GOLDMINE LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	6		1,446		-
Investments	7		-		8,491
			<u>1,446</u>		<u>8,491</u>
Current assets					
Debtors	8	99,247		1,199,479	
Cash at bank and in hand		23,503		8,463	
		<u>122,750</u>		<u>1,207,942</u>	
Creditors: amounts falling due within one year	9	(10,810,142)		(12,230,480)	
Net current liabilities			(10,687,392)		(11,022,538)
Total assets less current liabilities			<u>(£10,685,946)</u>		<u>(£11,014,047)</u>
Capital and reserves					
Called up share capital	10		2		2
Profit and loss account	11		(10,685,948)		(11,014,049)
Shareholders' funds			<u>(£10,685,946)</u>		<u>(£11,014,047)</u>

For the financial year ended 31 October 2013 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The Member has not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The Director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 1 October 2014

G Bilton
Director

Company Registration No. 03040758

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013**

SALINAS GOLDMINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2013

4	Amounts written off investments	2013 £	2012 £
	Amounts written off fixed asset investments:		
	- permanent diminution in value	<u>£1,091,907</u>	<u>(£8,491)</u>

This relates to the full provision against the shares in Brazahav which were acquired by the Company on sale of its subsidiary.

5 Taxation

The Company has excess management expenses of £Nil (2012 £90,000) and schedule DVI losses of £10,500,000 (2012 £10,800,000) to carry forward.

6 Tangible fixed assets

	Computer equipment £
Cost	
At 1 November 2012	-
Additions	1,928
	<u>1,928</u>
At 31 October 2013	<u>1,928</u>
Depreciation	
At 1 November 2012	-
Charge for the year	482
	<u>482</u>
At 31 October 2013	<u>482</u>
Net book value	
At 31 October 2013	<u>£1,446</u>
	<u>-</u>
At 31 October 2012	<u>-</u>

SALINAS GOLDMINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

7 Fixed asset investments

	Listed investments	Shares in group undertakings and participating interests	Total
	£	£	£
Cost			
At 1 November 2012	-	8,491	8,491
Additions	1,091,907	-	1,091,907
Disposals	-	(8,491)	(8,491)
	<u>1,091,907</u>	<u>-</u>	<u>1,091,907</u>
At 31 October 2013	1,091,907	-	1,091,907
Provisions for diminution in value			
At 1 November 2012	-	-	-
Charge for the year	1,091,907	-	1,091,907
	<u>1,091,907</u>	<u>-</u>	<u>1,091,907</u>
At 31 October 2013	1,091,907	-	1,091,907
Net book value			
At 31 October 2013	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
At 31 October 2012	-	£8,491	£8,491
	<u>-</u>	<u>£8,491</u>	<u>£8,491</u>

8 Debtors

	2013 £	2012 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	1,199,479
Other debtors	99,247	-
	<u>£99,247</u>	<u>£1,199,479</u>

The 2012 debtor stated above represents a number of loans at varying rates of interest, most of which were provided for.

SALINAS GOLDMINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

9	Creditors: amounts falling due within one year	2013 £	2012 £
	Taxation and social security	-	5,242
	Other creditors	10,810,142	12,225,238
		<u>£10,810,142</u>	<u>£12,230,480</u>

Included within other creditors is £7,549,605 due to Santon Capital Limited which has a debenture over the assets of the Company.

10	Share capital	2013 £2	2012 £2
	Allotted, called up and fully paid		
	2 Ordinary shares of £1 each	<u>£2</u>	<u>£2</u>

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 November 2012	(11,014,049)
Profit for the year	328,101
Balance at 31 October 2013	<u>(£10,685,948)</u>

12 Control

The Company is controlled by the Director G Bilton who owns 100% of the share capital of the Company.

SALINAS GOLDMINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

13 Related party transactions

Last year the Company had the following transactions with Morrinho Mineraco Ltda (Morrinho) in which it owned 98.60% of the shares. Further loans of £1,240,055 were made. Interest of £2,770,304 was charged on the loans. A provision of £13,000,880 was made against the loans and interest as there was no certainty that the debt would be fully repaid. Some of the indebtedness was provided for in previous periods. The amount provided for in the period ended 31 October 2012 of £2,749,727 was shown as an exceptional item.

The shares in Morrinho were sold in the year to Brazahav Resources Inc (Brazahav), an unconnected Company. The consideration was shares in Brazahav, the assumption by Brazahav of a debt owed by the Company to an unconnected Company and the assumption by Brazahav of \$15,000,000 of the Company's debt owed by Morrinho (the Retained Debt).

Of the interest of £2,770,304 charged on the loan to Morrinho in the year to 31 October 2012, £50,876 has been reversed in this year due to an over accrual last year.

Full provision has been made in these Accounts against the shares in, and loan to, Brazahav as it is the Director's opinion that these were worthless at the year end.

Included in other creditors is £230,000 (2012: £230,000) due to the Director, G Bilton.

14 Exceptional items

The Related Party Transactions note reflects the background to the exceptional items, being the provision against the Retained Debt owed by Morrinho as a result of the sale of the Company's subsidiary to Brazahav.