

CGN Global Uranium Limited

Registered number: 09142456

Annual report and financial statements

For the year ended 31 December 2022

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CGN GLOBAL URANIUM LIMITED

COMPANY INFORMATION

DIRECTORS	Jian Huang
REGISTERED NUMBER	09142456
REGISTERED OFFICE	First Floor, 50 St Andrew's Street, Cambridge Cambridgeshire CB2 3AH
INDEPENDENT AUDITOR	BDO LLP 55 Baker Street London W1U 7EU

CGN GLOBAL URANIUM LIMITED

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CGN GLOBAL URANIUM LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their Strategic Report for CGN Global Uranium Limited for the year ended 31 December 2022.

Principal activities

The principal activities of the company continue to be the marketing, sales and trading of uranium.

Key performance indicators

The company uses turnover growth, operating profit margin and profit before tax to monitor its business performance.

Review of the business and future developments

The company's turnover amounted to \$297,138,000 (2021: \$418,457,000).

The company's operating profit margin amounted to 3.69% (2021: 2.56%).

The company's profit before tax amounted to \$9,484,000 (2021: \$6,825,000).

The uranium market experienced significant shifts in 2022, primarily driven by geopolitical factors. Early in the year, the spot uranium market responded to political unrest in Kazakhstan and the return of financial buying in the market.

However, in late February 2022, the market and world were drastically impacted by the war between Russia and Ukraine. As a result, activity surged in March and the spot price peaked in mid-April at over \$63 – marking its highest level in well over a decade. However, after the initial increases in volume, the remainder of the year monthly volumes plummeted because the buying of customers, especially juniors, decreased as interest rate rises were implemented globally to combat inflation rates. Despite the fall in revenue in the current year, the operating profit margin rose from 2.56% to 3.69%. This is due to the gap in the sales price in comparison to the cost.

With sporadic activity for much of the remainder of the year, the spot price fell and became much more volatile.

During the period under review the company focused on risk management and cautious operation, building its customer base by entering contracts for the purchase and sale of uranium.

Principal risks and uncertainties

The principal risks and uncertainties facing the business relate to liquidity and the market price of uranium. A characteristic of the industry is that sales and purchase commitments maybe entered into several years before deliveries are made and this can put pressure on the company's liquidity. This risk is mitigated by careful cash management, detailed cash flow forecasting and timing purchases and sales to optimise cash flows.

The uranium market hasn't showed clear price direction during 2022 despite the positive market fundamentals. The basic trend has not changed. Pricing mechanisms which provide predictability with limited exposure to price movements allow the company to manage the risk of future market price movements.

The company uses borrowing facilities with low-margined interest rates and less borrowings so interest rate risks are not considered to be significant. However, as mentioned above the rising interest rates has impacted customers purchasing power and therefore our sales volumes. This is not expected to be a long term trend and customers stopped buying uranium temporarily.

We do not believe there are any other significant risks and uncertainties facing our business, other than those normally encountered within our industry such as interest rates fluctuation, foreign currency volatility, credit risks and liquidity risks.

CGN GLOBAL URANIUM LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172 (1) Statement

The directors have acted in a way that they considered, in good faith, to be most likely to promote the success of CGN Global Uranium Limited (the 'company') for the benefit of its sole member, and in doing so had regard, amongst other matters, to:

- the likely consequence of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct;
- and to act fairly between members of the Company.

The Directors also took into account the views and interests of a wider set of stakeholders, and all engaging organisations.

Considering this broad range of interests is an important part of the way the Board makes decisions; however, in balancing those different perspectives it won't always be possible to deliver everyone's desired outcome.

How does the board engage with stakeholders?

The board will sometimes engage directly with certain stakeholders on certain issues, but the size and distribution of our stakeholders of this company means that stakeholder engagement often takes place at an operational level.

In addition, to ensure a more efficient and effective approach, certain stakeholder engagement is led at CGN group level, in particular where matters are of group-wide significance or have the potential to impact the reputation of the CGN group.

The Board considers and discusses information from across the organisation to help it understand the impact of the company's operations, and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance, as well as information covering areas such as key risks, and legal and regulatory compliance. This information is provided to the board through reports sent in advance of each board meeting, and through in-person presentations.

As a result of these activities, the board has an overview of engagement with stakeholders, and other relevant factors, which enables the directors to comply with their legal duty under section 172 of the Companies Act 2006.

The purpose of CGN Global Uranium Limited to act as a trading company. Due to the nature of the Company, no decisions were made by the Directors during the reporting period which required them to have regard to the matters set out in section 172 of the Companies Act 2006.

This report was approved by the board on 03 July 2023 and signed on its behalf.

Jian Huang
Managing Director



CGN GLOBAL URANIUM LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

Registered number:
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The directors present their report and the financial statements for the year ended 31 December 2022.

RESULTS DONATIONS AND DIVIDENDS

The profit for the year after taxation, amounted to \$7,659,000 (2021: \$5,541,000)

The director recommend the payment of a dividend of \$Nil (2021: \$8,000,000).

There were no donations in the current year (2021: \$Nil).

DIRECTORS

The directors who served during the period were:

Fei He	Resigned	28/03/2022
Jian Huang		
Zukai Tan	Resigned	28/03/2022

FUTURE DEVELOPMENTS

The company expects to expand its customer base within the industry with a view to increasing growth in all areas of its business.

DISCLOSURE OF INFORMATION TO AUDITOR

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

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- that 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's auditor is aware of that information.

CONSIDER THE IMPACT OF THE COMPANY'S OPERATIONS ON THE COMMUNITY AND THE ENVIRONMENT

The Company is in scope for Streamlined Energy and Carbon Reporting (SECR) and also qualifies for ESOS. However, the Company falls under the category of a low energy user whose Total Energy Consumption (TEC) is at a domestic level of 40,000 kWh/year or less. Therefore, the Company is exempt from producing a fully compliant energy audit or achieving an alternative route to compliance. In practice, the Company promotes measures such as reducing waste and recycling, using LED lighting, encouraging use of public transport/cycling to reduce carbon footprints.

EMPLOYEE ENGAGEMENT STATEMENT

The terms equality, inclusion and diversity are at the heart of our policy. Equality means ensuring everyone has the same opportunities to fulfil their potential free from discrimination. Inclusion means ensuring everyone feels comfortable to be themselves at work and feels the worth of their contribution. Diversity means the celebration of individual differences amongst the workforce.

CGN GLOBAL URANIUM LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

Registered number:
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EMPLOYEE ENGAGEMENT STATEMENT (continued)

We actively support diversity and inclusion and ensure that all our employees are valued and treated with dignity and respect. We seek to ensure that the workplace is supportive of its staff and one where individual respect is shown to all members of staff, regardless of age, (dis)ability, gender reassignment, marriage or civil partnership, pregnancy or maternity, race, ethnic background, culture, sexual orientation, religion or belief, sex or any other factor.

STATEMENT OF ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS IN A BUSINESS RELATIONSHIP WITH THE COMPANY

Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers, governments and other stakeholders. The Company seeks the promotion and application of certain general principles in such relationships. The ability to promote these principles effectively is an important factor in the decision to enter into or remain in such relationships. The Board also reviews and approves the Company's approach to suppliers which is set out in the Company Supplier Principles. Management continuously assesses the priorities related to customers and those with whom we do business, and the Board engages with the businesses on these topics, for example, within the context of business strategy updates and investment proposals.

Moreover, the Director receives information updates on a variety of topics that indicate and inform how these stakeholders have been engaged. The Company also works with other stakeholders such as regulatory and environmental bodies.

THE IMPACT OF UNCERTAINTIES DUE TO COVID-19 CORONAVIRUS, RUSSIA-UKRAINE WAR AND BREXIT ON OUR BUSINESS

In terms of the impact on our business as a result of the current outbreak of COVID-19, it is not currently believed that this will have negative impacts to the business : trading contracts have been signed with counterparties, and all the transactions had been completed electronically with no concerns having been raised under the impact of COVID-19 coronavirus from any parties. We strongly believe that the potential impact of COVID-19 on our business will be minimal. We are strictly following the UK government's guidance during this outbreak and have taken steps to keep our staff as safe as possible. Regarding the impact of Brexit, after assessment, we believe that the impact to our business is insignificant, because Brexit mainly affects businesses on physically importing and exporting goods. However, the trading model of CGN Global Uranium Limited is to complete goods delivery through book transfer, and the VAT rate is zero. Other service suppliers are all based in the UK. If they were to be affected by Brexit, the impact on us is likely to be small depending on the service and range provided by them.

The RUSSIA-UKRAINE war is immensely affecting the world economy and daily measures of uncertainty have increased. This uncertainty is driven by multiple factors, including energy usage, import exposure and sanctions over trading with Russian companies. Management has assessed, based on a worst-case scenario, the ability of the business to deal with any further disruption arising from the war and concluded that the impact is insignificant.

GOING CONCERN

The directors have prepared the financial statements on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The directors have reviewed the cash flow forecasts for a period of not less than 12 months from the date of the approval of these financial statements. Based on the cash flow forecasts and analysis, the company has sufficient headroom on its credit facilities in place to fund the working capital requirements in the going concern period and have therefore concluded that it is appropriate to prepare these financial statements on a going concern basis, having also considered the impact of Covid-19 as disclosed in the Directors' Report. The directors have

CGN GLOBAL URANIUM LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

**Registered number:
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also considered the Company's ability to renew the credit facilities that are due to expire within the going concern period and have a reasonable expectation that a renewal will be forthcoming based on their success of renewals in the past. The company also mitigates the risk of non-renewal of credit facilities by holding facilities with multiple facility providers.

POST BALANCE SHEET EVENTS

In April 2023, the Bank of China – Hong Kong Loan was fully paid off.

In March 2023, the Company signed a new facility agreement with China Construction Bank (Asia) Corporation Limited for \$100m.

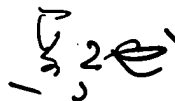
AUDITOR

The auditor, BDO LLP, will be proposed for appointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 03 July 2023 and signed on its behalf.

Jian Huang

Managing Director



DIRECTORS' RESPONSIBILITIES STATEMENT

DIRECTORS' RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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; and
- 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 them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CGN GLOBAL URANIUM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CGN GLOBAL URANIUM LIMITED (continued)

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit 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.

We have audited the financial statements of CGN Global Uranium Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes of Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 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 Director is responsible for the other information. The other information comprises the information included in the Strategic report, Directors report and financial statements, 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.

CGN GLOBAL URANIUM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CGN GLOBAL URANIUM LIMITED (continued)

Other information (continued)

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 course of 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.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of Directors

As explained more fully in the Director's Responsibility Statement, the Director is 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 Director determines 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 Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Director either intends to liquidate the Company 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.

CGN GLOBAL URANIUM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CGN GLOBAL URANIUM LIMITED (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

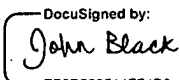
- We obtained an understanding of the procedures and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures were designed to provide reasonable assurance that the financial statements were free of fraud or error.
- Based on the understanding obtained we designed audit procedures to identify non-compliance with the laws and regulations, as noted above. This included enquiries of local and group Management, review of Board minutes, and reviews of relevant correspondence.
- We tested journal entries, focusing on journal entries containing characteristics of audit interest such as manual journals and journals relating to revenue.
- We tested and challenged the key estimates and judgements made by management in preparing the financial statements for indications of bias or management override when presenting the results and financial position of the Company.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 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 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.

DocuSigned by:


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John Black (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

03 July 2023

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

CGN GLOBAL URANIUM LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

Continuing Operations	Notes	2022 \$000	2021 \$000
Turnover	3	297,138	418,457
Cost of sales		<u>(285,728)</u>	<u>(406,323)</u>
Gross profit		11,410	12,134
Administrative expenses		(2,546)	(2,387)
Other operating Income		<u>2,092</u>	<u>990</u>
Operating profit	4	10,956	10,737
Interest receivable and similar income		562	1
Interest payable and similar charges	8	<u>(2,034)</u>	<u>(3,913)</u>
Profit on ordinary activities before taxation		9,484	6,825
Taxation on profit on ordinary activities	9	<u>(1,825)</u>	<u>(1,284)</u>
Profit for the financial period		<u>7,659</u>	<u>5,541</u>
Other comprehensive income:		-	-
Items that will not be reclassified to profit or loss:		-	-
Total comprehensive income for the period		<u>7,659</u>	<u>5,541</u>

There were no recognised gains and losses for 2022 and 2021 other than those included in the income statement.

The notes on pages 14 to 25 form part of these financial statements.

CGN GLOBAL URANIUM LIMITED

Registered number:
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	2022 \$000	2021 \$000
Fixed assets			
Tangible assets	10	<u>142</u>	<u>91</u>
		142	91
Current assets			
Stocks	11	264,146	224,776
Debtors: Amounts falling due within one year	12	7,902	434
Cash at bank and in hand		<u>1,327</u>	<u>5,091</u>
		273,375	230,301
Creditors: Amounts falling due within one year	14	<u>(243,875)</u>	<u>(166,270)</u>
Net current assets		<u>29,500</u>	<u>64,031</u>
Total assets less current liabilities		29,642	64,122
Creditors: Amounts falling due after more than one year	15	-	(50,175)
Deferred Tax Liability	13	(36)	-
Net assets		<u>29,606</u>	<u>13,947</u>
Capital and reserves			
Called up share capital	17	11,000	3,000
Profit and loss account		<u>18,606</u>	<u>10,947</u>
		<u>29,606</u>	<u>13,947</u>

The notes on pages 14 to 25 form part of these financial statements.

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

Jian Huang

Managing Director

03 July 2023

CGN GLOBAL URANIUM LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2022

	Share capital	Retained earnings	Total equity
	\$000	\$000	\$000
Brought forward 1 January 2021	3,000	13,406	16,406
Profit for the period	-	5,541	5,541
Dividends due to be paid	-	(8,000)	(8,000)
At 31 December 2021	3,000	10,947	13,947
Profit for the period	-	7,659	7,659
Issued shares during the year	8,000	-	8,000
At 31 December 2022	11,000	18,606	29,606

The notes on pages 14 to 25 form part of these financial statements.

CGN GLOBAL URANIUM LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 \$000	2021 \$000
Operating activities		
Profit before tax	9,484	6,825
Finance costs	2,034	3,913
Finance income	(562)	(1)
Tax Charge	-	1,284
Adjustments for:		
Depreciation of tangibles fixed assets	21	11
(Increase)/Decrease in stocks	(39,370)	3,118
(Increase)/Decrease in debtors	(7,468)	37,354
(Decrease)/Increase in creditors	(29,433)	122,098
Corporation tax paid/received	(1,626)	(2,208)
Net cash (used in)/ generated from operating activities	(66,920)	172,394
Investing activities		
Purchase of tangible fixed assets	(72)	(51)
Interest received	562	1
Net cash used in investing activities	490	(50)
Financing activities		
Repayments of bank loan	(10,000)	(180,778)
Repayments of related party loan	(51,500)	-
Proceeds from bank loan	83,500	-
Proceeds from related party loan	42,000	-
Interest paid	(1,334)	(3,913)
Dividend Paid	(8,000)	-
Issued share capital	8,000	-
Net cash generated in financing activities	62,666	(184,691)
Decrease in cash in the year	(3,764)	(12,347)
Cash and cash equivalents at the beginning of period	5,091	17,438
Cash and cash equivalents at the end of period	1,327	5,091

The notes on pages 14 to 25 form part of these financial statements

CGN GLOBAL URANIUM LIMITED

Notes to the financial statements for the year ended 31 December 2022

1. ACCOUNTING POLICIES

1.1 General information

CGN Global Uranium Limited (the "company") is a private company limited by shares, incorporated and domiciled in the United Kingdom (England and Wales).

The address of the registered office and principal place of business is First Floor, 50 St Andrew's Street, Cambridge, CB2 3AH, United Kingdom, and the nature of the entity's operations and the principal activities is the sale of uranium.

The financial statements have been presented in US dollars as this is the currency of the primary economic environment in which the entity operates.

Monetary amounts included in these financial statements are rounded to the nearest thousand \$.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 management to exercise judgment in applying the Company's accounting policies

The following principal accounting policies have been applied:

1.3 Going concern

The directors have prepared the financial statements on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The directors have reviewed the cash flow forecasts for a period of not less than 12 months from the date of the approval of these financial statements. Based on the cash flow forecasts and analysis, the company has sufficient headroom on its credit facilities in place to fund the working capital requirements in the going concern period and have therefore concluded that it is appropriate to prepare these financial statements on a going concern basis, having also considered the impact of Covid-19 as disclosed in the Directors' Report. The directors have also considered the Company's ability to renew the credit facilities that are due to expire within the going concern period and have a reasonable expectation that a renewal will be forthcoming based on their success of renewals in the past. The company also mitigates the risk of non-renewal of credit facilities by holding facilities with multiple facility providers.

1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

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

- the Company has transferred the significant risks and rewards of ownership to the buyer;

CGN GLOBAL URANIUM LIMITED

Notes to the financial statements for the year ended 31 December 2022 (continued)

1. ACCOUNTING POLICIES (continued)

1.4 Revenue (continued)

Sale of goods (continued)

- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company 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.

1.5 Other Income

The Company earns other income from Sales and repurchase back transactions. In accordance with IFRS 16 Leases and IFRS 15 Revenue from contracts, the Company sells the Uranium to a customer and then repurchases it back for an amount that is less than the original selling price of the asset after an agreed date. The entity recognizes other income using straight-line method to spread over the whole leasing term.

1.6 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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. The estimated useful lives range as follows: The estimated useful lives range as follows:

Fixtures & fittings	- 5 years
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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.

1.7 Operating leases: Lessee

Rentals paid under operating leases are charged to the Income Statement on a straight-line basis over the period of the lease.

1.8 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 weighted average cost method 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.

CGN GLOBAL URANIUM LIMITED
Notes to the financial statements for the year ended 31 December 2022
(continued)

1. ACCOUNTING POLICIES (continued)

1.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

1.11 Financial instruments

The Company 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 (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. 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. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Income statement.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.12 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.

CGN GLOBAL URANIUM LIMITED

Notes to the financial statements for the year ended 31 December 2022 (continued)

1. ACCOUNTING POLICIES (continued)

1.13 Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.14 Borrowing costs

All borrowing costs are recognised in the Income statement in the period in which they are incurred.

1.15 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a change 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 operates and generates income.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amount of the assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence at the time when the decisions are made, and based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects both current and future periods.

The critical accounting judgements that the directors have made in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

Judgements

Slow and obsolete stock provisions are reviewed on a line by line basis and appropriate provisions are recorded as necessary.

All debtors are credit checked and receive credit rating reviews; debtors aged in 90 days plus are provided for in bad debts.

CGN GLOBAL URANIUM LIMITED

Notes to the financial statements for the year ended 31 December 2022 (continued)

2. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Judgments (continued)

Impairment testing is carried out for all tangible assets at the year end date or where there is an indication that impairment exists. For the purposes of impairment testing, the carrying amounts of the tangible assets are reviewed and an impairment loss is recognised where the carrying amounts exceed the assets recoverable amount.

Estimates

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

3. ANALYSIS OF TURNOVER

	2022 \$000	2021 \$000
Sale of Uranium – UK	-	71,022
Sale of Uranium – Europe	88,624	69,850
Sale of Uranium – USA	51,847	160,407
Sale of Uranium – Switzerland	81,353	26,378
Sales of Uranium – Canada	75,314	17,369
Sale of Uranium – Rest of the world	-	73,431
	<u>297,138</u>	<u>418,457</u>

4. OPERATING PROFIT

Operating profit is stated after charging:

	2022 \$000	2021 \$000
Depreciation	21	11
Foreign exchange differences	69	57
Operating lease rentals	60	71
Fees payable to the Company's auditor for the audit of the Company's annual accounts	73	62

5. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2022 \$000	2021 \$000
Wages and salaries	852	680
Social security costs	132	17
Pension costs	73	56
	<u>1,057</u>	<u>753</u>

CGN GLOBAL URANIUM LIMITED
Notes to the financial statements for the year ended 31 December 2022
(continued)

5. EMPLOYEES (Continued)

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

	2022	2021
	No.	No.
Sales	3	3
Administration	<u>3</u>	<u>3</u>

6. AUDITORS' REMUNERATION

	2022	2021
	\$000	\$000
Fees payable to the Company's auditor and its associates in respect of:		
Audit-related assurance services	70	33
Non-audit services	<u>3</u>	<u>-</u>
	<u>73</u>	<u>33</u>

7. DIRECTORS' REMUNERATION

	2022	2021
	\$000	\$000
Directors' emoluments	<u>394</u>	<u>398</u>

The highest paid director received remuneration of \$393,508 (2021: \$398,379)
Key management personnel comprise only the Company directors.

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2022	2021
	\$000	\$000
Interest payable on loans from related parties	323	2,820
Exchange difference	69	64
Interest payable on loans from external parties	<u>1,642</u>	<u>1,029</u>
	<u>2,034</u>	<u>3,913</u>

CGN GLOBAL URANIUM LIMITED

Notes to the financial statements for the year ended 31 December 2022 (continued)

9. TAXATION

	2022 \$000	2021 \$000
Total current tax	<u>1,789</u>	<u>1,284</u>
Effect of changes in tax rates	3	-
Adjustment in respect of previous periods	23	-
Origination and reversal of timing differences	<u>10</u>	<u>-</u>
Total deferred tax charge	<u>36</u>	<u>-</u>
 Taxation on profit on ordinary activities	 <u>1,825</u>	 <u>1,284</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the period is higher than (2021: lower than) the standard rate of Corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 \$000	2021 \$000
Profit on ordinary activities before tax	<u>9,484</u>	<u>6,825</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	1,802	1,296
Effects of:		
Expenses not deductible for tax purposes	1	-
Income not taxable	(4)	-
Adjustment from previous periods	23	-
Tax rate changes	3	-
Adjustments in relation to deferred tax	<u>-</u>	<u>(12)</u>
Total tax charge for the year	<u>1,825</u>	<u>1,284</u>

Factors that may affect the future tax charge

The Finance Act 2021 increased the UK corporation tax rate from 19% to 25% effective 1 April 2023 for companies with profits in excess of GBP 250,000.

CGN GLOBAL URANIUM LIMITED**Notes to the financial statements for the year ended 31 December 2022
(continued)****10. TANGIBLE FIXED ASSETS**

Cost of valuation	Fixtures & fittings \$'000
As at 1 January 2022	138
Additions	72
Disposals	-
At 31 December 2022	210
Accumulated Depreciation	
As at 1 January 2022	47
Depreciation	21
Disposals	-
At 31 December 2022	68
Net book value	
At 31 December 2021	91
At 31 December 2022	142

11. STOCKS

	2022 \$000	2021 \$000
Goods for resale	<u>264,146</u>	<u>224,776</u>

Stocks to the value of \$285,728,000 were recognised as expenses in the year (2021: \$406,323,000).

12. DEBTORS

	2022 \$000	2021 \$000
Due within one year		
Trade receivable	7,556	28
Prepayments and accrued income	339	403
Other debtors	<u>7</u>	<u>3</u>
	<u>7,902</u>	<u>434</u>

CGN GLOBAL URANIUM LIMITED
Notes to the financial statements for the year ended 31 December 2022
(continued)

13. DEFERRED TAX LIABILITY

	2022 \$000	2021 \$000
As at 1 January 2022	-	-
Deferred tax charge 2022	36	-
As at 31 December 2022	<u>36</u>	<u>-</u>

The deferred tax liability is arising on fixed asset timing differences and has been calculated at 19%.

14. CREDITORS: Amounts falling due within one year

	2022 \$000	2021 \$000
Loans	145,339	30,533
Trade creditors	51,634	8
Corporation Tax	789	627
Accruals and deferred income	318	69
Repurchase agreements	<u>45,795</u>	<u>135,033</u>
	<u>243,875</u>	<u>166,270</u>

Repurchase agreements relate to inventory which has been sold on terms under which the company is committed to repurchase at a future date.

15. CREDITORS: Amounts falling due after more than one year

	2022 \$000	2021 \$000
Loans (Note 16)	-	<u>50,175</u>
	<u>-</u>	<u>50,175</u>

16. LOANS

Analysis of the maturity of loans is given below:	2022 \$000	2021 \$000
Amounts falling due within one year		
Loans from related parties	<u>21,046</u>	<u>30,533</u>
Loans from third parties	<u>124,293</u>	<u>-</u>
Amounts falling due 1-2 years		
Loans from related parties	<u>-</u>	<u>-</u>
Loans from third parties	<u>-</u>	<u>50,175</u>

CGN GLOBAL URANIUM LIMITED

Notes to the financial statements for the year ended 31 December 2022 (continued)

16 LOANS (continued)

Bank of China - London

During the year the existing credit and trade finance facility with Bank of China - London ("BOCL") expired. On 7 December 2022, the Company signed a new guaranteed revolving credit and trade finance facility of \$150million with BOCL. During the year, the Company drew down \$83.5 million under the facility and repaid \$10million. As at 31 December 2022 the total amount outstanding including accrued interest charges was \$73.6 million which was due for repayment in January 2023 and attracts interest at 5.12063% p.a. Under the terms of the facility, the loan is guaranteed by the parent company, CGN Mining Company Limited.

Bank of China – Hong Kong

The Company has an existing revolving facility loan of \$50million with Bank of China – Hong Kong which is due for repayment on 24 July 2023. At 31 December 2022, the total amount outstanding including accrued interest charges was \$50.7 million. Under the terms of the facility, the loan is guaranteed by the parent company, CGN Mining Company Limited.

CGN Mining Company Limited

The Company has an existing revolving facility loan of \$150million with CGN Mining Company Limited, its Parent Company. During the year the company drew down \$42million and repaid \$21million. As at 31 December 2022, the total amount outstanding including accrued interest charges was \$21 million which was due for repayment in January 2023 and attracts interest at 5.09% p.a.

17. SHARE CAPITAL

The company has one class of ordinary shares which carry voting rights but no right to fixed income.

	2022 \$000	2021 \$000
Allotted, called up and fully paid		
Opening balance:		
3,000,000 Ordinary shares of \$1 each	3,000	3,000
Capital injection during the year:		
8,000,000 Ordinary shares of \$1 each	8,000	-
11,000,000 Ordinary shares of \$1 each	<u>11,000</u>	<u>3,000</u>

On 11 April 2022, the Company issued 8 million new ordinary shares with a nominal value of \$1 at par value to the parent company, CGN Mining Company Limited.

CGN GLOBAL URANIUM LIMITED

Notes to the financial statements for the year ended 31 December 2022 (continued)

18. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2022	Cash flows	Other non-cash changes	At 31 Dec 2022
	\$000	\$000	\$000	\$000
Cash and cash equivalents				
Cash	5,091	(3,764)	-	1,327
Total Cash	5,091	(3,764)	-	1,327
 Debt due within one year	(30,533)	(62,666)	(52,140)	(145,339)
Debt due after one year	(50,175)	-	50,175	-
Total Debt	(80,708)	(62,666)	(1,965)	(145,339)
 Net Debt	(75,617)	(66,430)	(1,965)	(144,012)

There are no restrictions over the use of the cash and cash equivalents balances with comprises cash at bank and in hand, and bank overdrafts.

Major non-cash transactions are in respect of accrued interest charges which were capitalised to the principal of the loans in the period.

19. RELATED PARTY TRANSACTIONS & BALANCES

CGNM UK Ltd.	2022 \$000	2021 \$000
Fellow companies share the same ultimate parent entity		
Related Party transactions during the period are in relation to Business and Management share service charges at 10% mark up on office cost including VAT.	14	14
Balance outstanding and included in debtors	16	16

CGN GLOBAL URANIUM LIMITED
Notes to the financial statements for the year ended 31 December 2022
(continued)

19. RELATED PARTY TRANSACTIONS & BALANCES - continued

	2022	2021
	\$000	\$000
Swakop Uranium (Pty) Ltd		
Fellow companies share the same ultimate parent entity		
Related Party transactions during the period are in relation to Purchase of 180k lbs Uranium in 2022 (2021: 180k lbs)	9,126	8,951
Balance outstanding and included in creditors	-	-

During the year, the company transacted with other related parties as follows:

CGN Mining Company Ltd.
Parent Company

Related Party transactions during the period are in relation to dividend paid from profit in 2021.	8,000	-
Related Party transactions during the period are in relation to Capital injection of 8,000,000 shares at \$1 during the year.	8,000	-
Related Party transactions during the year are in relation to Interest payable on loan amount as at year end.	71	-
Balance outstanding and included in Loans and creditors	21,046	8,000

Huasheng Investment Limited.
Fellow companies share the same ultimate parent entity

Related Party transactions during the period are in relation to Interest payable on loan amount as at year end.	251	-
Balance outstanding	-	30,532

CGNPC Uranium Resources Co. Ltd
Ultimate parent entity

Related Party transactions during the period are in relation to expatriates' expenses paid on behalf of CGN Global Uranium Limited.	196	-
Balance outstanding and included in creditors	39	-

CGN GLOBAL URANIUM LIMITED

Notes to the financial statements for the year ended 31 December 2022 (continued)

20. CONTROLLING PARTY

The company's parent is CGN Mining Company Limited, a company incorporated in Cayman Island, listed on the Hong Kong stock exchange and in turn is a 56.29% owned subsidiary of China Uranium Development Company Limited. China General Nuclear Power Corporation is the ultimate parent of the Company and controlling entity. The financial statements of CGN Mining Company Limited are available to the public (http://www.cgnmc.com/en_cgnmc/index.shtml).

21. OPERATING LEASE COMMITMENT

Non-cancellable operating lease rentals are payable as follows	2022	2021
	\$000	\$000
In one year or less	52	40
Between two and five years	31	112
Over 5 years	-	-
	<u>83</u>	<u>152</u>

22. POST BALANCE SHEET EVENTS

In April 2023, the Bank of China – Hong Kong Loan was fully paid off.

In March 2023, the Company signed a new facility agreement with China Construction Bank (Asia) Corporation Limited for \$100m.

23. Profit & Loss account

The reserve represents the cumulative profits and losses of the company after the payment of dividends.