

**NOVA RESOURCES LIMITED**

**ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**NOVA RESOURCES LIMITED**

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**For The Year Ended 31 December 2013**

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**NOVA RESOURCES LIMITED**

**Company Information**  
**For the year ended 31 December 2013**

**DIRECTORS** Chan Fook Meng - CEO and interim chairman  
Nazim Khan - non-executive  
Christopher Morgan - non-executive

**SECRETARIES:** MQ Services Limited  
Victoria Place  
31 Victoria Street  
Hamilton, HM10  
Bermuda

**REGISTERED OFFICE:** Victoria Place  
31 Victoria Street  
Hamilton HM10  
Bermuda

**REGISTERED NUMBER:** 39768

**NOMINATED ADVISER** Daniel Stewart & Company Plc  
Becket House, 36 Old Jewry  
London EC2R 8DD

**AUDITORS:** Jeffrey's Henry LLP  
Finsgate  
5-7 Cranwood Street  
London  
EC1V 9EE

**BANKERS:** Emirates NBDPJSC  
2 Basil Street  
Knightsbridge  
London SW3 1AA

**NOVA RESOURCES LIMITED**

**Company Information (Continued...)**  
**For The Year Ended 31 December 2013**

**LEGAL ADVISERS:**

Thomas Eggar  
14 New Street,  
London EC2M 4HE,  
United Kingdom  
DX 88 London

**REGISTRAR:**

Computershare Investor  
Services (Channel Island) Ltd  
Queensway House  
Hilgrove Street  
Jersey  
JE1 1ES  
Channel Islands

**WEBSITE ADDRESS:**

[www.novaresourceslimited.com](http://www.novaresourceslimited.com)

## NOVA RESOURCES LIMITED

### Chairman's Statement

#### **Introduction**

The Board presents the audited financial statements for the Group for the year ending 31 December 2013.

#### **Result Highlights**

The Group reports a total comprehensive loss for the year of £1,190,373 (2012 : £3,167,606). This was predominantly as a result of the expiry of the coal transportation contract in Nova Trans LLC. The basic loss per share was 1.07p (2012 basic loss per share : 3.11p).

#### **Developments in the year ended 31 December 2013**

In August 2013, Nova secured new investment from Pearce Global Investments Ltd totalling £400,000 in the form of 0% coupon unsecured convertible loan notes, repayable at 31 December 2017. The note holder has the right to convert part, or the whole principal amount of the outstanding loan into new ordinary shares of 1p each in the capital of the Company ("Ordinary Shares"). Additionally, the note holder was issued with warrants to subscribe for 200 million Ordinary Shares, exercisable until 31 December 2018 at a price of 1p per Ordinary Share.

During September 2013, Nova disposed of its entire investment holding of 21,415,861 ordinary shares in European Islamic Investment Bank PLC for a total consideration of £663,892 to Pearce Global Investments Ltd. The consideration for this disposal was paid and discharged by the transfer of warrants over 9,000,000 ordinary shares in Tricor PLC ("Tricor") to the Company. Each warrant can be exercised at a price of 0.5p by 31 December 2017 at the Company's discretion.

During November 2013, Nova entered into two investment agreements with Upside Management (Offshore) SAL and Consiliou Growth Fund. Under these facilities, each Investor will provide the Company with a facility of up to £500,000 until 31 December 2018. The facilities are provided by way of a subscription for new Ordinary Shares at a price of 1p each. Additionally the Company will issue warrants equal to four times the number of Ordinary Shares in any such facility transaction with such warrants having an exercise price of 1p per Ordinary Share. The Company drew down £258,000 from each of these facilities in January 2014.

Furthermore, during November 2013, the Company's shareholders approved a new investing policy, which is summarised below.

During December 2013, the Company disposed of its investment in Nova Logistics Holding Ltd, which is the sole owner of Nova Trans LLC, a large volume road haulage trucking company based in Mongolia. Since April 2013, Nova Trans LLC had not been able to extend its contract with Transgobi LLC and, as a result, the Board decided to dispose of this investment in order to allow the Company to focus on other investments which present the potential for sustainable growth. The disposal of this investment provided the Company with a nominal initial sum, plus deferred consideration which equates to the net profit of Nova Trans LLC during the calendar years 2014 and 2015.

#### **Post period update**

In January 2014, Nova subscribed for shares amounting to 23.7% in Enerstry Group Ltd ("Enerstry Group") which owns 93.99% of Enerstry Co., Limited ("Enerstry Korea"). Enerstry Korea designs, builds and manages renewable energy plants providing heat energy and/or electricity generation. The cost of the subscription amounted to £806, however the Company also provided Enerstry Group with an unsecured loan of \$806,480, repayable on 18 January 2015 bearing an interest rate of 10% per annum.

Over the course of 2014, Nova made a series of announcements regarding Enerstry Korea's corporate activities in South Korea.

## NOVA RESOURCES LIMITED

### Chairman's Statement

#### **Post period update (Continued...)**

In February 2014, the Company acquired warrants over 34,000,000 ordinary shares in Tricor, thus increasing the amount of warrants over shares held by Nova in Tricor to a total of 43,000,000. Such warrants are exercisable at 0.5p until December 2017. Tricor is an investment company focusing on natural resources with investments in sand sites in the Philippines.

Upside Management (Offshore) SAL and Consiliou Growth Fund have both confirmed that the remaining facilities under the investment agreement entered into in November 2013, amounting to over £400,000, may be used by Nova for its working capital purposes.

#### **Investment Outlook**

The Board believes that both Enerstry Group and Tricor PLC are making sure and steady progress and looks forward to announcements being made of such progress in due course.

The Board intends to raise funds during the second half of 2014, in order to fund Nova's working capital requirements and enable the Company to secure new investments.

The Company will continue to seek further opportunities in line with its investment policy.

#### **Investing Policy**

To focus on building up businesses, or alternatively identifying and acquiring quoted and unquoted businesses, that are involved in providing services and facilities to support and assist the energy, infrastructure, technology and manufacturing industries that may or may not directly serve or be indirectly linked to the natural resources sector, being in particular exploration, mining and extraction of resources. The services and facilities that are to be within the scope of the investing strategy will include but not be limited to, transportation, logistics, processing, testing and storage.

In addition, the investing strategy will extend to companies and businesses that are engaged in trading of natural resource products and commodities, including but not limited to coal, owning natural resources, mines and tenements and exploration and extraction rights for natural resources of any kind, developing and construction of infrastructure for transportation, including building roads and building and owning plants for the conversion and processing of coal to useable fuel. The Company will focus on opportunities in Russia and Asia, but will also consider, on a limited basis, possible opportunities in any part of the world.

With regard to the acquisitions that the Company expects to make, the Directors may adopt earn-out structures, with specific performance targets being set for the sellers of the businesses acquired, and with suitable metrics applied.

The Company may invest by way of hiring appropriate persons to build up a business or by outright acquisition or by the acquisition of assets, including intellectual property, of a relevant business, partnerships or joint venture arrangements. Such investments may result in the Company acquiring the whole or part of a company (which in the case of an investment in a company may be private or listed on a stock exchange, and which may be pre-revenue), and such investments may constitute a minority stake in the company or project in question. The Company's investments may take the form of equity, joint venture debt, convertible instruments, license rights, or other financial instruments as the Director deem appropriate.

The Company will be both an active and a passive investor and the Directors will place no minimum or maximum limit on the length of time that any investment may be held.

There is no limit on the number of projects into which the Company may invest, nor the proportion of the Company's gross assets that any investment may represent at any time and the Company will consider possible opportunities anywhere in the world.

## **NOVA RESOURCES LIMITED**

### **Chairman's Statement**

There are no borrowing limits in the Articles of Association of the Company. The Directors do not intend to acquire any cross-holdings in other corporate entities that have an interest in the Ordinary Shares.

There are no restrictions in the type of investment that the Company might make nor on the type of opportunity that may be considered other than set out in this Investing Policy.

As the Company's ordinary shares are traded on AIM this provides a facility for shareholders to realise their investment in the Company. In addition, the Directors may consider from time to time other means of facilitating returns to shareholders including dividends, share repurchases, demergers, schemes of arrangement or liquidation.

The Company does not have an Investment Manager, as defined in the AIM Rules for Companies.

**Chan Fook Meng**  
**Chairman**

Date: 3 July 2014

## NOVA RESOURCES LIMITED

### Report of the Directors For the year ended 31 December 2013

The Directors present their report with the financial statements of the Group for the year ended 31 December 2013.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company in the year under review was that as set out in the Company's New Investing Policy, adopted at the company's Annual General Meeting on 11 November 2013.

#### **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

This is set out in the Chairman's Statement on page 3.

#### **KEY GROUP PERFORMANCE INDICATORS**

	£
Operating loss	311,287
Cash outflow from operations	500,258

#### **SHARE CAPITAL ALTERATIONS**

On 20 June 2013, 5,500,000 share options were granted at a price of 1.5p per Ordinary share exercisable at any time until 30 June 2018;

On 28 August 2013, 200,000,000 warrants were granted at a price of 1p per Ordinary share exercisable at any time up to 31 December 2018;

On 8 October 2013, 23,000,000 new ordinary shares were issued on conversion of unsecured loan notes at a rate of 1p per Ordinary share.

#### **KEY RISKS AND UNCERTAINTIES**

The key risks identified by the Board are detailed in note 3 to the financial statements.

#### **RESULTS AND DIVIDENDS**

The loss for the year is £1,190,373 (2012: £3,167,606) of which £785,574 relates to discontinued operations, which has been transferred to reserves. No dividends will be distributed for the year ended 31 December 2013.

#### **DIRECTORS**

The directors during the year under review were:

Chung Dongwook           (Resigned 11 November 2013)  
Chan Fook Meng  
Christopher Morgan  
Nazim Khan

All the directors who are eligible offer themselves for re-election at the forthcoming Annual General Meeting.

## NOVA RESOURCES LIMITED

### Report of the Directors (continued) For the year ended 31 December 2013

#### DIRECTORS (Contd...)

Remuneration of the Directors for the year is summarised as follows:

	<b>Directors' Fees</b>
	<b>£</b>
Chung Dongwook	-
Chan Fook Meng	30,000
Christopher Morgan	30,000
Nazim Khan	30,000
<b>Total</b>	<b>90,000</b>

Chan Fook Meng has an interest in 60,300,000 million ordinary shares through Shine Link Limited, representing 15.35% of the Company.

Following acquisition of warrants and exercise of warrants on 21 January 2014, Chan Fook Meng has an interest in warrants and options to acquire a further 193,450,000 Ordinary Shares in the Company. If the said warrants and options are exercised, and no other warrants nor options nor other convertible securities are exercised, Mr Chan would then have an interest in a total of 253,750,000 Ordinary Shares in Nova, representing 64.59% of Nova's then enlarged total issued ordinary share capital.

#### SUBSTANTIAL SHAREHOLDERS

As at 25 June 2014, the Company had been notified of the following beneficial interests in 3% or more of the issued share capital:

	<b>Number of ordinary shares</b>	<b>% of issued share capital</b>
<b>Ordinary 1p shares</b>		
Upside Management (Offshore)	129,125,000	32.87%
Consiliou Growth Fund	125,800,000	32.02%
Chan Fook Meng	60,300,000	15.35%
Global Explorer Holdings Limited	19,642,857	5.00%

#### INDEMNITY OF OFFICERS

The Company may purchase and maintain, for any director or officer, insurance against any liability and the Company does maintain appropriate insurance cover against legal action brought against its directors and officers.

#### PUBLICATION OF ACCOUNTS ON COMPANY'S WEBSITE

Financial statements are published on the Company's website. The maintenance and integrity of the website is the responsibility of the directors. The directors' responsibilities also extend to the financial statements contained therein.

#### COMPANY'S POLICY ON PAYMENT OF CREDITORS

It is the Company's normal practice to make payments to suppliers in accordance with agreed terms provided that the supplier has performed in accordance with the relevant terms and conditions.

#### GOING CONCERN

The Group reports a loss of £1,190,373 for the year. After making enquiries the directors consider that the Group has adequate resources and loans, including convertible and commercial, from long term investors to continue in operational existence for the foreseeable future.

## **NOVA RESOURCES LIMITED**

### **Report of the Directors (continued)** **For the year ended 31 December 2013**

#### **GOING CONCERN (...Continued)**

The Company entered into two investment agreements with Upside Management (Offshore) SAL and Consiliou Growth Fund. Each Investor will provide the company with a facility of up to £500,000 until 31st December 2018. The facility is provided by way of a subscription for new company shares at a price of 1p each.

On this basis, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Company's financial statements.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Bermudan 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 International Financial Reporting Standards as adopted for use in the European Union. The financial statements are required by law to 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 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 for the foreseeable future;
- follow applicable accounting standards.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Bermuda Companies Act 1981. 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.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **AUDITORS**

The auditors, Jeffrey's Henry LLP have indicated their willingness to continue in office. In accordance with section 89 of Bermuda Companies Act 1981, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

#### **ON BEHALF OF THE BOARD:**

**Chan Fook Meng**  
**Director**

Date: 3 July 2014

## **Report of the Independent Auditors to the Members of**

### **NOVA RESOURCES LIMITED**

We have audited the Group and Company financial statements of Nova Resources Limited for the year ended 31 December 2013, which comprise the consolidated statement of comprehensive income, consolidated and company statement of changes in equity, consolidated and company statement of financial position, consolidated and company statement of cash flows, and the related notes on pages 11 to 43. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of Bermuda Companies Act 1981.

This report is made sole to the Company's members, as a body, to the requirements of the Bermuda Companies Act 1981 and Bermuda Companies Act 2006 as amended. 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 auditors' 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.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we have read all the financial and non-financial information in the Chairman's Report and Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatement or inconsistencies we consider the implication of our report.

#### **Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view, of the state of the Group and Company's affairs as at 31 December 2013 and of the Group's loss and Group's and Company's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union and as applied in accordance with the provisions of Bermuda Companies Act 1981 and;
- the financial statements have been properly prepared in accordance with Bermuda Companies Act 1981.

**Report of the Independent Auditors to the Members of**

**NOVA RESOURCES LIMITED**

**Opinion on other matter**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Bermuda Companies Act 1981 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for audit have not been received from branches not visited by us; or
- the 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.

**David Warren**

**SENIOR STATUTORY AUDITOR**

For and on behalf of Jeffreys Henry LLP, statutory auditor

Finsgate  
5-7 Cranwood Street  
London  
EC1V 9EE  
United Kingdom

Date: 3 July 2014

**NOVA RESOURCES LIMITED**  
**Consolidated Statement of Comprehensive Income**  
**For the year ended 31 December 2013**

	Notes	Year ended 2013 £	Year ended 2012 £
<b>CONTINUING ACTIVITIES</b>			
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
<b>Gross loss</b>		-	-
Administrative expenses		(358,402)	(537,140)
Impairment of goodwill		-	(2,255,143)
		<hr/>	<hr/>
<b>OPERATING LOSS</b>	<b>9</b>	(358,402)	(2,792,283)
Unrealised losses on financial assets designated at fair value through profit or loss	<b>13</b>	-	(117,787)
Gain on realisation of investments	<b>13</b>	47,115	-
		<hr/>	<hr/>
<b>LOSS BEFORE FINANCE INCOME AND TAX</b>		(311,287)	(2,910,070)
Finance income	<b>7</b>	-	43,226
Finance expense	<b>8</b>	-	-
Other income		-	-
		<hr/>	<hr/>
<b>LOSS BEFORE TAX FROM CONTINUING OPERATIONS</b>		(311,287)	(2,866,844)
Tax	<b>11</b>	-	-
		<hr/>	<hr/>
<b>LOSS FOR THE YEAR FROM CONTINUING OPERATIONS</b>		(311,287)	(2,866,844)
Loss from discontinued operations	<b>10</b>	(785,574)	(300,762)
		<hr/>	<hr/>
<b>LOSS FOR THE YEAR</b>		(1,096,861)	(3,167,606)
<b>Other comprehensive loss:</b>			
Available-for-sale financial assets	<b>14</b>	(93,512)	-
		<hr/>	<hr/>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		(1,190,373)	(3,167,606)
		<hr/> <hr/>	<hr/> <hr/>
Attributable to:			
Owners of the Company		(1,190,373)	(3,167,606)
		<hr/> <hr/>	<hr/> <hr/>

**NOVA RESOURCES LIMITED**  
**Consolidated Statement of Comprehensive Income (Continued...)**  
**For the year ended 31 December 2013**

**Loss per share:**

Basic	<b>12</b>		
- Continuing operations		(0.36)p	(2.82)p
- Discontinued operations		(0.71)p	(0.29)p
- Total		(1.07)p	(3.11)p
		<hr/> <hr/>	<hr/> <hr/>
Diluted	<b>12</b>		
- Continuing operations		(0.36)p	(2.82)p
- Discontinued operations		(0.71)p	(0.29)p
- Total		(1.07)p	(3.11)p
		<hr/> <hr/>	<hr/> <hr/>

**NOVA RESOURCES LIMITED**

**Consolidated Statement of Financial Position**  
**31 December 2013**

	Notes	2013 £	2012 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets designated at fair value through profit or loss	13	-	653,184
Available-for-sale financial asset	14	606,787	-
Tangible Fixed Assets	16	-	2,170,128
		606,787	2,823,312
<b>Current assets</b>			
Inventories	17	-	19,288
Trade and other receivables	18	232	922,218
Cash and cash equivalents	19	18,758	119,016
		18,990	1,060,522
<b>TOTAL ASSETS</b>		625,777	3,883,834
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	22	1,291,153	1,061,153
Share based payment reserve		22,824	16,742
Loan note equity reserve	21	29,072	12,434
Share premium		4,995,765	4,995,765
Retained losses		(6,119,929)	(4,929,556)
		218,885	1,156,538
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Convertible loan note	21	124,193	20,845
		124,193	20,845
<b>Current liabilities</b>			
Trade and other payables	20	184,464	2,023,622
Convertible loan note	20	98,235	16,721
Bank loan		-	666,108
		282,699	2,706,451
		406,892	2,727,296
<b>TOTAL EQUITY AND LIABILITIES</b>		625,777	3,883,834

**NOVA RESOURCES LIMITED**

**Consolidated Statement of Financial Position (Continued...)**  
**31 December 2013**

The financial statements were approved and authorised by the Board of Directors on 3 July 2014 and were signed on its behalf by:

**Chan Fook Meng**  
Director

**Company registration number: 39768**

**NOVA RESOURCES LIMITED**

**Consolidated Statement of Changes in Equity**  
**For The Year Ended 31 December 2013**

	Share Capital £	Share Premium £	Other Reserves £	Retained Loss £	Total £
At 1 January 2012	700,000	2,604,061	-	(1,740,681)	1,563,380
Issue of shares	361,153	2,391,704	-	-	2,752,857
Loss after tax for the year	-	-	-	(3,167,606)	(3,167,606)
Provision for minority interest no longer required	-	-	-	1,100	1,100
Prior year losses in subsidiaries	-	-	-	(22,369)	(22,369)
Share based payment reserve	-	-	16,742	-	16,742
Loan note equity reserve – capital portion of notes	-	-	12,434	-	12,434
At 31 December 2012	<u>1,061,153</u>	<u>4,995,765</u>	<u>29,176</u>	<u>(4,929,556)</u>	<u>1,156,538</u>
Loss after tax for the year	-	-	-	(1,190,373)	(1,190,373)
Share based payment reserve	-	-	6,082	-	6,082
Loan note equity reserve – capital portion of notes	-	-	16,638	-	16,638
Conversion of loan notes	230,000	-	-	-	230,000
At 31 December 2013	<u><u>1,291,153</u></u>	<u><u>4,995,765</u></u>	<u><u>51,896</u></u>	<u><u>(6,119,929)</u></u>	<u><u>218,885</u></u>

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of the respective shares net of share issue expenses. Share issue expenses comprise mainly the costs incurred in respect of the initial public offering on the AIM market of the London Stock Exchange.

Other reserves include share based payment reserve and convertible loan note equity reserve.

Retained loss represents the cumulative loss of the Group attributable to equity shareholders.

**NOVA RESOURCES LIMITED**

**Company Statement of Financial Position**  
**31 December 2013**

	Notes	2013 £	2012 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets designated at fair value through profit or loss	13	-	653,184
Available-for-sale financial asset	14	606,787	-
Investments	15	498	498
		607,285	653,682
<b>Current assets</b>			
Trade and other receivables	18	89,866	2,296
Cash and cash equivalents	19	292	19,103
		90,158	21,399
<b>TOTAL ASSETS</b>		697,443	675,081
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	22	1,291,153	1,061,153
Share premium		4,995,765	4,995,765
Share based payments reserve		22,824	16,742
Loan note equity reserve		29,072	12,434
Retained losses		(6,027,620)	(5,549,921)
		311,194	536,173
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Convertible loan notes	21	124,193	20,845
		124,193	20,845
<b>Current liabilities</b>			
Trade and other payables	20	163,821	118,063
Convertible loan notes	21	98,235	-
		262,056	118,063
<b>TOTAL EQUITY AND LIABILITIES</b>		697,443	675,081

The financial statements were approved and authorised by the Board of Directors on 3 July 2014 and were signed on its behalf by:

**Chan Fook Meng**  
Director

**Company registration number: 39768**

**NOVA RESOURCES LIMITED**

**Company Statement of Changes in Equity**  
**For The Year Ended 31 December 2013**

	Share Capital £	Share Premium £	Other Reserve £	Retained Loss £	Total £
At 1 January 2012	600,000	2,504,061	-	(1,584,458)	1,519,603
Loss after tax for the year	-	-	-	(154,791)	(154,791)
Issue of shares	100,000	100,000	-	-	200,000
At 31 December 2012	700,000	2,604,061	-	(1,739,249)	1,564,812
Loss after tax for the year	-	-	-	(4,240,375)	(4,240,375)
Consideration in warrants (see note 13)	-	-	487,288	-	487,288
Issue of shares	361,153	2,391,704	(487,288)	487,288	2,752,857
Share based payments reserve	-	-	16,742	-	16,742
Loan note equity reserve – capital portion of note	-	-	12,434	-	12,434
Foreign exchange differences	-	-	-	(57,585)	(57,585)
At 31 December 2013	1,061,153	4,995,765	29,176	(5,549,921)	536,173
Loss after tax for the year	-	-	-	(477,699)	(477,699)
Share based payments reserve	-	-	6,082	-	6,082
Loan note equity reserve – capital portion of note	-	-	16,638	-	16,638
Conversion of unsecured loan notes	230,000	-	-	-	230,000
	<u>1,291,153</u>	<u>4,995,765</u>	<u>51,896</u>	<u>(6,027,620)</u>	<u>311,194</u>

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of the respective shares net of share issue expenses. Share issue expenses comprise mainly the costs incurred in respect of the initial public offering on the AIM market of the London Stock Exchange.

Other reserves include share based payment reserve and convertible loan note equity reserve.

Retained loss represents the cumulative loss of the Company attributable to equity shareholders.

**NOVA RESOURCES LIMITED**

**Consolidated Statement of Cash flows**  
**For The Year Ended 31 December 2013**

	Note	Year ended 2013 £	Year ended 2012 £
<b>Cash flows from operating activities</b>			
Cash generated/(consumed in) from operations	23	(500,258)	841,192
Net cash from operating activities		<u>(500,258)</u>	<u>841,192</u>
<b>Cash flows from investing activities</b>			
Interest received		-	43,226
Interest paid		-	(982)
Acquisition of tangible fixed assets		-	(2,312,443)
Purchase of subsidiary undertaking net of cash balances		-	64,753
Additional acquisition cost of subsidiary		-	(22,369)
Net cash from investing activities		<u>-</u>	<u>(2,227,815)</u>
<b>Cash flows from financing activities</b>			
Issue of ordinary shares		-	975,000
New loan		400,000	60,000
Net cash from financing activities		<u>400,000</u>	<u>1,035,000</u>
<b>(Decrease) in cash and cash equivalents</b>		(100,258)	(351,623)
<b>Cash and cash equivalents at beginning of year</b>		<u>119,016</u>	<u>470,639</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>18,758</u></u>	<u><u>119,016</u></u>

**NOVA RESOURCES LIMITED**

**Company Statement of Cash flows**  
**For The Year Ended 31 December 2013**

	Note	Year ended 2013 £	Year ended 2012 £
<b>Cash flows from operating activities</b>			
Cash generated from (consumed in)/operations	23	(418,811)	(1,465,695)
Net cash from operating activities		<u>(418,811)</u>	<u>(1,465,695)</u>
<b>Cash flows from investing activities</b>			
Interest received		-	43,266
Acquisition of subsidiaries		-	(64,100)
Acquisition of fixed asset investments		-	-
Disposal of fixed assets investments		-	-
Net cash from investing activities		<u>-</u>	<u>(20,834)</u>
<b>Cash flows from financing activities</b>			
Issue of ordinary shares		-	975,000
New loan		400,000	60,000
Net cash from financing activities		<u>400,000</u>	<u>1,035,000</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		(18,811)	(451,529)
<b>Cash and cash equivalents at beginning of year</b>		<u>19,103</u>	<u>470,632</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>292</u></u>	<u><u>19,103</u></u>

## NOVA RESOURCES LIMITED

### Notes to the Financial Statements For The Year Ended 31 December 2013

#### 1. GENERAL INFORMATION

Nova Resources Limited (formerly Tembusu Investments Limited) is a company incorporated in Bermuda under the Bermuda Companies Act 1981. The Company's shares are traded on the AIM market of the London Stock Exchange. The address of the registered office is disclosed on page 1 of the financial statements. The principal activities of the Company are described in the directors' report.

#### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as adopted by the European Union and with those parts of the Companies Act 1981 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These policies have been consistently applied.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Those areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

#### GOING CONCERN

The Group reports a loss of £1,190,373 for the year. After making enquiries the directors consider that the Group has adequate resources and loans, including convertible and commercial, from long term investors to continue in operational existence for the foreseeable future.

The Company entered into two investment agreements with Upside Management (Offshore) SAL and Consiliou Growth Fund. Each Investor will provide the company with a facility of up to £500,000 until 31 December 2018. The facility is provided by way of a subscription for new company shares at a price of 1p each. With the above facility in place, the directors are confident of the Group as a going concern.

#### (a) New and amended standards adopted by the Company

The following new and revised IFRSs have been applied in the current year and retrospectively to all periods unless otherwise stated. Their adoption has not had any significant impact on the accounts reported in these financial statements.

<b>Standard</b>	<b>Date Implemented</b>
• IFRS 10 <i>Consolidated Financial Statements</i>	1 January 2013
• IFRS 11 <i>Joint Arrangements</i>	1 January 2013
• IFRS 12 <i>Disclosure of Interests in Other Entities</i>	1 January 2013
• Amendments to IFRS 10, IFRS 11 and IFRS 12 <i>Consolidate Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance</i>	1 January 2013
• IAS 27 <i>Separate Financial Statements (as revised in 2011)</i>	1 January 2013
• IAS 28 <i>Investments in Associates and Joint Ventures (as revised in 2011)</i>	1 January 2013
• IFRS 13 <i>Fair Value Measurement</i>	1 January 2013
• IAS 19 <i>Employee Benefits (as revised in 2011)</i>	1 January 2013
• Amendments to IFRS 1 <i>Government Loans</i>	1 January 2013

## NOVA RESOURCES LIMITED

### Notes to the Financial Statements For The Year Ended 31 December 2013

**(a) New and amended standards adopted by the Company (Continued...)**

<b>Standard</b>	<b>Date Implemented</b>
• Amendments to IFRS 7 <i>Disclosures – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
• Annual Improvements to IFRSs 2009-2011 Cycle	1 January 2013
• IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

**(b) New and revised IFRSs in issue but not yet effective**

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 January 2013 and have not been early adopted:

	Effective date for annual periods beginning on or after
• IFRS 9 Financial Instruments (as revised in 2010)	1 January 2015
• Amendments to IFRS 9 and IFRS 7 Mandatory Effective Date of IFRS 9 and Transition Disclosures	1 January 2015
• Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014
• Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment entities	1 January 2014
• Amendments to IAS 36, Impairment of assets – Recoverable amount disclosures for non-financial assets	1 January 2014
• Amendments to IAS 39, Financial Instruments: Recognition and Measurement – novation of derivatives and continuation of hedge accounting	1 January 2014
• Amendments to IAS 36, Impairment of assets – Recoverable amount disclosures for non-financial assets	1 January 2014
• IFRIC 21, Levies	1 January 2014
• IFRS 9 issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 amended in October 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.	

IFRS requires all recognised financial assets that are within the scope of IAS 39 'Financial Instruments: Recognition and Measurement' to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

## NOVA RESOURCES LIMITED

### Notes to the Financial Statements For The Year Ended 31 December 2013

#### **(b) New and revised IFRSs in issue but not yet effective (Continued...)**

The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated as at fair value through profit or loss and available for sale) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of the changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors anticipate that the adoption of these standards and the interpretations in future periods will have no material impact on the financial statements of the Group.

There are no IFRS or IFRS IC interpretations that are effective for the first time in this financial year that have had a material impact on the Group. There are no other IFRS or IFRS IC interpretations that are not yet effective that would be expected to have a material impact on the Group.

#### **2.1 Foreign currency translation**

##### **(a) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Pounds Sterling (£), which is the Company's functional and presentation currency.

##### **(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

#### **2.2 Receivables**

Receivables are recognised and stated at fair value less any allowances for doubtful debts and provisions for impairment. Known bad debts are written off and doubtful debts are provided for based on estimates of possible losses which may arise from non-collection of certain receivables accounts.

#### **2.3 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

## NOVA RESOURCES LIMITED

### Notes to the Financial Statements For The Year Ended 31 December 2013

#### **2.4 Investments available for sale**

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

Investments classified as available for sale are measured at subsequent reporting dates at fair value. Fair value is defined as the price at which an orderly transaction would take place between market participants at the reporting date and is therefore an estimate and as such requires the use of judgement. Where possible fair value is based upon observable market prices, such as listed equity markets or reported merger and acquisition transactions.

Alternative bases of valuation may include contracted proceeds or best estimate thereof, implied valuation from further investment and long-term cash flows discounted at a rate which is tested against market data. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is included in the net profit or loss for the period.

Impairment losses recognised in the income statement for equity investments classified as available-for-sale are not subsequently reversed through the income statement.

#### **2.5 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **2.6 Share premium**

Share premium represents the excess of the amount subscribed for share capital over the nominal value of these shares net of share issue expenses.

#### **2.7 Trade payables**

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### **2.8 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### **2.9 Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

## NOVA RESOURCES LIMITED

### Notes to the Financial Statements For The Year Ended 31 December 2013

#### **2.9 Taxation (Continued...)**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date together with any adjustment to tax payable in respect of previous years.

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.

#### **2.10 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

Coal transportation: revenue is recognised as a commission on the amounts of coals transferred per contractual agreement. Fuel costs of vehicles and driver costs are recognised as a cost of services sold on date of completion. Revenue is the consideration received or receivable from customers in the normal course of business.

#### **2.11 Investments**

Investments are stated at cost less provision for any impairment in value.

#### **2.12 Property and equipment**

All items of property and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Subsequent to recognition, property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Depreciation of other property and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful lives of the assets as follows:

Computer	3 years
Vehicles	10 years
Furniture and equipment	10 years

Useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property and equipment.

## NOVA RESOURCES LIMITED

### Notes to the Financial Statements For The Year Ended 31 December 2013

#### **2.12 Property and equipment (Continued...)**

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

The assets' useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **2.13 Impairment of Nonfinancial Assets**

##### *Property and Equipment and Prepayments*

The Group assesses at each reporting period as to whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

#### **2.14 Inventories**

Inventories are valued at the lower of cost or net realisable value ("NRV"). The cost of parts and supplies comprise all costs of purchase and other costs incurred in bringing the parts and supplies to their present location and condition. These are recorded on the first-in-first-out method. NRV of parts and supplies is the current replacement cost.

#### **2.15 Financial instruments**

A financial instrument is recognised in the financial statements when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus directly attributable transaction costs.

## NOVA RESOURCES LIMITED

### Notes to the Financial Statements For The Year Ended 31 December 2013

#### 2.15 Financial instruments (Continued...)

##### (a) Financial assets

The Group and the Company determine the classification of their financial assets as loans and receivables and they comprise debt instruments that are not quoted on an active market, trade and other receivables and cash and cash equivalents.

##### (i) Subsequent measurement

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

##### (ii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual right to receive cash flows from the asset has expired or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

##### (iii) Impairment of financial asset

At each reporting date the Group and the Company assess whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset or the group of financial assets and it can be reliably measured.

##### (b) Financial liabilities

The Group's financial liabilities include other payables and convertible notes. Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance costs in the profit or loss. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the profit or loss.

##### Trade and other payables

Trade and other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method.

##### Convertible note

Convertible notes that will or may not be settled by the exchange of a fixed amount of cash for a fixed number of the Company's own equity instruments are accounted as financial liabilities with embedded derivatives. Derivatives embedded in a financial instrument are treated as separate derivatives when their economic risk and characteristics are not closely related to those of the host contract (the liability component) and the host contract is not carried at fair value through profit or loss.

## NOVA RESOURCES LIMITED

### Notes to the Financial Statements For The Year Ended 31 December 2013

#### **Convertible note (Continued...)**

Convertible bond issued by the Group that contain both financial liability and equity components are classified separately into respective liability and equity components on initial recognition. On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate for similar non-convertible debts. The difference between the proceeds of the issue of the convertible bond and the fair value assigned to the liability component, representing the call option for conversion of the bond into equity, is included in equity as convertible bond equity reserve.

The liability component is subsequently carried at amortised cost using the effective interest method. The equity component will remain in equity until conversion or redemption of the bond.

When the bond is converted, the equity component of convertible bond and the carrying value of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the bond is redeemed, the convertible bond equity reserve is released directly to retained profits.

#### **Fair values**

The carrying amounts of the financial assets and liabilities such as cash and cash equivalents, receivables and payables of the Group at the balance sheet date approximated their fair values, due to relatively short term nature of these financial instruments.

The Group provides financial guarantees to licensed banks for credit facilities extended to a subsidiary company. The fair value of such financial guarantees is not expected to be significantly different as the probability of the subsidiary company defaulting on the credit lines is remote.

The investments are valued in accordance with the policy stated above. It is the directors' opinion that the carrying value of trade receivables and trade payables approximates their fair value due to their short term maturity. Therefore, the directors consider all assets to be carried at a valuation, which equates to fair value.

Investments are made in a combination of equity and fixed rate financial instruments so as to provide potential high future capital growth.

In accordance with IAS 39, the Group has reviewed all contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain criteria set out in the standard. No embedded derivatives have been identified by the Group.

**NOVA RESOURCES LIMITED**

**Notes to the Financial Statements**  
**For The Year Ended 31 December 2013**

**2.15 Financial instruments (Continued...)**

The accounting policies for financial instruments have been applied to the items below:

	2013 £	2013 £	2013 £
<b>Assets as per balance sheet</b>	<b>Loans and receivables</b>	<b>Assets at fair value through profit and loss</b>	<b>Available for sale</b>
Cash	18,758	-	-
Trade and other receivables	232	-	-
Investment at fair value through profit and loss	-	-	-
Available for sale investment	-	-	606,787
	<hr/>	<hr/>	<hr/>
Total	18,990	-	606,787
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	2012 £	2012 £
<b>Assets as per balance sheet</b>	<b>Loans and receivables</b>	<b>Assets at fair value through profit and loss</b>
Cash	119,016	-
Trade and other receivables	922,218	-
Investment at fair value through profit and loss	-	653,184
	<hr/>	<hr/>
Total	1,041,234	653,184
	<hr/> <hr/>	<hr/> <hr/>

<b>Liabilities as per balance sheet</b>	2013 Other financial liabilities £	2012 Other financial liabilities £
Trade and other payables	184,464	381,398
Loan	-	2,308,332
Unsecured loan notes	251,500	50,000
	<hr/>	<hr/>
	435,964	2,739,730
	<hr/> <hr/>	<hr/> <hr/>

Assets classified as fair value through profit or loss and available for sale instruments were designated as such upon initial recognition. The Company has not reclassified financial assets between any of the categories detailed in IAS39, either in current or prior periods.

## NOVA RESOURCES LIMITED

### Notes to the Financial Statements For The Year Ended 31 December 2013

#### 2.16 Intangible assets

##### (a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill on acquisitions of associates is included in 'investments in associates' and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

##### Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

#### 2.17 Loss of the parent company

As permitted by Bermuda Companies Act 1981, the income statement of the Parent Company is not presented as part of these financial statements. The Parent Company's loss for the financial year was £324,453 (2012: £4,223,633).

### 3. RISKS SENSITIVITY AND ANALYSIS

The Group's activities expose it to a variety of financial risks: interest rate risk, liquidity risk, foreign currency risk and capital risk. The Group's activities also expose it to non-financial risks: market risk, regulatory and legislative risk. The Group's overall risk management programme focuses on unpredictability and seeks to minimise the potential adverse effects on the Group's financial performance. The Board, on a regular basis, reviews key risks and, where appropriate, actions are taken to mitigate the key risks identified.

#### 3.1 Foreign currency risk

Currency fluctuations may affect the Group's operating cash flows since certain of its costs and potential future revenues are likely to be denominated in a number of different currencies other than Pound Sterling and any potential income may become subject to exchange controls. The Group does not currently have a foreign currency hedging policy in place. If and when appropriate, the adoption of such a policy will be considered.

## NOVA RESOURCES LIMITED

### Notes to the Financial Statements For The Year Ended 31 December 2013

### 3. RISKS SENSITIVITY AND ANALYSIS (contd...)

#### 3.2 Interest rate risk

The following table sets out the carrying amounts, the effective interest rates as at the Statement of Financial Position date and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

			2013	2013	2012	2012
	Note	Effective interest rate %	Within 1 year £	2 - 5 years £	Within 1 year £	2-5 years £
Loan	20	7.5	-	-	1,611,135	-
Loan	20	16.8	-	-	697,197	-
Convertible loan note	21	9	31,500	220,000	-	50,000
			<u>31,500</u>	<u>50,000</u>	<u>2,308,332</u>	<u>50,000</u>

#### 3.3 Liquidity risk

The Group prepares periodic working capital forecasts for the foreseeable future, allowing an assessment of the cash requirements of the Company, to manage liquidity risk. Cash resources are managed in accordance with planned expenditure forecasts and the directors have regard to the maintenance of sufficient cash resources to fund the Group's immediate operating activities.

#### 3.4 Capital risk

The successful implementation of the Company's New Investing Policy will require significant capital investment. The only sources of financing currently available to the Group are through the issue of additional equity capital or convertible debt. The Group's ability to raise funds will depend, *inter alia*, on the success of its strategy and operations.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Impairment of receivables

The Group assesses at each Statement of Financial Position date whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated impairment. The carrying amount of the Group's receivables at the reporting date is disclosed in Note 16.

#### Impairment of goodwill

The Group is required to test, at least annually, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a suitable discount rate in order to calculate the present value of these cash flows. Actual outcomes could vary.

NOVA RESOURCES LIMITED

Notes to the Financial Statements  
For The Year Ended 31 December 2013

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued...)

**Share-based compensation**

The fair value of options and warrants are determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

**Convertible loan notes**

Convertible loan notes have been split into their respective liability and equity portions using an implicit rate of 9% based on available market data of similar corporate debt without the option for conversion.

5. EMPLOYEES AND DIRECTORS

During the year, the Group had average number employees of 34 (2012: 69). The only employees of the Group at the year-end were the three directors.

During the period the company paid directors' emoluments of £90,000 (2012 - £12,742).

The average number of directors during the year was four.

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Directors' remuneration	90,000	12,742
	<u>90,000</u>	<u>12,742</u>

**NOVA RESOURCES LIMITED**

**Notes to the Financial Statements**  
**For The Year Ended 31 December 2013**

**6. SEGMENTAL ANALYSIS**

There is no segmental area of operations as the Group is not trading at the year end.

<b>7. FINANCE INCOME</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Bank interest received	-	-
Other interest received	-	43,226
	<u>-</u>	<u>43,226</u>
	<u>-</u>	<u>43,226</u>
<b>8. FINANCE EXPENSES</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Interest paid – other	-	-
	<u>-</u>	<u>-</u>
<b>9. OPERATING LOSS</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
The operating loss is stated after charging:		
(Gain)/Loss on foreign currency translation	(6,716)	130,603
Auditors' remuneration	18,750	15,000
Share based payment	6,082	16,742
	<u>(6,716)</u>	<u>130,603</u>
	<u>18,750</u>	<u>15,000</u>
	<u>6,082</u>	<u>16,742</u>

**10. DISCONTINUED OPERATION**

The Group disposed of the subsidiary Nova Logistics Holdings Limited on 27 December 2013.

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Revenue	41,489	1,170,166
Cost of Sales	(197,602)	(831,797)
	<u>(156,113)</u>	<u>338,369</u>
Gross loss	(156,113)	338,369
Administrative expenses	(387,469)	(646,164)
	<u>(543,582)</u>	<u>(307,795)</u>
Operating loss	(543,582)	(307,795)
Finance costs	(94,907)	(982)
Finance income	51	18,013
Loss on disposal of subsidiary	(147,136)	-
	<u>(785,574)</u>	<u>(290,764)</u>
Loss before income tax	(785,574)	(290,764)
Taxation	-	(9,998)
	<u>(785,574)</u>	<u>(300,762)</u>
<b>Loss for the year after tax for discontinued operations</b>	<b><u>(785,574)</u></b>	<b><u>(300,762)</u></b>

**NOVA RESOURCES LIMITED**

**Notes to the Financial Statements**  
**For The Year Ended 31 December 2013**

**10. DISCONTINUED OPERATION (Continued...)**

Operating loss from discontinued operations is arrived at after charging:

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
(Gain)/Loss on foreign currency translation	6,627	72,722
Depreciation	-	96,867
Staff wages	45,780	47,274
Loss on disposal of tangible fixed assets	-	47,546
	-----	-----

Cashflow for discontinued operations:

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Operating activities	(93,317)	866,587
Investing activities	51	(769,453)
Financing activities	-	-
Net decrease in cash and cash equivalents	(93,266)	97,134
	-----	-----

**11. TAX**

The Company is an exempted company under the laws of Bermuda and is granted exemption from all forms of taxation in Bermuda until 2016.

**12. LOSS PER SHARE**

The loss per share for the Group is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, which was 111,275,105 (2012 – 101,795,589).

This is summarised as follows:

	<b>2013</b>			<b>2012</b>		
	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>
Basic loss per share	0.36p	0.71p	1.07p	2.82p	0.29p	3.11p
Loss for the year attributable to owners of the parent	404,798	785,574	1,190,373	2,866,844	300,762	3,167,606
Weighted average number of ordinary shares in issue	111,275,105			101,795,589		

**NOVA RESOURCES LIMITED**

**Notes to the Financial Statements**  
**For The Year Ended 31 December 2013**

**12. LOSS PER SHARE (Continued...)**

The diluted loss per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares. For the year ended 31 December 2013, the diluted loss per share is equivalent to the basic loss per share.

**13. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS - GROUP AND COMPANY**

All items held as fair value through profit or loss were designated as such upon initial recognition. Movements in investment at fair value through profit or loss are summarised as follows:

<b>Quoted Investments</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Opening cost	1,827,566	1,827,566
Opening unrealised gain/(loss)	(1,174,382)	(1,056,595)
Opening Valuation	<u>653,184</u>	<u>770,971</u>
Additions at cost	-	-
Disposal proceeds	(700,299)	-
Net profit/(loss) realised on disposal	47,115	-
Changes in fair value in the year	-	(117,787)
	<u>-</u>	<u>653,184</u>
<b>Closing cost</b>	-	770,971
Closing unrealised gain/(loss)	-	(117,787)
<b>Closing valuation</b>	<u>-</u>	<u>653,184</u>

In May 2008, the Company acquired 21,915,861 ordinary shares in European Islamic Investment Bank Plc ("EIIB") for a total consideration of £1,845,066. EIIB is traded on the AIM market of London Stock Exchange. At 31 December 2012, the share price of EIIB decreased to 3.05 pence per share resulting to a loss arising from change in fair value made of £117,787.

The shares were sold on 17 September 2013 with the consideration being warrants over 9,000,000 ordinary shares in the share capital of Tricor Plc, and exercise of £0.005 at any time to 31 December 2017.

The disposal proceeds was determined by reference to market bid prices as at 17 September 2013, resulting in a realised gain on disposal above. Valuation for the Tricor Plc warrants is included in note 13.

**NOVA RESOURCES LIMITED**

**Notes to the Financial Statements**  
**For The Year Ended 31 December 2013**

**14. AVAILABLE-FOR-SALE FINANCIAL ASSET - GROUP AND COMPANY**

All items held as available-for-sale financial instruments were designated as such upon initial recognition. Movements in investment at fair value are summarised as follows:

<b>Tricor Plc Warrants</b>	<b>2013</b>
	<b>£</b>
Opening Valuation	-
Additions at cost	700,299
Disposal proceeds	-
Net profit/(loss) realised on disposal	-
Changes in fair value in the year	(93,512)
	<u><b>606,787</b></u>
<b>Closing cost</b>	700,299
Closing unrealised gain/(loss)	(93,512)
	<u><b>606,787</b></u>

On 17 September 2013, warrants over 9,000,000 ordinary shares in the share capital of Tricor Plc, with exercise price of £0.005 at any time to 31 December 2017 were acquired in exchange for EIIB shares as explained in Note 12.

Tricor is an investment company focussed on the natural resources sector and its shares are also traded on the AIM market of the London Stock Exchange.

The fair value of the warrants as at 31 December 2013 has been calculated using the Black Scholes model assuming the inputs shown below:

Share price at year end	9.1p
Exercise price	0.5p
Expected warrant life in years	2
Risk free interest rate	1%
Expected volatility	10%
Expected dividend yield	0%
Fair value of option	6.7p

Volatility has been estimated by taking the historic volatility in Tricor's share price over one year.

**NOVA RESOURCES LIMITED**

**Notes to the Financial Statements**  
**For The Year Ended 31 December 2013**

**15. INVESTMENT IN SUBSIDIARY**

	<b>Shares in Subsidiaries £</b>
<b>Cost</b>	
At 1 January 2013	3,390,123
Additions	-
Disposals	(3,389,625)
At 31 December 2013	498
<b>Provision</b>	
At 1 January 2013	3,389,625
Charge	-
Disposal	(3,389,625)
At 31 December 2013	-
<b>CARRYING VALUE</b>	
At 31 December 2012	498
At 31 December 2012	498

The details of the subsidiaries are as follows:

Name of Company	Country of Incorporation	Shareholdings	Principal Activity
Nova East Management Pte Ltd	Singapore	100%	Inactive
Nova East Capital Private Limited	Singapore	100%	Dormant
Nova Mongolia Corp PTE Ltd	Singapore	100%	Investment Holding Company

Nova Mongolia Corp PTE Ltd has sold 100% of this issued share capital of Nova Logistics Holdings Limited (formally known as Salins Limited), a company incorporated in the British Virgin Islands, an investment holding company which in turn owns 100% of the issued share capital of Nova Trans LLC (Formerly ZHCH Mining LLC) ("NT"), a company incorporated in Mongolia to provide coal transportation and logistics services in Mongolia. NT entered into a contract with another Mongolia company on 17 January 2012 to transport coal within Mongolia, to commence on 15 May 2012, for one year; actual commencement took place on 5 June 2012. The contract was terminated on 15 April 2013 and subsequently on 27 December 2013 Nova Logistics Holdings Limited and its subsidiary were sold for a nominal amount.

**NOVA RESOURCES LIMITED**

**Notes to the Financial Statements**  
**For The Year Ended 31 December 2013**

**16. TANGIBLE FIXED ASSETS**

	<b>Land and Camps</b>	<b>Trucks, Trailers and other Motor vehicles</b>	<b>Furniture and Other assets</b>	<b>Compute r and software</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2013	362,266	1,852,539	40,362	11,822	2,269,989
Additions	-	-	-	-	-
Disposals	(362,266)	(1,852,539)	(40,362)	(11,822)	(2,269,989)
At 31 December 2013	-	-	-	-	-
<b>Accumulated depreciation</b>					
At 1 January 2013	886	92,441	2,052	1,482	96,861
Charge for the year	-	-	-	-	-
On Disposals	(886)	(92,441)	(2,052)	(1,482)	(96,861)
At 31 December 2013	-	-	-	-	-
<b>Net Book Value</b>					
31 December 2013	-	-	-	-	-
31 December 2012	361,380	1,760,098	38,310	10,340	2,170,128

**17. INVENTORIES**

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Transportation parts and supplies	-	19,288	-	-

**18. TRADE AND OTHER RECEIVABLES**

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtor	-	609,930	-	-
Loan - intercompany	-	-	89,570	375
Other debtors	232	287,269	296	-
Prepayments	-	25,019	-	1,921
	232	922,218	89,866	2,296

The Company has lent to Hoddle Limited ("Hoddle") US\$500,000 (£320,986) on 5 January 2012, for a period of 12 months. As security for the Loan, the Company has been granted a charge over the entire issued share capital of Hoddle (the "Hoddle Shares").

## NOVA RESOURCES LIMITED

### Notes to the Financial Statements For The Year Ended 31 December 2013

#### 18. TRADE AND OTHER RECEIVABLES

The sole shareholder of Hoddle Limited is Ji Won Park ("Park"). Park, a Korean citizen, is a businessman with interests in Mongolia. He is not related to any director or substantial shareholder of the Company. Park has also granted the Company exclusivity with respect to the Hoddle Shares in that he has agreed not to sell, and will terminate all discussions relating to the sale of, any of the Hoddle Shares to any third party until 30 September 2012.

Hoddle is an investment holding company incorporated in the British Virgin Islands. It owns 50% per cent of the entire issued share capital of Standard MT Private Limited ("Standard"), a company incorporated in Singapore. Standard owns 49 per cent of the entire issued share capital of MSR LLC, a company organised and existing under the laws of Mongolia ("MSR"). MSR owns 95 per cent of the issued share capital of Standard Mining Trans LLC, a company organised and existing under the laws of Mongolia ("SMT").

SMT is in the business of providing logistics services to mines in Mongolia. SMT has signed a contract with MoEnCo LLC ("MoEnCo"), a company incorporated in Mongolia to transport coal from its Khushuut coal mine to a storage ground close to the border with the People's Republic of China. MoEnCo is a subsidiary of Mongolian Energy Corporation, SMT will commence the transportation of coal once the Khushuut coal mine commences production of coal. Production is expected to commence sometime in 2012.

As at the 31 December 2012, a full provision was made against the carrying value of the amount due from Hoddle Limited. This amount has now been fully written off.

#### 19. CASH AND CASH EQUIVALENTS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank current accounts	18,758	119,016	292	19,103
	18,758	119,016	292	19,103
	18,758	119,016	292	19,103

#### 20. TRADE AND OTHER PAYABLES

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade payables	112,365	160,264	112,365	61,956
Other creditors	-	96,772	-	7,262
Current portion of convertible notes loan (Note 21)	98,235	16,721	98,235	16,721
Loans	-	2,308,332	-	-
Loan - intercompany	-	-	498	-
Accruals	72,099	124,362	50,958	32,124
	282,699	2,706,451	262,056	118,063
	282,699	2,706,451	262,056	118,063

An unsecured loan of USD 2,000,000 (£1,238,160), from Brincan Holdings SA, a company incorporated in the British Virgin Islands was advanced to Nova Trans LLC in 2012.

The loan was guaranteed by Nova Resources Limited and the guarantee remains in place after the disposal of Nova Trans LLC. The carrying amount of the loan at disposal was USD 3,000,000.

**NOVA RESOURCES LIMITED**

**Notes to the Financial Statements**  
**For The Year Ended 31 December 2013**

**20. TRADE AND OTHER PAYABLES (Continued...)**

Given that USD 200,000 has already been repaid by Nova Trans LLC in March 2014 and a payment plan is currently being finalised for the remaining balance of the loan, the directors consider the possibility of Nova Resources Limited having to repay the loan on behalf of Nova Trans LLC as being remote and thus no provision has been made in these financial statements.

**21. LONG TERM LIABILITIES**

(i) On 28 August 2013 the Company raised £400,000 from the issue of the convertible unsecured loan notes 2015. The salient terms of the notes are as follows:

(a) The holder of the Notes has the right, but not the obligation, to convert the principal amount outstanding to newly issued Ordinary Shares in the capital of the Company at the subscription rate of £0.01 for each Ordinary Share.

(b) There is no interest on the amount outstanding. If all or part of the Notes is not converted by 31 December 2017, Nova shall pay to the Note holder the principal.

On 8 October 2013, £230,000 of the notes were converted into 23,000,000 ordinary shares.

(ii) On 17 October 2013, the company satisfied outstanding advisor's fees of £31,500 by the issue of £31,500 0% convertible loan notes, repayable by 31 December 2014 or earlier at a rate of £0.01 per share.

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	£	£	£	£
At 1 January 2013	50,000	-	50,000	-
Issued on 28 August 2013	400,000	60,000	400,000	60,000
Issued on 17 October 2013	31,500	-	31,500	-
Converted on 8 October 2013	(230,000)	(10,000)	(230,000)	(10,000)
	<u>251,500</u>	<u>50,000</u>	<u>251,500</u>	<u>50,000</u>
Balance at 31 December 2013	<u>251,500</u>	<u>50,000</u>	<u>251,500</u>	<u>50,000</u>
	<b>2013</b>	<b>2012</b>		
	£	£		
Allocated as follows (Group and Company):-				
Short term liabilities (Note 20)	98,235	16,721		
Transferred to shareholders' equity				
Loan note equity reserve	29,072	12,434		
Included in long term liabilities	124,193	20,845		
	<u>251,500</u>	<u>50,000</u>		

**NOVA RESOURCES LIMITED**

**Notes to the Financial Statements**  
**For The Year Ended 31 December 2013**

**22. CALLED UP SHARE CAPITAL**

Authorised Number	Class	Nominal Value	2013 £	2012 £
500,000,000	Ordinary	1p	<u>5,000,000</u>	<u>5,000,000</u>
Allotted, issued and fully paid				
129,115,287 (2012 -106,115,287)	Ordinary	1p	<u>1,291,153</u>	<u>1,061,153</u>

On 8 October 2013, £230,000 convertible loan notes were converted to 23,000,000 ordinary shares as £0.01 per share.

**Share – based payments**

Details of the options and warrants issued are provided in the Directors' Report and below. The details of the option scheme are as follows:

	2013 Number of options	2013 Weighted average exercise price Pence	2012 Number of options	2012 Weighted average exercise price Pence
Outstanding at beginning of period	13,500,000	10	2,000,000	3
Options lapsed in period	(7,000,000)	-	-	-
Options granted in period	-	-	11,500,000	-
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Outstanding at end of the period	<u>6,500,000</u>	<u>7</u>	<u>13,500,000</u>	<u>10</u>

None of the options above have been exercised and all remain outstanding at the year end. There were no options granted during the period.

Volatility has been estimated by taking the historic volatility in the Company's share price over two years.

Warrants issued in the year are as follows:

Date of grant	Exercise price	Number	Period of exercise
20 June 2013	1.5p	3,000,000	20 June 2013 – 30 June 2018
28 August 2013	1.0p	200,000,000	28 August 2013 – 31 December 2018

**NOVA RESOURCES LIMITED**

**Notes to the Financial Statements**  
**For The Year Ended 31 December 2013**

**22. CALLED UP SHARE CAPITAL (Continued...)**

Summary of warrants at the year end:

	<b>2013 Number of warrants</b>	<b>2013 Weighted average exercise price Pence</b>	<b>2012 Number of warrants</b>	<b>2012 Weighted average exercise price Pence</b>
Outstanding at beginning of the period	42,857,143	2	30,000,000	2
Warrants granted in period	203,000,000	3	12,857,143	-
Warrants lapsed in the period	(42,857,143)		-	-
Outstanding at end of the period	<u>203,000,000</u>	<u>1</u>	<u>42,857,143</u>	<u>2</u>

None of the warrants above have been exercised in the year. The fair value of the warrants granted during the period has been calculated using the Black Scholes model assuming the inputs shown below:

Grant date	June 2013
Share price at grant date	1.3p
Exercise price	1.5p
Expected warrant life in years	3
Risk free interest rate	1.12%
Expected volatility	30%
Expected dividend yield	0%
Fair value of option	0.11p

Volatility has been estimated by taking the historic volatility in the Company's share price over one year.

The weighted average remaining contractual life of outstanding share options and warrants is 5 years (2012: 1 year)

**NOVA RESOURCES LIMITED**

**Notes to the Financial Statements**  
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**23. RECONCILIATION OF OPERATING LOSS TO CASH GENERATED FROM OPERATIONS**

	<b>Group 2013 £</b>	<b>Company 2013 £</b>	<b>Group 2012 £</b>	<b>Company 2012 £</b>
Loss before interest and tax	(900,757)	(425,219)	(1,109,909)	(478,257)
Provision for quoted investment	-	-	117,787	117,787
Minority interests	-	-	(1,100)	-
Other income	-	-	-	-
	<u>(990,757)</u>	<u>(425,219)</u>	<u>(993,222)</u>	<u>(360,470)</u>
(Increase)/decrease in inventories	19,288	(87,570)	(19,288)	-
(Increase)/decrease in trade and other receivables	721,646	93,978	(919,070)	(1,157,789)
(Decrease)/increase in trade and other payables	(246,513)	-	2,613,715	35,822
Depreciation	-	-	96,867	-
Loss on disposal of fixed assets	(3,922)	-	45,448	-
Share based payments	6,082	-	16,742	16,742
	<u>(500,258)</u>	<u>(418,811)</u>	<u>841,192</u>	<u>(1,465,695)</u>

**24. FINANCIAL COMMITMENTS**

**Capital commitments**

There was no capital expenditure that had been contracted for at the balance sheet date but not yet incurred.

**25. RELATED PARTY TRANSACTIONS**

Fees payable to the directors have been disclosed in the Directors' Report.

An amount of £7,262 (2012: £nil) was paid to Menora Trading Pte Limited ("Menora"), a company related to Chan Fook Meng in the year to settle a loan of USD 12,000 received from them in 2012. In the year, management fee of £18,628 (2012: £60,200) was charged by Menora to Nova East Management Pte Limited. At the year end, balance owed to Menora by the Group is £20,000 (2012: £89,562).

On 17 October 2013, a warrant over 83,000,000 shares of the Company were acquired by Shine Link Limited from an existing warrant holder, for a price of 0.1p per warrant. The warrants are exercisable at a price of 1p per warrant which expires on 31 December 2018. Shine Link Limited is a BVI company owned and controlled by Chan Fook Meng.

**26. CONTINGENT LIABILITIES**

Other than the item disclosed in Note 20, the Company has no contingent liabilities arising in respect of legal claims arising from the ordinary course of business and it is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

## NOVA RESOURCES LIMITED

### Notes to the Financial Statements

#### For The Year Ended 31 December 2013

## 27. POST BALANCE SHEET EVENTS

### On 20 January 2014:

- The Company made an investment in Enerstry Group Limited, whose main operating subsidiary is South Korean company engaged in the renewable Energy Industry, for equity costing £806 and a 0% unsecured loan of USD806,480, to 18 January 2015. As part of the acquisition arrangements, 51,600,000 new ordinary shares have been issued to funding partners. This resulted in Nova being subscribed to 23.7% of Enerstry Group Limited's Ordinary share capital. The Company also issued £30,000 0% unsecured convertible loan notes repayable by 31 December 2018 to another investor, together with 1,500,000 warrants in the Company, exercisable at 1p for shares up to 31 December 2018;
- 6,500,000 warrants have been granted to suppliers of services to the company, exercisable at a price of 1p per share up to 31 December 2018;
- The Company has required both Upside Management (Offshore) SAL and Consiliou Growth Fund SPC to subscribe for 25,800,000 new ordinary shares of 1p each in the Ordinary Shares of the Company at an issue price of 1p per new Ordinary Share, raising a total of £516,000 for the Company. Under the terms of the Investment Facility Agreements announced on 11 November 2013, upon the issuance of the 25,800,000 new Ordinary Shares to each of the Investors, Nova additionally issued 103,200,000 warrants (exercisable into new Ordinary Shares at an exercise price of 1p until 31 December 2018) to both Upside Management (Offshore) SAL and Consiliou Growth Fund SPC.
- Loan notes to the value of £38,250 were converted into 3,825,000 new ordinary shares at par; and
- 1,000,000 share options issued to a former employee have been cancelled;

### On 21 January 2014:

- Loan notes to the value of £18,000 were converted into 1,800,000 new ordinary shares and 3,500,000 warrants were exercised into 3,500,000 ordinary shares, both at par; and
- 15,000,000 warrants were granted to a supplier of services, vesting 5,000,000 each on 15 January 2014, 2015 and 2016, assuming the services were still being supplied on those dates.
- On 22 January 2014, £30,000 convertible loan notes were converted into 3,000,000 new ordinary shares.

### On 27 February 2014:

- The Company has acquired warrants over 34,000,000 ordinary shares in the capital of Tricor Plc, for £2,000,000, exercisable at 0.5p; Chan Fook Meng, Nazim Khan and Chris Morgan are directors of Tricor Plc and Nova Resources Limited; and
- Warrants over 200,000,000 ordinary shares in the Company were exercised at 1p per share.

## 28. ULTIMATE CONTROLLING PARTY

The directors consider that the ultimate controlling party is Shine Link Limited, a British Virgin Islands registered company owned by Chan Fook Meng.