MABIZA RESOURCES LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

MABIZA RESOURCES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

INDEX TO THE FINANCIAL STATEMENTS

MABIZA RESOURCES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

GENERAL INFORMATION

Country of incorporation and domicile	Zambia
Company Registration number	118240
Taxpayers' identification number	1002642257
Nature of Business	Mining, processing and selling of Nickel
Board of Directors:	V Chitalu Francisco Russo-Bello Emma Oosthuizen B Xiong J Wu M Musonda
Registered Office	Plot 10684 Kafue/Mazabuka Road Mazabuka Zambia
Business address	Plot 10684 Kafue/Mazabuka Road Mazabuka Zambia
Postal address	P.O Box 50799 Lusaka 10101
Bankers	Barclays Bank Zambia Plc Stanbic Bank Zambia
Legal Advisers	Mulenga Mundashi Legal Practitioners
Auditors	Kreston International
Holding Company	Consolidated Nickel Mines (Mauritius) Limited
Ultimate holding Company	Consolidated Nickel Mines (UK) Limited

The financial statements are presented in United States Dollars.

Mabiza Resources Limited

Address: Munali Nickel Mine
Plot 10684
Kafue / Mazabuka Road
PO Box 50799
Lusaka Zambia

Telephone: +260 213 235 191/188
E-mail: gm@mabiza.co.zm

MABIZA RESOURCES LIMITED RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

It is the company's responsibility to ensure that the financial statements fairly present the state of affairs of the company. The external auditors are responsible for independently reviewing and reporting on the financial statements.

The Company has assessed the ability of Mabiza Resources Limited to continue operating as a going concern and believes that the preparation of these financial statements on a going concern basis is still appropriate. Management however believes that under the current economic environment, a continuous assessment of the ability of the Company to continue to operate as a going concern, will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

The financial statements set out in this report have been prepared by management in accordance with International Financial Reporting Standards (IFRS). The statements are based on the appropriate accounting policies which were supported by reasonable and prudent judgements and estimates.

The company's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures and all employees are required to maintain the highest ethical standards in ensuring company practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that come to the attention of the company have been addressed and management confirms that the systems of accounting and internal control are operating in a satisfactory manner.

In light of the current position, the company is satisfied that Mabiza Resources Limited is a going concern and has continued to adopt the going concern basis in preparing the financial statements.

The external auditors are responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been audited by the company's external auditors and their report is presented on pages 4 to 8.

The company`s financial statements which are set out below on pages 9 to 38 were in accordance with their responsibilities, approved by the Company executives on the 12 September 2023 and signed on their behalf by:

Signed by:

944B61C597BB4DD...

DIRECTOR

Signed by:

Emma Oosthuizen

AE1E94DAC6B45B...

DIRECTOR

MJV
ACCOUNTANTS & ADVISORS

Knowledge • Growth • Impact

A: Suite No. 8
DG Mini Office Park
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MABIZA RESOURCES LIMITED

Unqualified Opinion
We have audited the financial statements of Mabiza Resources Limited set out on pages 9 to 38 which comprise the statements of financial position as at 31 December 2023, and the separate statements of comprehensive income, separate statements of changes in equity and separate statement of cash flow for the year ended 31 December 2023, and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mabiza Resources Limited as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Zambian Companies Act.

Basis for Unqualified Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 are independent of the Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independent applicable to performing audits of the financial statements in Zambia. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 26 of the financial statements which indicate the conditions that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

As noted within the Directors' Responsibility statement on page 2, the board of directors have concluded that it is appropriate to prepare financial statements using the going concern basis of accounting. The going concern basis presumes that the company has adequate resources to remain in operation, and that the directors intend it to do so, for at least one year from the date of when the financial statements were signed. As part of our audit, we have assessed that the board of directors' use of going concern basis is appropriate.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters are mentioned in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion of these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit concluded the performance of procedures designed to respond to our assessment of the risk of material misstatements of the financial statements.

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE MATTERS
1. Revenue recognition Refer to accounting policy no.3 and note 17.	
Revenue recognition • The company`s revenue is primarily generated from the sale of nickel concentrate. The accuracy of revenue recorded in the financial statements is an inherent risk because the transactions are in large volumes. • We identified revenue recognition as a key audit matter because revenue is one of the performance indicators of the company because it involves complex accounting which give rise to an inherent risk that revenue could be subject to manipulation to meet targets or expectations.	**Our audit procedure in relation to the recognition of revenue include:** • Understanding the policies and procedures applied to revenue recognition as well as compliance therewith, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the company. • We tested the design and implementation of controls around the determination of revenue • For a sample, we carried out substantive analytical procedures to test the appropriateness of provisional revenue recognition and analysing the actual performance of revenue and costs. • No exceptions were noted from our procedures.
2. Right of use asset and lease liability refer to accounting policy 3 and note 7 and 13.	
The entity adopted IFRS 16 (Leases) in the 2019 financial year to replace the guidance of IAS 17 (Leases) on the recognition, measurement, presentation, and disclosure of leases.	We performed the following procedures to respond to this risk: • Obtained a signed and dated management representation letter in determining derecognition date.

	• Reviewed the letter of agreement between the entity and lessor with regards to cancellation of the contract and acquisition price of the trucks. • Reviewed the appropriateness and accuracy of opening balances of right of use and lease liability before derecognition. • Review bank statement against the lease invoices to verify if all lease payments were made as per the agreement. • Reviewed the financial statement disclosures to ensure compliance with IFRS 16 disclosure. • No exceptions were noted from our procedures.

Other information

Other information consists of the management's responsibility statement included in the financial statements, other than the company financial statements and our auditor's report thereon. The management are responsible for the other information.

Our opinion on the company financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the company financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's opinion, 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.

Management's Responsibilities for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as the managementdetermine 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 management 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 management either intend to liquidate the company or to cease operations, or has 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, 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 ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users based on the Company's financial statements.

As part of an audit in accordance with ISA's we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness on the company's internal controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirement regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the committee, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the other legal and regulatory Requirements.

In our opinion, the financial statements have been properly prepared in accordance with accounting policies set out on pages 9 to 38 and comply with disclosure requirements of the Companies Act of Zambia.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Modern Mutumwa (ZICA Practicing Certificate Number: AUD/A012465).

MJV (Z)

MJV CHARTERED ACCOUNTANTS & ADVISORY SERVICES
REGISTERED PUBLIC AUDITORS
LUSAKA

24/09/24
DATE

MABIZA RESOURCES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	NOTES	31-Dec-23 USD	31-Dec-22 USD
ASSETS			
NON-CURRENT ASSETS		**31,394,901**	**29,900,468**
Property, plant and equipment	5	26,738,642	25,486,877
Rehabilitation asset	6	628,333	726,560
Right of use asset	7	4,027,926	3,687,032
CURRENT ASSETS		**11,600,601**	**15,652,897**
Inventory	8	3,752,124	4,130,211
Trade and other receivables	9	7,772,816	11,439,841
Cash and cash equivalents	10	75,662	82,845
TOTAL ASSETS		**42,995,502**	**45,553,365**
EQUITY AND LIABILITIES			
EQUITY		**(44,482,285)**	**(43,551,177)**
Share Capital	11	1,429	1,429
Accumulated Loss		(44,483,714)	(43,552,606)
LIABILITIES			
NON- CURRENT LIABILITIES		**55,866,292**	**55,397,163**
Environmental rehabilitation provision	12.1	1,883,095	1,815,630
Lease liability	13	2,879,485	1,231,034
Interest bearing borrowings	15.1	1,055,853	1,052,660
Amounts due to related parties	16.2	50,047,858	51,297,839
CURRENT LIABILITIES		**31,611,494**	**33,707,379**
Provisions	12.2	1,196,224	1,493,681
Lease liability	13	924,947	2,702,397
Trade and other payables	14	24,028,561	22,517,486
Interest bearing borrowings	15.3	4,506,373	4,934,545
Tax payable	18	955,390	2,059,270
TOTAL EQUITY AND LIABILITIES		**42,995,502**	**45,553,365**

Signed on behalf of the board by:

Signed by:
944B61C597BB4DD...
Director
Date: 9/17/2024

Signed by:
Emma Oosthuizen
AE1E94DACC0B45B...
Director
Date: 9/17/2024

MABIZA RESOURCES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	31-Dec-23 USD	31-Dec-22 USD
Revenue	17	60,957,780	81,252,233
Cost of sales	18	(37,235,442)	(37,272,583)
Gross Profit		23,722,338	43,979,650
Other Income			
Sundry Income	19	98,432	1,503,713
Foreign exchange gain unrealised		1,613,295	1,401,624
Foreign exchange gain realised		-	247,228
Total income		25,434,065	47,132,215
Expenditure		**(24,920,596)**	**(29,211,427)**
Administration Expenses	20	(15,708,685)	(21,041,330)
Staff costs	21	(7,840,526)	(8,170,097)
Foreign exchange loss	22	(1,371,385)	-
Operating Profit		**513,469**	**17,920,789**
Finance Costs	23	(1,238,462)	(1,752,024)
(Loss)/Profit for the period before taxatior		**(724,993)**	**16,168,765**
Taxation	24	(206,115)	(2,660,463)
Total Comprehensive (loss) /income for the year		**(931,108)**	**13,508,302**

MABIZA RESOURCES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	SHARE CAPITAL USD	RETAINED EARNINGS USD	TOTAL EQUITY USD
Balance as at 01 January 2022	**1,429**	**(57,060,909)**	**(57,059,480)**
Profit for the year	-	13,508,302	13,508,302
Balance as at 31 December 2022	**1,429**	**(43,552,606)**	**(43,551,177)**
Loss for the year	-	(931,108)	13,508,302
Balance as at 31 December 2023	**1,429**	**(44,483,714)**	**(30,042,875)**

MABIZA RESOURCES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	31-Dec-23 USD	31-Dec-22 USD
Cash flows from operating activities		
Profit for the period before interest and tax	513,469	17,920,789
Adjusted for:		
Depreciation and amortisation	6,491,272	7,138,287
Interest on lease	-	727,424
Unwinding of discount on rehabilitation provision	67,465	155,629
Gain on lease derecognition	-	(1,422,979)
Fx gain/loss unrealised	(1,371,385)	-
Decrease in provision for leave pay	(10,791)	-
Other non cash items	(239,964)	1,841,295
Exchange Gain	(241,910)	(1,401,624)
Operating surplus before working capital changes	**5,208,157**	**24,958,821**
Working Capital Changes		
Decrease/(Increase) in trade and other receivables	3,667,025	(12,676)
Decrease/ (Increase) in inventories	378,086	(892,873)
Decrease in other provisions	(297,457)	(2,360,424)
Increase/(Decrease) in Trade and other payables	1,511,075	(4,430,903)
Net cash flows after working capital changes	**10,466,886**	**17,261,945**
Income tax paid	**(1,309,996)**	**(1,094,762)**
Net cash flows from operating activities	**9,156,890**	**16,167,184**
INVESTING ACTIVITIES		
Additions to Property and equipment	(6,348,295)	(5,959,448)
Net cash flows utilised in investing activities	**(6,348,295)**	**(5,959,448)**
FINANCING ACTIVITIES		
Loan from/(paid) to related parties	1,359,464	(2,314,472)
Loans repayment	(2,017,378)	(4,892,508)
Lease payments	(2,157,865)	(3,207,051)
Net cash flows used in financing activities	**(2,815,779)**	**(10,414,030)**
Net decrease in cash and cash equivalents	(7,184)	(206,294)
Cash and cash equivalents at beginning of the period	82,845	289,140
Cash and cash equivalents at end of the period	**75,662**	**82,845**

1. GENERAL INFORMATION

1.1 Corporate information
Mabiza Resources Limited is a company incorporated in the Republic of Zambia. The address of its registered office and principal place of business and principal are disclosed on the information page of the financial statements. The main business of the company is mining and production of nickel concentrate. The ultimate holding company of Mabiza Resources Limited is Consolidated Nickel Mines which is incorporated in the United Kingdom.

1.2 Presentation of financial statements
The financial statements have been prepared in accordance with International Financial Reporting Standards and the Companies Act of Zambia. The financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below.
The financial statements are presented in US Dollars.

1.3 Statement of compliance
The financial statements have been prepared in conformity with IFRS, promulgated by the International Accounting Standards Board (IASB), which includes Standards and Interpretations approved by the IASB as well as International Accounting Standards and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions (IFRS's).

1.4 Basis of preparation
The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act of Zambia and on historical cost basis. No procedures have been adopted to reflect the impact on the Financial Statements of specific price changes or of changes in the general level of prices.

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. Although such estimates and assumptions are based on the directors' best knowledge of the information available, actual results may differ from the estimates. The judgements and estimates are reviewed at the end of each reporting period and any revision of such estimates are recognised in the year in which revision is made.

The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The financial statements have been prepared on the going concern basis which the Directors believe to be appropriate.

1.5 Use of estimates and judgements
In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in financial statements and related disclosures. Use of available information and the application of judgment is used in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and amended standards and interpretations
The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and effect of these changes because of the adoption of these new standards are described below.
Other than the changes described below, the accounting policies adopted are consistent with those of the previous financial year. Several other amendments and interpretations applied for the first time in 2021 but did not have an impact on the financial statements of the Company and, hence, have not been disclosed.

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:
- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Temporary relief provided to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company.
The Company intends to use the practical expedients in future periods if they become applicable.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16
On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Company has not received Covid-19-related rent concessions but plans to apply the practical expedient if it becomes applicable within allowed period of application.

IFRS Interpretations Committee agenda decision - Configuration or Customisation Costs in a Cloud Computing Arrangement
In April 2021, the IFRS Interpretations Committee (IFRIC) published an agenda decision on configuration and customisation costs incurred related to implementing Software as a Service (SaaS) arrangements. The agenda decision could impact whether an entity can capitalise the costs associated with configuration or customisation activities in cloud computing arrangements. The Company has not previously had any material cloud computing projects; as such, the agenda decision had no material impact. However, it is expected that cloud computing arrangements will become more common for the Company and these requirements will be applied when determining whether to capitalise or expense these costs.

2.2 New standards, interpretations, and amendments not yet effective
Other Standards and amendments that are not yet effective and have not been adopted early by the Company include:
- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)
- References to the Conceptual Framework
- Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Deferred Tax related to Assets and Liabilities from a Single Transaction.

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made.

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue recognition

The mine provide primarily nickel concentrate and other by products to its customers.

Revenue is recognised when the mine has a contract with a customer and performance obligation has been satisfied at the transaction price allocated to that performance obligation. The mine does not adjust any of the transaction price for the time value of money due to the nature of the transactions being completed within a shorter period.

Sale of goods

Revenue from sale of goods is recognised when the transaction is completed and both parties are happy with the grading of the minerals and pricing. The transaction price is the invoiced amount no VAT is charged on the minerals hence the full amount invoiced is recognised as revenue.

Finance income and cost

Finance income or cost is recognised in the statement of profit or loss as it accrues using the effective interest method. It is recognised in the year in which it occurs.
Finance cost comprise of:

- Finance costs recognised on lease liabilities
- Finance costs of raising debt

3.2 Property, plant, and equipment

Property, plant, and equipment are stated at historical cost less subsequent depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Properties in the course of construction are carried at cost less any recognised impairment loss.

Costs include costs incurred to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the item of property, plant, and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Property, plant, and equipment is carried at cost less accumulated depreciation and any impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Property, plant and equipment (cont'd)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings improvements	5 years
Machinery and equipment	5 years
Furniture and fixtures	5 years
Motor Vehicles	5 years
Computer Software	3 years
Dense Media Separator	5 years
Development Costs	5 years
Fixed Asset Capitalised Costs	5 years

The residual value, useful life and depreciation method of each asset reviewed at the end of each reporting period. If the expectations differ from estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property plant and equipment with a cost that is significant in relation to the cost of the item is depreciated separately.

The depreciation charge for each period is recognized in the profit or loss unless it is included in the carrying amount of another asset.

The gain or loss from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

3.3 Exploration, evaluation, and development costs

Exploration and evaluation expenditure was incurred after the mining right was obtained and before the technical feasibility and commercial viability of extracting the mineral resource was demonstrable.

Exploration and evaluation expenditure related to an area of interest are carried forward as an intangible asset in the balance sheet where the rights of tenure of an area are current and is considered probable that the costs will be recouped through successful development and exploitation of the area of interest or alternatively by its sale. Where these conditions are not met, such costs are written off as incurred. This expenditure is carried at cost less accumulated amortisation and impairment.

Expenditure is categorised under exploration and evaluation expenditure, deferred development costs, exploration data, prospecting rights, and mining license in the Statement of financial position according to the nature of expenditure. Exploration and evaluation expenditure includes all directly attributable expenditure including the relevant depreciation of plant and equipment utilised within the project.

Once the development decision has been taken, the carrying amount of the exploration and evaluation in respect of the area of interest is aggregated with the development expenditure and classified under non-current assets as deferred development costs within property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Exploration, evaluation and development costs (cont'd

No amortisation is recognised in respect of exploration and evaluation expenditure until reclassified as development property and commercial production commences.
Exploration and evaluation expenditure and mining property are tested for impairment annually if facts and circumstances indicate that impairment may exist. Exploration and evaluation expenditure is also tested for impairment once commercial reserves are found before the assets are transferred to mining property.

3.4 Inventories

Inventories comprise goods held for consumption and are at the lower of cost or net realisable value. The mine applies the weighted average cost method to value inventories. The cost of consumables includes freight cost incurred in transporting the goods to their present location. Net realisable value is the estimated selling price in the ordinary course of business, less cost of selling expenses.

3.5 Borrowings

Borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowing costs.

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank or other lender (including interest). After initial recognition they are measured at amortised costs using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance cost in the income statement.

3.6 Lease liabilities

At the commencement date of the lease, the mine recognises lease liabilities measured at present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable. In calculating the present value of lease payments, the mine uses incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities increased to reflect the accrual of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is modification, a change in the lease term, a change in the in substance fixed lease payments or a change in the assessment to purchase the underlying asset.

3.7 Right of use assets

The mine recognises the right of use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjust for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial
direct costs incurred, and lease payments made at or before the commencement date less any lease incentive received.

The right of use assets is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right of use assets are subject to impairment.

3.8 Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Taxation (Cont'd)
The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.8.1 Current tax assets and liabilities
Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3.8.2 Deferred tax assets and liabilities
A deferred tax asset is recognised for the carry forward or unused tax losses to the extent that it is probable that future taxable profit will be available against the unused tax losses and can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period

3.8.3 Tax expenses
Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income or
- a business combination

Current tax and deferred tax are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or different period, directly in equity.

3.9 Employee benefits
Short-term employee benefits
The cost of short-term employee benefits, (those payable within 12 months after the service is rendered such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absences occur.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Employee Benefits (cont'd)

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

3.10 Financial instruments

Financial assets and financial liabilities are recognised in the Mine's balance sheet when the Mine becomes a party to the contractual provision of the instrument.

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition.

Initial recognition and measurement

Financial instruments are recognized initially when the company becomes a party to the contractual provisions of the instruments.

The company's financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, expect for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets. For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method less accumulated impairment loss.
Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Impairment of financial assets.

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default payments are all considered indicators of impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Financial instruments (cont'd)
In the case of equity securities classified as available-for-sale a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.
Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses.

When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against expenses.

3.11 Amounts due to related party
These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures, and associates and are recognised initially at fair value plus direct transaction costs.
Loans from group companies are classified as financial liabilities measured at amortised cost

3.12 Trade and other receivables
Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and their default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other receivables are classified as loans and receivables.

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

Trade and other payables are classified as financial liabilities measured at amortised cost.

3.14 Cash and cash equivalents.
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.
Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing it's carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

The recoverable amount of an asset or cash-generating unit is the higher of fair value less cost to sell and its value in use.

If the recoverable amount of an asset is less than it's carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impaired loss.

An impairment loss of assets carried at a cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.
The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

3.16 Share capital and equity

An equity instrument is any contact that evidences a residual interest in the assets of an entity after deducting all its liabilities.

3.17 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation because of past events.
- it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation: and
- a reliable estimate can be made for the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions are not recognised for future operating losses.
If an entity has a contract that is onerous, the present obligation under the contract shall be recognised as a provision.
A constructive obligation to restructure arises only when an entity:

- Has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned.
  - the principal location affected.
  - the location, function, and approximate number of employees who will be compensated for terminating their services.
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- Has raised a valid expectation in those affected that it would carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- The amount that would be recognised as a provision; and
- The amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Provisions are disclosed in note 10.

3.18 Rehabilitation provision

The company recognises a rehabilitation provision where it has a legal and constructive obligation because of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. The nature of these restoration activities includes dismantling and removing structures; rehabilitating mines and tailing dams; dismantling operating facilities; closing plant waste sites; and restoring, reclaiming, and revegetating affected areas.

The obligation generally arises when the asset is installed, or the ground/environment is disturbed at the mining operation's location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred because of the development /construction of the mine.
Any rehabilitation obligation that arises through the production of inventory are expensed when the inventory item is recognised in cost of goods sold.

Additional disturbances or changes in rehabilitation costs are recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur.

Costs related to restoration of site damage (subsequent to start of commercial production) that is created on an ongoing basis during production are provided for at their net present values and recognised in profit or loss as extraction progresses.

Changes in the estimated timing of rehabilitation or changes to the estimated future costs are dealt with prospectively by recognising an adjustment to the rehabilitation liability and a corresponding adjustment to the asset to which it relates, if the initial estimate was originally recognised as part of an asset measured in accordance with IAS 16 Property, Plant and Equipment.

Any reduction in the rehabilitation liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the statement of profit or loss and other comprehensive income.

If the change in estimate results in an increase in the rehabilitation liability and, therefore, an addition to the carrying value of the asset, the company considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment of the asset as a whole, and if so, tests for impairment,

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

if, for mature mines, the estimate for the revised mine assets net of rehabilitation provisions exceeds the recoverable value that portion of the increase is charged directly to expense.
Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.
The periodic unwinding of the discount is recognised in the statement of profit or loss and other comprehensive income as part of finance costs.

For closed sites, changes to estimated costs are recognised immediately in the statement of profit or loss. The company recognises neither deferred tax asset in respect of the temporary difference on the decommissioning liability nor the corresponding deferred tax assets in respect of the temporary difference on the decommissioning liability nor the corresponding deferred tax liability in respect of the temporary difference on a decommissioning asset.

3.19 Environmental expenditures and liabilities

Environmental expenditures that relate to current or future revenues are expensed or capitalised as appropriate. Expenditure that relates to an existing condition caused by past operations and does not contribute to current or future earnings are expensed. Liabilities for environmental costs are recognised when a clean-up is probable, and the associated costs can be reliably estimated.

Generally, the timing of recognition of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites.
The amount recognised is the best estimate of the expenditure required. Where the liability will not be settled for several years, the amount recognised is the present value of the estimated future expenditure.

3.20 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying
- asset less any temporary investments of those borrowings.
- Weighted average costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- Expenditures for the asset have occurred:
- Borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.
Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. All other borrowing costs are recognised as an expense in the period in which they are incurred.

3.21 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in US Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.
All the end of the reporting period:

- foreign currency monetary items are translated using the closing date.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a currency are recorded in US Dollars by applying to the foreign currency amount the exchange rate between the US Dollar and the foreign currency at the date of the cash flow.

4. CRITICAL JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgments include:

4.1 Impairment testing

Plant and equipment are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of 'value in use' (being the net present value of expected future cash flows of the relevant cash generating unit) and 'fair value less costs to sell'.

In determining value in use, future cash flows are based on estimates of the quantities of economically recoverable ore reserves and mineral resources for which there is a high degree of confidence of economic extraction, future production levels, future commodity prices and future cash costs of production.

Variations to the expected future cash flows, and the timing thereof, could result in significant changes to any impairment losses recognised, if any, which could in turn impact future financial results.

4.2 Rehabilitation and environmental costs

The company records the present value of the estimated cost of restoring operating locations in the period in which the obligation arises, which is typically at the commencement of production. The nature of the restoration activities includes the removal of facilities, abandonment of mine sites and rehabilitation of the affected areas. In most instances this arises many years in the future. The application of this policy necessarily requires judgmental estimates and assumptions regarding the date of abandonment, future environmental legislation, the engineering methodology adopted, future technologies to be used and the asset specific discount rates used to determine the present value of these cash flows.

4.3 Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on several factors, including whether the company decides to exploit the related claim itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

4. CRITICAL JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Factors which could impact the future recoverability include the level of proved and probable mineral reserves, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

4. CRITICAL JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

4.4 Life of mine

The estimation of reserves impacts the amortisation of mining rights, the recoverable amount of property, plant and equipment, the timing of rehabilitation expenditure and purchase price allocation.

Factors impacting the determination of proved and probable reserves are:
The grade of mineral reserves may vary significantly from time to time (ie differences between actual grades mined and resource model grades)
Differences between actual commodity prices and commodity price assumptions
Unforeseen operational issues at mine sites
Changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

5. PROPERTY, PLANT AND EQUIPMENT

	Building Improvements	Machinery and Equipment	Furniture & Fixtures	Motor Vehicles	Computer Software	Dense Media Separation	Deferred Development cost	Exploration and Evaluation Asset	Fixed Asset - Capitalised Costs	Ground buildings	Tailings Storage Facility	Capital Work In Progress	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Carrying amount as at 01 January 2022	**-**	**2,019,912**	**121,405**	**412,462**	**15,566**	**2,568,244**	**16,819,751**	**1,196,795**	**1,017,257**	**-**	**-**	**962,422**	**25,133,814**
Cost/Valuation	272,361	2,858,544	249,625	1,228,021	80,050	5,503,379	20,602,219	2,169,176	1,357,677	-	-	962,422	**35,283,474**
Accumulated Depreciation	(272,361)	(838,632)	(128,220)	(815,559)	(64,484)	(2,935,135)	(3,782,468)	(972,381)	(340,420)	-	-	-	**(10,149,660)**
Additions	-	4,591,502	12,619	-	-	-	1,355,327	-	-			-	**5,959,448**
Depreciation For the year	-	(679,974)	(51,549)	(208,933)	(15,566)	(1,100,676)	(2,005,848)	(309,882)	(271,535)	-	-	-	**(4,643,964)**
Derecognition of work in progress asset	-	-	-	-	-	-	-	-	-	-	-	(962,422)	**(962,422)**
Carrying amount as at 31 December 2022	**-**	**5,931,440**	**82,476**	**203,529**	**-**	**1,467,568**	**16,169,229**	**886,913**	**745,722**	**-**	**-**	**-**	**25,486,877**
Cost/Valuation	272,361	7,450,046	262,245	1,228,021	80,050	5,503,379	21,957,546	2,169,176	1,357,677	-	-	-	**40,280,500**
Accumulated Depreciation	(272,361)	(1,518,606)	(179,769)	(1,024,492)	(80,050)	(4,035,811)	(5,788,316)	(1,282,263)	(611,955)	-	-	-	**(14,793,623)**
Additions	-	2,330,461	-	-	285,671	-	1,827,896	1,514,396	-	73,092	211,245	105,535	**6,348,295**
Depreciation For the year	-	(1,474,980)	(51,985)	(172,847)	(67,907)	(1,100,676)	(1,646,718)	(309,883)	(271,535)	-	-	-	**(5,096,530)**
Carrying amount as at 31 December 2023	**-**	**6,786,921**	**30,491**	**30,683**	**217,764**	**366,892**	**16,350,407**	**2,091,426**	**474,186**	**73,092**	**211,245**	**105,535**	**26,738,642**
Cost/Valuation	272,361	9,780,507	262,244	1,228,022	365,721	5,503,379	23,785,441	3,683,571	1,357,677	73,092	211,245	105,535	**46,628,795**
Accumulated Depreciation	(272,361)	(2,993,586)	(231,754)	(1,197,339)	(147,957)	(5,136,487)	(7,435,034)	(1,592,145)	(883,491)	-	-	-	**(19,890,153)**

	2023 USD	2022 USD
6 REHABILITATION ASSET		
Cost as at 1 January	**982,233**	**982,233**
Accumulated amortisation	(255,673)	(157,450)
Current year Amortisation	(98,227)	(98,223)
Balance as at 31 December	**628,333**	**726,560**

The rehabilitation asset represents the net present value of estimated future decommissioning costs that are capitalised at it is connected to the rehabilitation provision (Note 12.1).The estimates are reviewed annually and discounted using a pre-tax rate that reflects current market assessments of the time value of money.

7 RIGHT OF USE ASSET

	Mobile Plant and Equipment	Underground trucks	Plant	Total
Carrying amount as at 01 January 2022	**3,668,575**	**-**	**2,662,208**	**6,330,783**
Cost	5,051,620	-	3,994,723	9,046,343
Accumulated Depreciation	(1,383,045)	-	(1,332,515)	(2,715,560)
Disposal through lease derecognition-cost	(5,051,620)	-	-	**(5,051,620)**
Additions	-	1,737,050	-	**1,737,050**
Depreciation For the year	(1,683,873)	(312,754)	(399,472)	**(2,396,100)**
Decrease in accumulated depreciation due to lease derecognition	(3,066,918)	-	-	**(3,066,918)**
Carrying amount as at 31 December 2022	**-**	**1,424,296**	**2,262,736**	**3,687,032**
Cost	-	1,737,050	3,994,723	5,731,773
Accumulated Depreciation	-	(312,754)	(1,731,987)	(2,044,742)
Additions	-	1,637,856	-	**1,637,856**
Disposals	-	-		
Depreciation For the year	-	(897,489)	(399,472)	**(1,296,961)**
Carrying amount as at 31 December 2023	**-**	**2,164,663**	**1,863,263**	**4,027,926**
Cost	-	3,374,906	3,994,723	7,369,629
Accumulated Depreciation	-	(1,210,243)	(2,131,460)	(3,341,703)

	2023 USD	2022 USD
8 INVENTORIES		
Mineral ore	210,675	33,240
Nickel concentrate	497,195	98,620
Spares, stationery and other	3,044,254	3,998,351
	3,752,124	**4,130,211**

All inventories are expected to be consumed or sold within the financial period.

9 TRADE AND OTHER RECEIVABLES		
Trade receivables	626,504	2,513,035
Fixed asset accrual	2,768,397	1,894,520
Vat asset	4,328,388	6,921,384
Prepaid expenses	46,000	107,688
Staff debtors	3,527	3,212
	7,772,816	**11,439,841**

10 CASH AND CASH EQUIVALENTS		
Cash on hand	1,128	2,182
Bank balances	74,533	80,663
	75,662	**82,845**

11 SHARE CAPITAL		
Authorised		
20,000 (2021: 20,000) Ordinary Shares of ZMW 1 each	1,429	1,429
Issued and fully paid		
20,000 (2021:20,000) Ordinary share of ZMW 1 each	1,429	1,429

	2023 USD	2022 USD

12 PROVISIONS

12.1 ENVIRONMENTAL REHABILITATION PROVISION

	2023 USD	2022 USD
Opening balance	1,815,630	1,660,002
Unwinding of the discount	67,465	155,629
Balance at 31 December 2023	1,883,095	1,815,630
Significant assumptions used in calculating the provision-:		
Discount Rate	10%	10%
Inflation rate	2.4%	2.4%
Estimated Life of mine at start of operations	10	10

The environmental provision represents the present value of the Directors' best estimate of the future cash flow of economic benefit that will be required by the mine to restore the environment in 2031, which is when the producing mine is expected to cease operations. The provision relates to the environmental restoration obligation in accordance with Zambia Mines and Minerals Act of 2018. The statutory obligation of the company in respect of environmental decommissioning and restoration was determined by an independent consultant, the process includes the review of the existing closure plan and its associated costs taking into account relevant changes. The timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This in turn, will depend upon future nickel prices, which are inherently uncertain.

12.2 Other Provisions

	2023 USD	2022 USD
Provision - annual leave	314,915	325,706
Gratuity provision	831,875	802,400
Car allowance provision	49,434	49,434
Provision - unaccrued expenses	-	316,142
	1,196,224	1,493,681

Leave pay provision - The provision for leave pay is based on the amount that would be payable to all employees who have not taken leave as at year end. This leave entitlement can be paid out to the employees in cash and is a factor of outstanding leave days and basic pay rate.

Gratuity provision - The gratuity provision is based on the likelihood that rewards for long and meritorious service will be granted.

Car allowance provision - The provisions is for allowance provision which is based on the amount that would be payable to all employees who are entitled to car allowances.

	2023 USD	2023 USD
13 LEASE LIABILITY		
Current	924,947	2,702,397
Non-current	2,879,485	1,231,034
	3,804,432	**3,933,431**

13.1 Lease liability

	Epiroc lease USD	Epiroc New lease USD	Albidon lease USD	Total USD
Opening balance as at 01 January 2022	**3,714,074**	**571,200**	**3,380,095**	**7,665,369**
Add: Lease payments due	1,090,327	-	-	**1,090,327**
Additions	-	1,065,050	-	**1,065,050**
interest accrued	346,248	64,228	316,941	**727,416**
Less: payments	(1,742,969)	(464,082)	(1,000,000)	**(3,207,051)**
Closing balance	**3,407,681**	**1,236,395**	**2,697,036**	**7,341,112**
Derecognition	(3,969,403)	-	-	**(3,969,403)**
Derecognition of right of use carrying amount	1,984,702	-	-	**1,984,702**
Gain on derecognition of right of use	**(1,422,979)**	-	-	**(1,422,979)**
Closing balance as at December 2022	-	**1,236,395**	**2,697,036**	**3,933,431**
Add: Lease payments due	-	-	-	-
Additions	-	1,637,856	-	**1,637,856**
interest accrued	-	149,305	241,706	**391,011**
Less: payments	-	(1,241,199)	(916,667)	**(2,157,865)**
Closing balance as at December 2023	-	**1,782,357**	**2,022,075**	**3,804,432**

The lease liability represents the present value of the remaining lease payments of the operating lease held by the company.

The company leasing office buildings, mining equipment and motor vehicles. The remaining lease terms vary between 2 and 5 years with an option to renew.

14 TRADE AND OTHER PAYABLES		
Trade accounts payables	20,388,508	6,956,771
Goods received not invoiced	1,007,751	1,755,037
Mineral royalty tax	898,546	5,084,565
PAYE liability	464,276	2,023,053
Accrued expenses	286,668	4,042,363
Jinchuan royalty	495,757	2,202,989
Other payables	487,055	452,709
	24,028,561	**22,517,486**

Trade payables and other payables comprise of amounts outstanding for trade purchases, ongoing costs and operational expenses from local suppliers.

Accounts payable are non-interest bearing and are generally on terms of 30 to 90 days.

		2023 USD	2022 USD
15	**INTEREST - BEARING DEBT**		
	Transamine trading	**2,610,015**	**4,682,398**
	Albidon Zambia limited	**2,952,211**	**1,304,807**
		5,562,227	**5,987,205**
15.1	**Transamine trading loan**		
	Current portion	1,554,162	3,629,738
	Non-current	1,055,853	1,052,660
		2,610,015	**4,682,398**
	Balance at the beginning of year	4,682,398	9,108,342
	Additions	-	-
	Payments	(2,072,383)	(4,425,945)

The company secured a loan facility amounting to US$12 million from its major customer Transamine trading. The purpose was to assist in supplying working capital to the company to resume production. There are 3 tranches to the loan and a varation on repayment was done during the previous year. Tranche 1 and 2 is repayable over 24 monthly instalments and completes in August 2023. The repayment period was extended to 30 April 2024.Tranche 3 to value $2,000,000 is being repaid at $50,000 per month inclusive of interest and concludes in November 2025.Interest on the loans varies between 8.0% and 9.02375%.

The loans are secured by the DMS plant, PGM filtration Plant , ores and concentrate at the project site, governed by the laws of Zambia.

The Transmine trading loan balance is shown on the face of the financial statements.

		2023 USD	2022 USD
15.2	**Current portion**	**2,952,211**	**1,304,807**
	Albidon Zambia Limited		
	Balance at the beginning of year	1,304,807	1,531,617
	Additions(Royalty reclassified)	2,609,445	239,753
	Net repayments	(962,040)	(466,563)

The loan is made up of historical lease cost ,historical royalty cost, stock purchased from Albidon,and a loan granted by Albidon to the Company.Interest of 4% accrues on the loan and payments are made quarterly and concludes in December 2023.The additions on royalty payable reclassified was from 31 July 2023 to 30 June 2024 at 0.50%

		2023 USD	2022 USD
15.3	**Disclosed as:**		
	Non current portion	1,055,853	1,052,660
	Current portion	4,506,373	4,934,545
		5,562,227	5,987,205

		2023 USD	2022 USD

16 RELATED PARTY

The following are related parties to the company as at 31st December 2023.

Related party	Relationship
Consolidated Nickel Mines (UK) Limited	Ultimate holding company
Consolidated Nickel Mines (Mauritius) Limited	Holding company

Key management personnel
Directors
Name
V Chitalu
B Xiong
Francisco Russo-Bello
Emma Oosthuizen
J Wu

16.1 Transaction with related Parties

	2023 USD	2022 USD
Administration fees paid to related Parties		
Consolidated Nickel Mines (UK) Limited	(1,249,981)	(2,314,472)

16.2 Balances

	2023 USD	2022 USD
Amounts owed by parent - CNM (UK) Limited	11,039,783	9,789,802
Amounts owed to parent - CNM (UK) Limited	(61,087,641)	(61,087,641)
Net amount payable	(50,047,858)	(51,297,839)

16.3 Compensation of Directors and key management personnel

	2023 USD	2022 USD
For services as Executive Director / Management	326,904	215,727

17 Revenue

	2023 USD	2022 USD
Revenue	**60,957,780**	**81,252,233**
Nickel conc revenue	53,426,134	68,491,245
Copper conc revenue	1,441,168	1,649,381
Cobalt revenue	1,842,070	4,545,760
PGM revenue	4,248,408	6,565,847

		2023 USD	2022 USD
18	**COST OF SALES**	**37,235,442**	**37,272,583**
	Nickel Conc Transport Costs	6,168,253	7,321,844
	Mining Costs	**31,067,189**	**29,950,739**
	Drilling consumables	431,247	539,613
	Site Civils-Dayworks/Surface Works	33,999	89,150
	Geotech	70,852	12,637
	Repairs and Maintenance	7,022,139	4,426,525
	Ground Support	1,153,037	844,186
	Contractors	5,608,145	3,405,748
	Mine Dewatering	10,046	83,874
	Tyres	705,079	822,048
	Inventory adjustments	(252,642)	-
	Diesel	2,177,832	2,607,839
	PPE	280,012	377,319
	Exploration - Administration	926,808	853,835
	Survey	47,335	19,536
	Ventilation consumables	248,116	131,140
	Rom Pad	(286,650)	(24,873)
	Processing	4,467,360	5,862,177
	Consultants	67,824	-
	Penalty MgO	-	43,224
	Roads works	52,794	26,293
	Underground Support Installation	54,263	1,693,208
	Laboratory	550,144	167,967
	Fire Suppression	43,445	19,245
	Dust Suppression	14,048	30,915
	Compressors	34,009	17,451
	Power	3,745,938	3,502,341
	Oils & Lubricants	687,284	775,273
	Spares	565,180	1,229,533
	Equipment Hire	2,609,543	2,394,537
19	**OTHER INCOME**	**98,432**	**1,503,713**
	Sundry income	98,432	80,734
	Gain on lease derecognition	-	1,422,979

		2023	2022
		USD	USD
20	**ADMINISTRATION EXPENSES**	**15,708,685**	**21,041,330**
	General Operating Overheads	329,791	163,669
	Consultants - General	95,155	201,353
	Inventory Adjustments	-	85,188
	Safety Equipment	989	28,561
	Depreciation/Amortisation Expense	6,491,272	7,138,287
	Computing/IT	84,556	128,203
	Unwinding of rehabilitation provision	67,465	155,628
	General Operations Management	51,720	400
	Finance	267,136	310,070
	Supply	82,217	75,113
	Camp Management	1,088,230	1,184,913
	Community Relations	10,184	5,795
	Capital/Operating Transfer	(1,827,896)	(1,355,327)
	Insurance	178,763	207,435
	Licences & Permits	139,749	128,511
	Rates and Taxes	22,867	45,701
	Royalties	4,748,444	7,391,873
	Environmental	307	-
	Mines Rescue	30,242	22,447
	Mineral Royalty Tax	3,240,906	4,646,976
	Management Fee	367,505	282,341
	Legal fees	227,518	163,428
	Public relations	11,564	30,764
21	**STAFF COSTS**	**7,840,526**	**8,170,097**
	Salaries and Wages	7,485,436	7,758,519
	Recruitment/Relocation	30,001	49,681
	Training/Seminars	6,439	1,869
	Other Employment Expenses/Awards	71,896	48,745
	Medical Expenses	175,765	16,888
	Casual labour	23,510	31,129
	Human Resources	47,478.82	263,265
22	**FOREIGN EXCHANGE LOSS**	**1,371,385**	**-**
	FX loss - Unrealised Other	54	-
	FX loss - Creditors - Unrealised	1,467	-
	FX loss - Realised Other	1,369,863	-

		2023 USD	2022 USD
23	**FINANCE COSTS**	**1,238,462**	**1,752,024**
	Interest on lease	391,011	727,416
	Interest on royalties	84,886	43,669
	Interest expense other	762,566	980,939
	This relates to interest charged on lease financing the company holds and on interest bearing loans		
24	**TAXATION**		
	Major components of tax expense		
	Current	**206,115**	**2,660,463**
	Tax Payable		
	Balance b/f	2,059,270	493,569
	Current period	206,115	2,660,463
	Tax Paid	(1,309,996)	(1,094,762)
	Closing Balance	**955,390**	**2,059,270**
	Tax rate reconciliation		
	Profit before tax	(724,993)	16,168,765
	Tax at 30%	(217,498)	4,850,630
	Add: Non deductable	2,359,142	2,498,948
	Less: Non taxable items	(1,729,414)	(2,085,164)
		412,230	5,264,413
	Unutilised tax loss	(206,115)	(2,632,206)
		206,115	2,632,207
	Taxation on separate income source	-	28,257
	Total tax payable	**206,115**	**2,660,464**

25 RISK MANAGEMENT

25.1 Capital Risk Management

The company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders; and
- to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes borrowings, cash and cash equivalents and equity. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total equity. Net debt is calculated as total debt (Including current and non-current borrowings as shown in the statement of financial position) less cash and cash equivalents. Total equity is presented in the statement of financial position.

	2023	2022
The debt to asset ratios were as follows	**USD**	**USD**
Total debt (i)	87,477,786	89,104,542
Less: Cash and cash equivalents	(75,662)	(82,845)
Net debt	87,402,125	89,021,697
Net debt excluding related party debt	37,354,267	37,723,858
Total Assets (ii)	42,995,502	45,553,365
Debt to total asset ratio	203%	196%
Debt to total asset ratio (excluding related party debt)	87%	83%

(i) Total debt includes interest bearing borrowings and amounts due to related parties, as detailed in note 13 and 14 respectively

(ii) Total assets have been used to compute the gearing ratio to afford a better comparison

25.2 Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Company is exposed to credit risk from its financial activities, cash deposits and cash equivalents. However, in the financial year the company has not been exposed to credit risk, the directors has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

25 RISK MANAGEMENT (Cont'd)

25.3 Interest rate risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market. The company has borrowings at fixed and variable interest rates, this does not have a significant impact on the company as the exposure to variable rates are not significant.

25.4 Liquidity Risk management

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The board of directors is ultimately responsible for the Company's liquidity management which comprise of short, medium and long term funding. The Company manages its liquidity risk by maintaining adequate cash resources, credit facilities and continuous monitoring of actual and forecasted cash flows.

The table below summaries the maturity profile of Mabiza Resources Limited's undiscounted financial liabilities.

	Less than 3 months	3 to 12 months	1 to 5 years	Total
Amounts owed to related parties	-	-	50,047,858	**50,047,858**
Interest- bearing debt	-	5,431,320	3,935,338	**9,366,659**
Trade and other payables	-	26,180,174	1,883,095	**28,063,269**
Total	**-**	**31,611,495**	**55,866,292**	**87,477,787**

25.5 Foreign currency risk management

This is a risk that the group may be affected adversely as a result of foreign currency fluctuations on the various currencies that the entity holds. The company undertakes transactions and borrowings denominated in foreign currency consequently exposed to exchange rate fluctuations.

There would be a negative impact on the profit and other equity when the United States Dollar (USD$) strengthens against the Zambian Kwacha (Kwacha). The company has not put hedging measures to cover the entity against long-term currency fluctuations.

25 RISK MANAGEMENT (Cont'd)

25.6 Operational Risk

Is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to operate effectively, operational risk can cause damage to reputation and legal implications that lead to financial loss.
The board of directors has indicated that they endeavored to manage the risks through controls. Controls includes implementation of an ERP system, effective segregation of duties, authorisation, staff education and assessment processes.

25.7 Compliance risk

It is the current or prospective risk to earnings or capital arising from violations of, non conformance with law, rules, regulations, ethical standards, internal policies and procedures. The risk exposes the institution to fines and payments damages.
Compliance risk can lead to diminished reputation, limited business opportunities and financial losses. The risk committee is responsible and ensured that the company fully comply with relevant laws and regulations.

26 GOING CONCERN

As at 31 December 2023, the company had accumulated losses of USD 44,790,397 (December 2022: USD 43,552,606) and the company's current liabilities exceed its current assets by USD20,317,576 (December 2022: USD 18,617,596), in addition the company has negative net asset position of USD 44,788,968 (December 2022:USD 42,551,177).During the year nickel prices were down resulting in the mine struggling to pay its suppliers on time.The company meets its financial requirements through financial support from its holding company, Consolidated Nickel Mines (UK) Limited. On the basis of the businessplan, the directors have formed a judgement that the holding company's support will continue for the foreseeable future. The directors are satisfied that at the time of approval of these financial statements, there are no significant concerns that the holding company will discontinue providing financial support, hence consider it appropriate to prepare these statements on going concern basis.

The following key business initiatives have been adopted which mitigates the going concern risk

-The company has a terms agreement in place for USD 12 million working capital facility with Transamine trading.
-A letter of support has been provided by the holding company Consolidated NickelMines (Mauritius) Limited.

The financial support, capital injection and working capital facility removes uncertainty regarding the ability to continue as a going concern.

27 EVENTS AFTER THE REPORTING DATE

There were no events after the reporting period