

**Company Registration No. 05697574**

# **KAZERA GLOBAL plc**

**Annual Report  
For the year ended 30 June 2020**



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**COMPANY INFORMATION**

DIRECTORS:	G Clarke      Chairman L Johnson     CEO N Harrison    Director D Edmonds    Director O Ilunga      Director
SECRETARY:	B James
REGISTERED OFFICE:	Unit D, De Clare House Sir Alfred Owen Way Pontygwindy Industrial Estate Caerphilly Wales CF83 3HU
COMPANY REGISTRATION NUMBER:	05697574
REGISTRAR AND TRANSFER OFFICE:	Link Asset Services Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
SOLICITORS:	Kuit Steinart Levy LLP 3 St Mary's Parsonage, Manchester M3 2RD
INDEPENDENT AUDITORS:	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
NOMINATED ADVISOR & BROKER:	FinnCap Limited 60 New Broad Street London EC2M 1JJ
BANKERS:	HSBC Bank PLC 3 Rivergate Temple Quay Bristol BS1 6ER

**CHAIRMAN'S STATEMENT**

**For the year ended 30 June 2020**

**Review of the Period**

The period began with significant operational progress being achieved on defining a JORC compliant resource at our Tantalite Valley Mine ('TVM'), in which we now own a 100% indirect interest. Beginning in July, the Company realised a significant step for TVM, reporting its maiden JORC Compliant Mineral Resource over the Homestead and Purple Haze deposits. With a combined total indicated and inferred tantalite and lithium Mineral Resource estimate of 324.6 thousand tonnes, having only tested a fraction of our licence, TVM has proven itself to be world class in potential.

These initial results were subsequently followed by a further JORC compliant Mineral Resource Estimate in August over the Purple Haze and White City Pegmatites which delivered further resources for the Company.

As a result of the considerable evidence of the potential at TVM, the Company sought to begin a second phase of exploration which would be a cost-effective strategy of identifying further resource at the Mine. This second phase would include approximately 2,000 metres of drilling over the White City, Homestead and Purple Haze deposits whilst testing potentially mineralised zones at Signaalberg. The Company believe that the results of the second phase is vital for the Company to engage in discussions with potentially interested parties for the next stage of project funding.

Following the Company raising £400,000 via an equity placing in August to fund the second phase of exploration at TVM, exploration began, in tandem with further results being collected from the first phase. These results further bolstered the JORC Compliant Mineral Resource Estimate across TVM to 622,200 tonnes of lithium and tantalite resources.

While TVM has continued to deliver strong results for the Company, the executive management team have always sought to diversify the Company's asset portfolio and, as such, was delighted to acquire a controlling interest in a Diamond Mine and Heavy Mineral Sands Opportunity in South Africa in June 2020. As part of the transaction, Kazera acquired a 90% stake in Deep Blue Minerals ("DBM") for £600,000 funded via a share issuance to Richard Jennings and a 90% interest in Whale Head Minerals ("WHM") via the assumption of \$500,000 of liabilities. Completion of the acquisition in the case of WHM is subject to completion of certain milestones which are nearing completion.

These acquisitions add significantly to our portfolio. Our new Diamond Mine interest has delivered immediate cashflow to the Company and has an Inferred Mineral Resource estimate of 208,000 carats at a grade of 6.0 ct/100m<sup>2</sup>. Our potential Heavy Mineral Sands opportunity has a simple work programme, which can be funded by our diamond production revenue and could produce sales of over US\$600,000 /month to the Company.

As part of the acquisition, the company appointed Dennis Edmonds as a Non-Executive Director, responsible for our new South African portfolio. Dennis has since delivered strong progress and, post-period delivered, the first shipment of diamond product to auction, delivering immediate revenue for the Company.

Towards the end of period, we further increased our interest in TVM through the strategic acquisition of the remaining 25% interest in Aftan, owned by Warmbad investment Holdings. This extremely low-cost acquisition is testament to the demonstrable progress which has been achieved at the Mine by our CEO, making it a highly valuable investment opportunity.

As part of this acquisition, the Company was delighted to welcome Mr Odilon Ilunga to the Board of Kazera as an Executive Technical Director of the Company. Mr Ilunga has been an instrumental part of the exploration team at TVM and a valuable adviser to Kazera for some time.

**Outlook**

During the Period, the Company has delivered significant operational, financial and transactional success such that the Company is now diversified across lithium, tantalum, diamonds and heavy mineral sands. Further success, post period, has seen further commodity diversification with strong progress achieved with the identification of strong grades of feldspar at TVM.

The future is exceptionally bright at Kazera, particularly as we continue to speak to potential investors in regards to the highly anticipated orange river pipeline, which will supply a consistent water supply for production at TVM.

**Giles Clarke**  
**Chairman**  
30 March 2021

**CHIEF EXECUTIVE OFFICER'S REVIEW**  
**For the year ended 30 June 2020**

**Overview**

The Period has been an extremely positive one, which has seen Kazera Global realising its potential, despite the COVID-19 pandemic causing great uncertainty in the markets.

Specifically, this year, we have been pleased to further develop our strategic plans for the business and continue to add shareholder value to the Company through strong operational progress in Namibia and the acquisition of a diamond production and heavy mineral sands project in South Africa.

Work continues at both of our projects and we are delighted to close the period with a robust and more diversified portfolio which is now delivering cash flow. This has all been made possible by the hard work and expertise of the team to maximise value for shareholders.

**Operations**

The year started with the reporting of Kazera Global's maiden JORC compliant Mineral Resource over the Homestead and Purple Haze deposits in July. This maiden JORC resource was extremely important for Kazera, and the results suggested a combined total Indicated and Inferred tantalite and lithium Mineral Resource of 324.6 thousand tonnes from these two deposits alone.

With such encouraging results, combined with initial drilling results at the White City Pegmatites and Purple Haze, the Company believed that a second exploration phase to further evaluate the value of TVM was required and, following technical input from MSA Group, a second phase of 2,000 metres of drilling was planned to begin completion of phase one. This second phase was aimed at delineating further mineralisation at the White City, Homestead and Purple Haze projects and testing potentially mineralised zones at Signaalberg.

While these exploration phases were undertaken, the Company reduced the level of operational activity on the mine in Namibia.

In December, we were pleased to report a maiden JORC Compliant mineral Resource Estimate for the White City Pegmatite of 297,600 tonnes, in line with the Company's pre-exploration programme expectations. Importantly, strong grades were also measured across the pegmatite.

With this result, Kazera, by the end of 2019, had a JORC Compliant Mineral Resource Estimate of 622,200 tonnes of lithium and tantalite resources from the first phase of exploration alone; an extremely important feat for the future of the mine.

Further, in December, the Company registered a subsidiary named Kazera Trading. Kazera Trading will operate in conjunction with Kazera Global and will function as an ore trading arm of the Company, facilitating the global movement of resources such as tantalum, through leveraging the experience of our management. We expect that the subsidiary will soon add additional revenue to the wider group.

We started 2020, with the commencement of the Phase II drilling Program. Initial results were positive, with each new hole intersecting pegmatites with visible signs of both tantalite and lithium occurring in the same ore body. As part of our second phase, Kazera is drilling over virgin ground at Purple Haze as well as previously unreachable areas of Signaalberg.

In June Kazera was delighted to acquire a 90% stake in Deep Blue Minerals Limited and a stake in Whale Head Minerals Limited, giving the Company a controlling interest in a diamond mine and heavy mineral sand opportunity with high growth potential and near-term revenue opportunities. The mine is close to our existing area of expertise and is operated by a ready built team with bespoke experience for the geology on the licence.

Finally, in the final days of the fiscal year, we were pleased to acquire the remaining 25% interest in Aftan from Warmbad Investment Holdings Ltd, giving us complete control over TVM.

**CHIEF EXECUTIVE OFFICER'S REVIEW (continued)**  
**For the year ended 30 June 2020**

**Outlook**

The outlook for Kazera has changed considerably from the beginning of the Period. We now control 100% of one of the premier tantalite mines in the world and a significant stake in a cash generative diamond mine and extremely exciting Heavy Mineral sands opportunity in South Africa.

Significant progress has been achieved across our portfolio and I can say with some confidence that we look to enter 2021 in one of the strongest positions the Company has ever been in.

**Larry Johnson**  
**Chief Executive Officer**  
30 March 2021

## STRATEGIC REPORT

For the year ended 30 June 2020

The Directors present their strategic report on the Group for the year ended 30 June 2020.

### PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Group is to act as an investor in the resources and energy sectors. The Group is currently focused on its Tantalite project located in Namibia and diamond mine in South Africa. The Group may be either an active investor and acquire control of a single company or it may acquire non-controlling shareholdings.

The Directors recommend that there is no dividend payment for the year ended 30 June 2020 (2019: nil).

The review of the period is contained within the Chairman's Statement.

The Chairman's Statement provides a balanced and comprehensive analysis of the future developments, performance and results of the Group during the period and of the balance sheet position of the Group at the end of that period in the context of the Group's current activities.

### INVESTING POLICY

Kazera Global plc (the "Company") seeks to achieve shareholder return primarily via capital appreciation through direct investments in companies and projects primarily in, but not limited to, Africa within the mining and resource sectors (the "Target Sectors") including traditional direct investments in securities and similar financial instruments including any combination of the following:

- (a) equity securities (predominantly unlisted);
- (b) listed and unlisted debt securities that may be rated or not rated (bonds, debt instruments, convertible bonds and bonds with warrants, fund-linked notes with a capital guarantee, loan facilities etc.); and
- (c) hybrid instruments.

The Company may exploit a wide range of investment opportunities within the Target Sectors as they arise and, to this end, the Company has complete flexibility in selecting the specific investment and trading strategies that it sees fit in order to achieve its investment objective. In this regard, the Company may seek to gain Board representation and/or managerial control in its underlying investments if it deems to be the best way of generating value for Shareholders.

Opportunities will be chosen through a careful selection process which will appraise both the fundamental factors specific to the opportunity as well as wider economic considerations. Typical factors that will be considered are the strength of management, the quality of the asset base, the investment's scale and growth potential, the commodity price outlook, any geopolitical concerns, the underlying financial position, future working capital requirements as well as potential exit routes. Investments may be in the form of buy-outs, controlling positions (whether initially or as a result of additional or follow-on investments) or strategic minority investments.

There is no fixed limit on the number of projects or companies into which the Company may invest, nor the proportion of the Company's gross assets that any investment may represent at any time.

No material change will be made to the Company's investing policy without the approval of Shareholders.

### KEY PERFORMANCE INDICATORS

The Group considers investment value and return on investment as its principal key performance indicators. This is monitored quarterly and reviewed at Board meetings. The Directors believe the return on investment to be a fair representation of business for the year.

Key Performance Indicator	30 June 2020	30 June 2019
	£'000	£'000
Investment	3,114	2,207
Return on investment	-20%	-39%

### PRINCIPAL RISKS AND UNCERTAINTIES

The Group's business is to identify, make, manage and realise investments in accordance with the Group's stated investing policy. The Directors consider the following risks to be the most material or significant for the management of the business. These issues do not purport to be a complete list or explanation of all the risk factors facing the Group. In particular the Group's performance may be affected by changes in the market and/or economic conditions and changes in legal, regulatory or tax requirement legislation. Additional risks and uncertainties not presently known by the Group or that the Group currently deems immaterial may also impact the business.

**STRATEGIC REPORT (continued)****For the year ended 30 June 2020****PRINCIPAL RISKS AND UNCERTAINTIES (continued)**

The Board of Directors monitors these risks and the Group's performance on a regular basis, considering investment proposals, the performance of investments made and opportunities for divestment as appropriate as well as considering the actual performance of the Group against budgets.

- **Covid-19**

The Group's operations are principally in Namibia and South Africa. The following has been implemented by the Group:

Health and safety – The Group has published policies on operating within the current government and international guidelines to ensure our personnel remain safe. No significant outbreaks of Covid-19 have been identified within our operational vicinity, however should there be a significant outbreak, operations will be adversely affected. The current guidelines implemented by the Group have limited financial impact in the short term, but should these continue for an extended period or should government policies become more onerous, the Group results may be negatively impacted.

Localised and national lockdowns – To date, there have been limited lockdowns in the specific regions in which Kazera operate. Going forward there is a risk that should more tight restrictions be enforced leading to reduced activity, both future development as well as mining operations may be impacted.

- **Political and Country Risk**

Substantially all of the Group's business and operations are conducted in Namibia and South Africa. The political, economic, legal and social situation in Namibia introduces a certain degree of risk with respect to the Group's activities. The Government of Namibia exercises control over such matters as exploration and mining license, permitting, exporting and taxation, which may adversely impact the Group's ability to carry out exploration, development and mining activities.

Government activity, which could include non-renewal of licenses, may result in any income receivable by the Group being adversely affected. In particular, changes in the application or interpretation of mining and exploration laws and/or taxation provisions in Namibia could adversely affect the value of the Group's interests.

The Group's risks are mitigated by operating in two different jurisdictions.

- **Exploration and Development Risk**

The exploration for and the development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored ultimately develop into producing mines. Major resources are required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at the Namibian site.

There is no certainty that the exploration and development expenditures made by the Group as described in these financial statements will result in a commercially feasible mining operation. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Group will compete with other companies, many of which have greater financial resources, for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

The commercial viability of a deposit is dependent on a number of factors. These include deposit attributes such as size, grade and proximity to infrastructure; current and future market prices which can be cyclical; government regulations including those relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The effect of these factors, either alone or in combination, cannot be entirely predicted, and their impact may result in the Group not receiving an adequate return on invested capital.

There is no assurance the Group will be able to adhere to the current development and production schedule or that the required capital and operating expenditure will be accurate. The Group's development plans may be adversely affected by delays and the failure to obtain the necessary approvals, licenses or permits to commence production or technical or construction difficulties which are beyond the Group's control. Operational risks and hazards include: unexpected maintenance, technical problems or delays in obtaining machinery and equipment, interruptions from adverse weather conditions, industrial accidents, power or fuel supply interruptions and unexpected variations in geological conditions.

Exploration risk is mitigated by using independent third-parties to determine the resource availability (JORC reports) and the operational risk is mitigated by using high-quality skilled drilling contractors.

**STRATEGIC REPORT (continued)**

**For the year ended 30 June 2020**

**PRINCIPAL RISKS AND UNCERTAINTIES (continued)**

• **Unable to invest**

The Directors may be unable to identify investments which are consistent with the Group's investment policy and which are available at a price which the Directors consider suitable, which would limit the potential for the Group's value to grow.

The Management team are highly experienced at sourcing investment opportunities

• **Unavailability of finance**

The Directors may identify suitable investments at what they believe to be a suitable price but which may require more funds than are available to the Group and the Group may then be unable to raise further funds at all or on terms which the Directors consider acceptable.

The Group is listed on the public markets where additional finance can be raised.

• **Investment risk**

Once an investment has been made, the underlying business invested in may not perform as the Directors had expected and this may impair or eliminate the value of the Group's investment.

The management team closely monitors performance of each activity and takes corrective action where necessary

• **Realisation risk**

Once an investment has been made, it may not prove possible to realise the investment at the time the Directors intend or only to realise it at a value which damages the Group's value.

The Management team are highly experienced at sourcing and managing potential opportunities until fruition

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

Note 22 to the financial statements sets out the financial risks to which the Group is exposed, together with its policies for managing these risks.

**PROMOTION OF THE COMPANY FOR THE BENEFIT OF THE MEMBERS AS A WHOLE**

The Director's believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

The Company is quoted on AIM and its members will be fully aware, through detailed announcements, shareholder meetings and financial communications, an update website, of the Board's broad and specific intentions and the rationale for its decisions.

When selecting investments, issues such as the impact on the community and the environment have actively been taken into consideration.

The Company pays its employees and creditors promptly and keeps its costs to a minimum to protect shareholders funds. The Company recognises workers' representation unions and complies with all local employment legislation.

**STRATEGIC REPORT (continued)**  
**For the year ended 30 June 2020**

**GOING CONCERN**

The financial statements have been prepared assuming the Group and Company will continue as a going concern. In assessing whether the going concern assumption is appropriate, the directors have taken into account all available information for the foreseeable future; in particular for the 12 months from the date of approval of these financial statements and performed sensitivity analysis thereon. This assessment includes consideration of future plans, expenditure commitments in place, cost reduction measures that can be implemented and permitting requirements. Further details in respect of the considerations made can be found in note 2 to the financial statements.

This report was approved by the board of Directors on 30 March 2021 and signed on its behalf by

**Larry Johnson**  
**Chief Executive Officer**

**DIRECTORS' REPORT****For the year ended 30 June 2020**

The Directors present their annual report and audited financial statements for the year ended 30 June 2020.

**DIRECTORS**

The Directors who served throughout the year, were as follows:

**G Clarke – Chairman**

Giles Clarke was appointed as a director on 25 March 2014 and was independent on appointment as Chairman. He was formerly Chairman of AIM quoted Amerisur Resources plc prior to its disposal in 2020, is Chairman of Westleigh Investments Holdings Limited and AIM quoted Ironveld plc. He began his career as an investment banker with Credit Suisse First Boston before successfully establishing, building and selling a number of high-profile businesses including Majestic Wine, Pet City plc and Safestore plc. He is also Chairman of several private organisations.

**L Johnson – Chief Executive Officer**

Larry Freeman Johnson has more than 25 years' experience in the tantalum industry having worked with two large US based publicly listed companies with core interests in tantalum. Throughout his career, Larry has held several senior key positions, most recently as Director: Mining and Global Tantalum Supply Chain at KEMET Electronics Corporation, and significantly he has spent several years focussing on the development of conflict-free global supply chains.

**D Edmonds -Executive Director – appointed on 2 May 2020**

Mr Edmonds has a wealth of experience in board level positions in investment banking and venture capital industries. Most recently, Mr Edmonds was executive Chairman of AIM-quoted Alien Metals Limited and CEO of Pathfinder Minerals PLC.

**Odilon Ilunga – Executive Technical Director – appointed on 26 June 2020**

Mr Ilunga is a Metallurgist and Civil Engineer having graduated with a master's degree in metallurgical engineering from the University of Witwatersrand. Having begun his career in mining at Ongolopo Mining Limited in 2004 before moving to Weatherly Mining Namibia in 2010, Mr Ilunga was appointed Operations Manager at African Tantalum in 2017, in charge of tantalum ore concentration and development strategies for the processing plant.

**N Harrison – Non-Executive Director**

Nick Harrison was appointed as a director on 25 March 2014 and was independent on appointment. He was formerly Finance Director of AIM quoted Amerisur Resources plc prior to its sale in 2020, and a Non-executive Director of Ironveld plc. Mr Harrison has held Board positions at a number of private companies with international activities. He is a Chartered Accountant, having qualified with Arthur Andersen before holding senior roles with Deloitte, Midland Bank (International) and Coopers & Lybrand.

**DIRECTORS' INTERESTS**

The Directors who held office during the period and their beneficial interest in the ordinary shares of the Company were as follows:

	30 June 2020		30 June 2019	
	Number	% held	Number	% held
G Clarke (see note below)	19,832,743	2.93%	10,499,410	3.66%
N Harrison (see note below)	20,499,409	3.03%	8,832,743	3.08%
L Johnson	500,000	0.07%	-	-
D Edmonds	-	-	-	-
O Ilunga	-	-	-	-

Note: Westleigh Investments Holdings Limited (a company beneficially owned by Giles Clarke and Nick Harrison), holds 14,338,095 ordinary shares in addition to the personal holdings shown above.

**DIRECTORS' REPORT (continued)**

For the year ended 30 June 2020

**CAPITAL STRUCTURE**

Details of the issued share capital are shown in Note 19. The Company has one class of ordinary shares which carries no right to fixed income. Each share carries the right to one vote on a poll at general meetings of the Company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on the exercise of voting rights.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

With regard to the appointment and replacement of directors, the Company is governed by its Articles of Association, the Companies Acts and related legislation. The Articles themselves may be amended by special resolution of the shareholders.

**EVENTS AFTER THE REPORTING PERIOD**

Note 23 details the events after the reporting period.

**EMPLOYEES**

The Group is an equal opportunities employer.

**SUBSTANTIAL SHAREHOLDINGS**

As at 31 December 2020 the Board had been notified of the following disclosures in respect of shareholders with an interest in 3 per cent. or more of the issued share capital of the Company (based on a total number of shares in issue of 681,250,986):

	<b>Number of ordinary shares</b>	<b>% of ordinary share capital and voting rights</b>
Align Research	172,450,000	25.3%
Hargreaves Lansdown	40,861,055	6.0%
Tracarta	38,181,095	5.6%
Interactive Investors	34,043,750	5.0%
HSDL, Stockbrokers	29,758,537	4.4%
Mr R S Jennings & Mrs C A Jennings	26,750,000	3.9%
Dowgate Capital	23,302,904	3.4%

**STATEMENT OF DISCLOSURE TO INDEPENDENT AUDITORS**

Each of the persons who is a director at the date of approval of this report confirms that:

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

**INDEPENDENT AUDITOR**

PKF Littlejohn LLP have expressed their willingness to continue in office as auditor and will be proposed for reappointment at the next Annual General Meeting.

This report was approved by the board of Directors on 30 March 2021 and signed on its behalf by

**Larry Johnson**  
Director

## CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT

The Directors recognise the importance of sound corporate governance while taking into account the Group's size and stage of development.

With effect from 28 September 2018, new corporate governance regulations apply to all AIM quoted companies and require the Company to:

- provide details of a recognised corporate governance code that the board of directors has decided to apply
- explain how the Company complies with that code, and where it departs from its chosen corporate governance code provide an explanation of the reasons for doing so.

The corporate governance disclosures need to be reviewed annually, and the company is also required to state the date on which these disclosures were last reviewed. This Chairman's Corporate Governance Statement sets out how Kazera seeks to comply with these requirements.

The Directors acknowledge that they have overall responsibility for the Company's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and even the most effective system can provide only reasonable, and not absolute, assurance with respect to the preparation of financial information and the safeguarding of assets. The close involvement of the Directors in all decisions and actions undertaken by the Company is intended to ensure that the risks to the Company are minimised.

### Overview

As Chairman of the Board of Directors of Kazera Global plc (**Kazera, We**, or the **Company/Group** as the context requires), it is my responsibility to ensure that Kazera has both sound corporate governance and an effective Board. Kazera is an AIM listed investing company whose principal activity is as an investor in the resources and energy sectors. The Group is focused on projects located in Southern Africa but will also consider investments in other geographical regions.

Kazera's Board has adopted the principles of the Quoted Companies Alliance Corporate Governance Code 2018 Edition (**QCA Code**) in accordance with the London Stock Exchange's recent changes to the AIM Rules, requiring all AIM-listed companies to adopt and comply or explain non-compliance with a recognised corporate governance code. The QCA Code identifies ten principles to be followed in order for companies to deliver growth in long term shareholder value, encompassing an efficient, effective and dynamic management framework accompanied by communication to promote confidence and trust. This report follows the structure of these guidelines and explains how we have applied the guidance as well as disclosing any areas of non-compliance. We will provide annual updates on our compliance with the QCA Code. The Board considers that the Group complies with the QCA Code so far as it is practicable having regard to the size, nature and current stage of development of the Company, and will disclose any areas of non-compliance in the text below.

The sections below set out the ways in which the Group applies the ten principles of the QCA Code in support of the Group's medium to long-term success.

Key governance changes during the year include the formal adoption of the QCA Code.

### QCA Principles

#### 1. Establish a strategy and business model which promotes long-term value for shareholders

Kazera Global plc is an investment company focused on opportunities principally, but not exclusively in the resources and energy sectors. The Company's first investment is in African Tantalum, a Namibian based operation.

Kazera seeks to achieve shareholder return primarily via capital appreciation through the purchase and sale of securities and other direct investments in companies and projects primarily in, but not limited to, Africa within the mining and resource sectors (the "Target Sectors") including traditional direct investments in securities and similar financial instruments including any combination of the following:

- (a) equity securities (predominantly unlisted);
- (b) listed and unlisted debt securities that may be rated or not rated (bonds, debt instruments, convertible bonds and bonds with warrants, fund-linked notes with a capital guarantee, loan facilities etc.); and
- (c) hybrid instruments.

**CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (continued)****QCA Principles (continued)**

The Company may exploit a wide range of investment opportunities within the Target Sectors as they arise and, to this end, the Company has complete flexibility in selecting the specific investment and trading strategies that it sees fit in order to achieve its investment objective. In this regard, the Company may seek to gain Board representation and/or managerial control in its underlying investments if it deems to be the best way of generating value for Shareholders.

Opportunities will be chosen through a careful selection process which will appraise both the fundamental factors specific to the opportunity as well as wider economic considerations. Typical factors that will be considered are the strength of management, the quality of the asset base, the investment's scale and growth potential, the commodity price outlook, any geopolitical concerns, the underlying financial position, future working capital requirements as well as potential exit routes. Investments may be in the form of buy-outs, controlling positions (whether initially or as a result of additional or follow-on investments) or strategic minority investments.

There is no fixed limit on the number of projects or companies into which the Company may invest, nor the proportion of the Company's gross assets that any investment may represent at any time.

No material change will be made to the Company's investing policy without the approval of Shareholders.

Challenges to delivering strategy, long-term goals and capital appreciation are uncertain in relation to organisational, operational, financial and strategic risks, all of which are outlined in the Strategic Report on page 4, as well as steps the Board takes to protect the Company by mitigating these risks and secure a long-term future for the Company.

**2. Seek to understand and meet shareholder needs and expectations**

The Board recognises the importance of communication with its stakeholders and is committed to establishing constructive relationships with investors and potential investors in order to assist it in developing an understanding of the views of its shareholders.

Kazera also maintains a dialogue with shareholders through formal meetings such as the AGM, which provides an opportunity to meet, listen and present to shareholders, and shareholders are encouraged to attend in order to express their views on the Company's business activities and performance. Members who have queries regarding the Company's AGM can contact the Company's Registrars, Link Asset Services on the Shareholder helpline which is 9871 664 0300 or +44 (0)371 664 0300 if calling from outside the UK.

The Board welcomes feedback from key stakeholders and will take action where appropriate and the Chairman of the Board is the shareholder liaison, and meets shareholders regularly, and informs other directors of their views and suggestions. Analysts provide the Board with updates on the Company's business and how strategy is being implemented, as well as to hear views and expectations from shareholders. The views of the shareholders expressed during these meetings are reported to the Board, ensuring that all members of the Board are fully aware of the thoughts and opinions of shareholders.

As part of our commitment to shareholder engagement we have been seeking the views of shareholders through outreach campaigns and roadshows. The Company maintains effective contact with its principal shareholders and welcomes communications from its private investors. The Company's Financial PR contact details are listed on the website where a contact form is also included.

The Company also has a social media account (Twitter) through which the Company maintains a dialogue with shareholders and interested parties.

Information on the Investor Relations section of the Company's website is kept updated and contains details of relevant developments, Annual and Interim Results, Regulatory News Service announcements, presentations and other key information.

**3. Take into account wider stakeholder and social responsibilities and their implications for long-term success**

The Board recognises that the long-term success of the Company is reliant upon the efforts of employees, regulators and many other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships. The Company prepares and updates its strategic plan regularly together with a detailed rolling budget and financial projections which consider a wide range of key resources including staffing, consultants and utility providers.

The Board is kept updated on questions / issues raised by stakeholders and incorporates information and feedback into future decision making.

**CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (continued)****QCA Principles (continued)**

Kazera fully abides by the provisions of the 2015 Modern Slavery Act. In accordance with its Code of Business Conduct and Ethics, Kazera opposes the crime of slavery in all of its forms, including child labour, servitude, forced or compulsory labour and human trafficking. Employee feedback is not relevant at present given retrenchment and realignment of activities.

All employees within the Group are valued members of the team, and the Board seeks to implement provisions to retain and incentivise all its employees. The Group offers equal opportunities regardless of race, gender, gender identity or reassignment, age, disability, religion or sexual orientation. The directors are in constant contact with employees and seek to provide continual opportunities in which issues can be raised allowing for the provision of feedback. This feedback process helps to ensure that new issues and opportunities that arise may be used to further the success of the Company. Share options and other equity incentives are offered to employees. Kazera complies fully with all Namibian employment legislation.

**4. Embed effective risk management, considering both opportunities and threats, throughout the organisation**

The Board recognises the need for an effective and well-defined risk management process and it oversees and regularly reviews the current risk management and internal control mechanisms.

The Board regularly reviews the risks facing the Company as detailed in the Strategic Report on page 4 and seeks to exploit, avoid or mitigate those risks as appropriate. The Board is responsible for the monitoring of financial performance against budget and forecast and the formulation of the Company's risk appetite including the identification, assessment and monitoring of Kazera's principal risks. Additionally, the Board reviews the mechanisms of internal control and risk management it has implemented on an annual basis and assesses both for effectiveness.

On the wider aspects of internal control, relating to operational and compliance controls and risk management, the Board, in setting the control environment, identifies, reviews, and regularly reports on the key areas of business risk facing the Group.

The Group Board and subsidiary Boards maintain close day to day involvement in all of the Group's activities which enables control to be achieved and maintained. This includes the comprehensive review of both management and technical reports, the monitoring of interest rates, environmental considerations, government and fiscal policy issues, employment and information technology requirements and cash control procedures. In this way, the key risk areas can be monitored effectively, and specialist expertise applied in a timely and productive manner.

The effectiveness of the Group's system of internal financial controls, for the year to 30 June 2020 and for the period to the date of approval of the financial statements, has been reviewed by the Directors. Whilst they are aware that although no system can provide for absolute assurance against material misstatement or loss, they are satisfied that effective controls are in place.

**5. Maintain the Board as a well-functioning, balanced team led by the Chair**

The Board recognises the QCA recommendation for a balance between Executive and Non-Executive Directors and the recommendation that there be at least two Independent Non-Executives. The Board currently comprises of three Executive Director and two Non-Executive Directors. The Board will take this into account when considering future appointments. However, all Directors are encouraged to use their judgement and to challenge matters, whether strategic or operational, enabling the Board to discharge its duties and responsibilities effectively. The Board maintains that the Board's composition will be frequently reviewed as the Company develops, however, as the Company is small the current Board reflects this and it is not deemed appropriate to have audit, remuneration or nominations committees. For the moment, the responsibilities which would normally be assumed by the Nominations committee are assumed by the Board as a whole and the responsibilities of the Audit and Remuneration committees are assumed by the two Non-Executive Directors in specific sessions of the Board.

The Group is controlled and led by the Board of Directors with an established schedule of matters reserved for their specific approval. The Board meets regularly throughout the year and is responsible for the overall Group strategy, acquisition and divestment policy, approval of major capital expenditure and consideration of significant financial matters. It reviews the strategic direction of the Company and its individual subsidiaries, their annual budgets, their progress towards achievement of these budgets and their capital expenditure programmes.

The role of the Chairman is to supervise the Board and to ensure its effective control of the business, and that of the Chief Executive is to manage the Group on the Board's behalf. All Board members have access, at all times, to sufficient information about the business, to enable them to fully discharge their duties. Also, procedures exist covering the circumstances under which the Directors may need to obtain independent professional advice.

**CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (continued)****QCA Principles (continued)**

The Board meets regularly and is responsible for formulating, reviewing and approving the Group's strategy, budgets, performance, major capital expenditure and corporate actions. Detailed biographies of the Board members can be found on the website and in the Directors' Report on page 6. Giles Clarke was independent on appointment as Chairman and Nick Harrison was independent on appointment. The Board has subsequently changed with the appointments of D Edmunds and O Ilunga. The external time commitments are reported upon in the director's biographies.

Throughout the year, there have been four Board meetings, with all Directors in attendance. The Directors of the Company are committed to sound governance of the business and each devotes enough time to ensure this happens.

**Directors' conflict of interest**

The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

**6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities**

The Company believes that the current balance of skills in the Board as a whole reflects a very broad range of personal, commercial and professional skills, and notes the range of financial and managerial skills. The Non-Executive Director maintains ongoing communications with Executives between formal Board meetings.

Biographical details of the Directors can be found on the Company's website and in the Directors' Report on page 6 of this report.

Brian James is the Company Secretary and helps Kazera comply with all applicable rules, regulations and obligations governing its operation. The Company's NOMAD assists with AIM matters and ensures that all Directors are aware of their responsibilities. The company can also draw on the advice of its solicitors.

The Directors have access to the Company's NOMAD, Company Secretary, lawyers and auditors as and when required and are able to obtain advice from other external bodies when necessary. If required, the Directors are entitled to take independent legal advice and if the Board is informed in advance, the cost of the advice will be reimbursed by the Company.

Board composition is always a factor for consideration in relation to succession planning. The Board will seek to consider any Board imbalances for future nominations, with areas considered including board independence and gender balance. The Group considers however that at this stage of its development and given the current size of its Board, it is not necessary to establish a formal Nominations Committee. Instead, the appointments to the Board are made by the Board as a whole and this position is reviewed on a regular basis by the Board.

**7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement**

The Directors consider that the Company and Board are not yet of a sufficient size for a full Board evaluation to make commercial and practical sense. In the frequent Board meetings/calls, the Directors can discuss any areas where they feel a change would benefit the Company, and the Company Secretary remains on hand to provide impartial advice. As the Company grows, it expects to expand the Board and with the Board expansion, re-consider the need for Board evaluation.

The Board continues to conduct internal and external Board evaluations which consider the balance of skills, experience, independence and knowledge of the Company. The evaluation process, the Board refreshment, use of third-party search companies and succession planning elements are discussed.

The Board evaluation of the CEO's performance is carried out on an annual basis. Given the level of activity and size of the Company, no other evaluation is seen as appropriate.

In view of the size of the Board, the responsibility for proposing and considering candidates for appointment to the Board as well as succession planning is retained by the Board. All Directors submit themselves for re-election at the AGM at regular intervals.

**8. Promote a corporate culture that is based on ethical values and behaviours**

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders, and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board.

Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives.

**CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (continued)****QCA Principles (continued)**

The Board places great importance on the responsibility of accurate financial statements and auditing standards comply with Auditing Practice Board's (APB's) and Ethical Standards for Auditors. The Board places great importance on accuracy and honest, and seeks to ensure that this aspect of corporate life flows through all that the Company does.

A large part of the Company's activities is centred upon an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Directors consider that the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. Whilst the Company has a small number of employees, the Board maintains that as the company grows it intends to maintain and develop strong processes which promote ethical values and behaviours across all hierarchies.

The Board has adopted an anti-corruption and bribery policy (**Bribery Policy**). The Bribery Policy applies to all Directors and employees of the Group, and sets out their responsibilities in observing and upholding a zero-tolerance position on bribery and corruption, as well as providing guidance to those working for the Company on how to recognise and deal with bribery and corruption issues and the potential consequences.

The Board complies with Rule 21 of the AIM Rules for Companies relating to dealings in the Company's securities by the Directors and other Applicable Employees. To this end, the Company has adopted a code for Directors' dealings appropriate for a company whose shares are admitted to trading on AIM and takes all reasonable steps to ensure compliance by the Directors and any relevant employees.

**9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board**

The Board is committed to, and ultimately responsible for, high standards of corporate governance. The Board reviews the Company's corporate governance arrangements regularly and expect to evolve this over time, in line with the Company's growth. The Board delegates responsibilities to Committees and individuals as it sees fit.

The Chairman's principal responsibilities are to ensure that the Company and its Board are acting in the best interests of shareholders. His leadership of the Board is undertaken in a manner which ensures that the Board retains integrity and effectiveness, and includes creating the right Board dynamic and ensuring that all important matters, in particular strategic decisions, receive adequate time and attention at Board meetings.

The Chairman of Kazera is the key contact for shareholder liaison and all other stakeholders. Executive Directors are responsible for the general day-to-day running of the business and developing corporate strategy.

The CEO has, through powers delegated by the Board, the responsibility for leadership of the management team in the execution of the Group's strategies and policies and for the day-to-day management of the business. He is responsible for the general day-to-day running of the business and developing corporate strategy while the Non-Executive Director is tasked with constructively challenging the decisions of executive management and satisfying themselves that the systems of business risk management and internal financial controls are robust.

All Directors participate in the key areas of decision-making, including the following matters:

- Strategy
- Budgets
- Performance
- Major Capital Expenditure
- Corporate Actions

The Board would normally delegate authority to a number of specific Committees to assist in meeting its business objectives, and the Committees, comprising of at least two independent Non-Executive Directors, would meet independently of Board meetings.

However, the current Board structure does not permit this, and the Directors will seek to take this into account when considering future appointments. As a result, matters that would normally be referred to the Nominations and AIM rules compliance committees are dealt with by the Board as a whole. Matters that would normally be referred to the Audit and Remuneration committees are dealt with by the two Non-Executive directors, Giles Clarke and Nick Harrison, in specific sessions, usually with the CEO in attendance by invitation.

The Chairman and the Board continue to monitor and evolve the Company's corporate governance structures and processes, and maintain that these will evolve over time, in line with the Company's growth and development.

**CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (continued)**

**QCA Principles (continued)**

**10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**

The Board is committed to maintaining effective communication and having constructive dialogue with its stakeholders. The Company intends to have ongoing relationships with both its private and institutional shareholders (through meetings and presentations), and for them to have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. The Board already discloses the result of General Meetings by way of announcement and discloses the proxy voting numbers to those attending the meetings. In order to improve transparency, the Board has committed to publishing proxy voting results on its website in the future.

The Company communicates with shareholders through the Annual Report and Accounts, full-year and half-year results announcements and the Annual General Meeting (AGM). Information on the Investor Relations section of the Group's website is kept updated and contains details of relevant developments, regulatory announcements, financial reports and shareholder circulars. A range of corporate information (including all Company announcements and presentations) is also available to shareholders, investors and the public on the Company's corporate website.

A detailed description of the Board Committees can be found on the [CSR page](#) of the website.

Shareholders with a specific enquiry can contact us on the website contact page. The Company uses electronic communications with shareholders in order to maximise efficiency.

**Giles Clarke**  
**Chairman**

30 March 2021

**DIRECTORS' REPORT ON REMUNERATION**

For the year ended 30 June 2020

**REMUNERATION**

The remuneration of the Directors is set by the Board as a whole and is reviewed annually. They are remunerated by a fixed fee for their duties as Directors, but it is anticipated that additional payments may be made where as a result of the Company's activities the time to be spent by the Directors on the affairs of the Company are greater than envisaged by the fixed fee.

The Company does not provide a pension scheme for employees or Directors and does not contribute to plans established by them.

**DIRECTOR'S SERVICE CONTRACTS**

The Directors have letters of appointment which commence from their date of appointment and will continue unless terminated in accordance with the terms of the letter.

**DIRECTORS REMUNERATION**

Directors' emoluments for the year are as follows:

	Fees £'000	Other benefits £'000	Year ended 30 June 2020 £'000	Year ended 30 June 2019 £'000
G Clarke	50	-	50	50
N Harrison	40	-	40	40
D Edmonds	6	-	6	-
L Johnson	140	-	140	135
O Ilunga	-	-	-	-
	<b>236</b>	<b>-</b>	<b>236</b>	<b>225</b>

Details of the share options and warrants held by Directors are shown below:

	Number outstanding at 30 June 2019	Number outstanding at 30 June 2020
L Johnson	10,000,000	15,000,000
G Clarke	-	13,333,333
N Harrison	-	13,333,333
D Edmonds	-	10,000,000
O Ilunga	-	-
	10,000,000	51,666,666

This report was approved by the board of Directors on 30 March 2021 and signed on its behalf by

**Giles Clarke**  
Director

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**For the year ended 30 June 2020**

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors are required to prepare the Group and Parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Company is compliant with AIM Rule 26 regarding the Company's website.

**Giles Clarke**  
**Director**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KAZERA GLOBAL PLC****Opinion**

We have audited the financial statements of Kazera Global Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2020 which comprise: the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statements of Changes in Equity, the Consolidated Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2020 and of the group's and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Our application of materiality**

We apply the concept of materiality in both planning and performing the audit, and in evaluating the effect of misstatements. At the planning stage, materiality is used to determine the financial statements areas that are included within the scope of the audit and the extent of the sample sizes during the audit.

The materiality applied to the group financial statements was £124,000 (2019: £100,000), based on a percentage of gross assets, as it is from these assets that the group seeks to deliver returns for shareholders. There are no changes to the percentage applied in the current year in comparison to the prior year. Performance materiality has been set to 70% of headline materiality, and the threshold for which we communicate errors to management has been agreed at 5% as well as differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

Materiality for the Company Financial Statement was set at £108,000 (2019: £67,000), based on a percentage of gross assets.

Materiality has been reassessed during the fieldwork and closing stages of the audit, taking into consideration new information, which arose. No alterations were made to materiality either during or at the conclusion of the audit.

**An overview of the scope of our audit**

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at the areas including significant accounting estimates and judgements by the directors' and considered future events that are inherently uncertain in respect of the carrying value of the mines under construction and the acquisition of Deep Blue Minerals (Pty) Limited. We addressed the risk of material misstatement through management override of controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

At the year end, the group consisted of four entities, which are the UK parent and four subsidiary entities located in Namibia. The Namibian subsidiaries are audited by local auditors, operating under our instruction. The Senior Statutory Auditor interacted regularly with the component audit team during all stages of the audit and was responsible for the scope and direction of the audit process. This, in conjunction with the additional procedures performed in respect of the classification and carrying value of the assets held by the group, provided us with sufficient appropriate evidence for our opinion on the group.

**INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS OF KAZERA GLOBAL PLC (continued)**

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the key audit matter
<p><b>Carrying value of mines under construction</b></p> <p>This represents the most material balance within the financial statements and represents the key source of value for the group and from where it will generate its future revenues (Note 10).</p> <p>Given events during the period and the fact that production has not yet commenced there is the risk that the value of the mine is impaired.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>▪ A review of the costs capitalised, and additions made to mine under construction assets during the fiscal year. This is to ensure that transactions flowing through the development asset are properly accounted for in accordance to applicable financial reporting standard;</li> <li>▪ Obtaining Management’s impairment assessments in relation to the mine under construction asset. Reviewing their assessment for reasonableness and considering whether any of the IAS 36 impairment indicators have been met;</li> <li>▪ A review of the component auditors working papers through assessing the substantive testing performed on additions made during the year and tracing an appropriate sample to supporting document to ensure that capitalisations are properly accounted for under IAS 36;</li> <li>▪ Ensuring valid relevant licenses are held and consider potential impairment if any license have expired.</li> </ul>
<p><b>Acquisition of Deep Blue Minerals (Pty) Limited (Company Only)</b></p> <p>This was a material transaction during the year and is key to the Group as it seeks to generate revenues from this operation in the short term. Given the size of the transaction during the year and the short-term impact it will have on Group cash generation the acquisition was considered to be a key audit matter. (Note 12).</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>▪ Reconciling the consideration paid included in the SPA to the business combination workings;</li> <li>▪ Obtain and review ownership documents and financial information (i.e., audited financial statements) of the entity acquired to ensure the existence of the Company and to understand the business of the entity acquired;</li> <li>▪ Inquire and discuss with the management the rationale behind the acquisition. Obtain supporting documents like agreements and due diligence documents (if any);</li> <li>▪ Review of the business combination note and ensuring this is disclosed and accounted for in line with IFRS 3 requirements;</li> <li>▪ Review of the consolidation workings and ensuring the records of Deep Blue Minerals (Pty) Limited have been correctly recorded under IFRS 10 requirements</li> </ul>

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KAZERA GLOBAL PLC (continued)****Other information**

The other information comprises the information included in the annual report<sup>1</sup>, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KAZERA GLOBAL PLC (continued)**

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Joseph Archer (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**

15 Westferry Circus  
Canary Wharf  
London

**30 March 2021**

## GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Notes	Year ended 30 June 2020 £'000	Year ended 30 June 2019 £'000
<b>Continuing operations</b>			
Pre-production expenses		(290)	(469)
Administrative expenses		(733)	(883)
Other operating income		3	12
<b>Operating loss and loss before tax</b>	<b>5</b>	<b>(1,020)</b>	<b>(1,340)</b>
Taxation	<b>8</b>	-	-
<b>Loss for the year</b>		<b>(1,020)</b>	<b>(1,340)</b>
Loss attributable to owners of the Company		(769)	(1,049)
Loss attributable to non-controlling interests		(251)	(291)
		<b>(1,020)</b>	<b>(1,340)</b>
<b>Other comprehensive income:</b>			
Items that may be subsequently reclassified to profit and loss:			
Exchange differences on translation of foreign operations		90	56
<b>Total comprehensive loss for the year attributable to</b>			
The equity holders of the parent		(679)	(993)
The non-controlling interests		(251)	(291)
		<b>(930)</b>	<b>(1,284)</b>
<b>Earnings per share attributable to owners of the Company</b>			
From continuing operations:			
Basic and diluted (pence)	<b>9</b>	<b>(0.21) p</b>	(0.39) p

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent Company profit and loss account. The loss for the Parent Company for the year was £57,846 (2019: £83,007 profit).

The accounting policies and notes are an integral part of these financial statements.

## GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION

As at 30 June 2020

	Notes	GROUP		COMPANY	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Non-Current assets</b>					
Mines under construction	10	2,817	2,412	-	-
Property, plant and equipment	11	635	709	-	-
Investment in subsidiaries	12	-	-	3,114	2,207
Long-term loan	15	-	-	6,831	5,984
		<b>3,452</b>	<b>3,121</b>	<b>9,945</b>	<b>8,191</b>
<b>Current assets</b>					
Trade and other receivables	16	189	63	112	19
Cash and cash equivalents	17	425	421	401	363
		<b>614</b>	<b>484</b>	<b>513</b>	<b>382</b>
<b>Current liabilities</b>					
Trade and other payables	18	224	64	79	43
		<b>224</b>	<b>64</b>	<b>79</b>	<b>43</b>
<b>Net current assets</b>		<b>390</b>	<b>420</b>	<b>434</b>	<b>339</b>
<b>Net assets</b>		<b>3,842</b>	<b>3,541</b>	<b>10,379</b>	<b>8,530</b>
<b>Equity</b>					
Share capital	19	3,255	2,866	3,255	2,866
Share premium account	19	15,711	14,307	15,711	14,307
Capital redemption reserve		2,077	2,077	2,077	2,077
Share option reserve	20	165	51	165	51
Currency translation reserve		(584)	(34)	-	-
Retained earnings		(16,771)	(14,552)	(10,829)	(10,771)
Equity attributable to owners of the Company		<b>3,853</b>	<b>4,715</b>	<b>10,379</b>	<b>8,530</b>
Non-controlling interests		(11)	(1,174)	-	-
<b>Total equity</b>		<b>3,842</b>	<b>3,541</b>	<b>10,379</b>	<b>8,530</b>

These financial statements were approved by the Board of Directors on 30 March 2021.

Signed on behalf of the Board by

Larry Johnson  
Director  
Company number: 05697574

The accounting policies and notes form an integral part of these financial statements.

## GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share option reserve £'000	Currency translation reserve £'000	Retained earnings £'000	Equity shareholders' funds £'000	Non- controlling interests £'000	Total £'000
<b>Balance at 30 June 2018</b>	<b>2,568</b>	<b>14,131</b>	<b>2,077</b>	<b>-</b>	<b>(90)</b>	<b>(13,503)</b>	<b>5,183</b>	<b>(883)</b>	<b>4,300</b>
Comprehensive income for the year	-	-	-	-	-	(1,049)	(1,049)	(291)	(1,340)
Other comprehensive income	-	-	-	-	56	-	56	-	56
Total comprehensive expense	-	-	-	-	56	(1,049)	(993)	(291)	(1,284)
Issue of share capital, net of share issue costs	298	176	-	-	-	-	474	-	474
Share based payment expense	-	-	-	51	-	-	51	-	51
<b>Balance at 30 June 2019</b>	<b>2,866</b>	<b>14,307</b>	<b>2,077</b>	<b>51</b>	<b>(34)</b>	<b>(14,552)</b>	<b>4,715</b>	<b>(1,174)</b>	<b>3,541</b>
Comprehensive income for the year	-	-	-	-	-	(769)	(769)	(251)	(1,020)
Other comprehensive income	-	-	-	-	90	-	90	-	90
Total comprehensive expense	-	-	-	-	90	(769)	(679)	(251)	(930)
Non-controlling interest on acquisition of a subsidiary	-	-	-	-	-	-	-	(10)	(10)
Transactions with Non-controlling interest	-	-	-	-	-	(1,450)	(1,450)	1,424	(26)
Movement in reserves	-	-	-	-	(640)	-	(640)	-	(640)
Issue of share capital, net of share issue costs	389	1,404	-	-	-	-	1,793	-	1,793
Share based payment expense	-	-	-	114	-	-	114	-	114
<b>Balance at 30 June 2020</b>	<b>3,255</b>	<b>15,711</b>	<b>2,077</b>	<b>165</b>	<b>(584)</b>	<b>(16,771)</b>	<b>3,853</b>	<b>(11)</b>	<b>3,842</b>

The accounting policies and notes form an integral part of these financial statements.

## COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share option reserve £'000	Retained earnings £'000	Total £'000
<b>Balance at 30 June 2018</b>	<b>2,568</b>	<b>14,131</b>	<b>2,077</b>	<b>-</b>	<b>(10,854)</b>	<b>7,922</b>
Total comprehensive income for the year	-	-	-	-	83	83
Issue of share capital, net of share issue costs	298	176	-	-	-	504
Share based payment expense	-	-	-	51	-	51
<b>Balance at 30 June 2019</b>	<b>2,866</b>	<b>14,307</b>	<b>2,077</b>	<b>51</b>	<b>(10,771)</b>	<b>8,530</b>
Total comprehensive income for the year	-	-	-	-	(58)	(58)
Issue of share capital, net of share issue costs	389	1,404	-	-	-	1,793
Share based payment expense	-	-	-	114	-	114
<b>Balance at 30 June 2020</b>	<b>3,255</b>	<b>15,711</b>	<b>2,077</b>	<b>165</b>	<b>(10,829)</b>	<b>10,379</b>

The accounting policies and notes form an integral part of these financial statements.

## GROUP AND COMPANY STATEMENTS OF CASH FLOWS

For the year ended 30 June 2020

	GROUP		COMPANY	
	Year ended 30 June 2020 £'000	Year ended 30 June 2019 £'000	Year ended 30 June 2020 £'000	Year ended 30 June 2019 £'000
<b>OPERATING ACTIVITIES</b>				
Operating loss	(1,020)	(1,340)	(58)	83
Depreciation and amortisation	85	202	-	-
Share based payment expense	114	51	114	51
Shares issued in settlement of fees	18	3	18	3
Foreign exchange	(547)	-	(16)	-
Intercompany loan interest	-	-	(630)	(653)
<b>Operating cash flows before movement in working capital</b>	<b>(1,350)</b>	<b>(1,084)</b>	<b>(572)</b>	<b>(516)</b>
(Increase)/decrease in receivables	(126)	160	(93)	18
Increase/decrease in payables	162	(144)	35	(5)
<b>Net cash used in operating activities</b>	<b>(1,314)</b>	<b>(1,068)</b>	<b>(630)</b>	<b>(503)</b>
<b>INVESTING ACTIVITIES</b>				
Purchases of property, plant and equipment	(70)	(141)	-	-
Development costs	(405)	-	-	-
Purchase of subsidiary undertaking	-	-	(907)	-
Advances to subsidiary undertakings	-	-	(218)	(515)
<b>Net cash used in investing activities</b>	<b>(475)</b>	<b>(141)</b>	<b>(1,125)</b>	<b>(515)</b>
<b>FINANCING ACTIVITIES</b>				
Net proceeds from share issues	1,793	474	1,793	474
<b>Net cash from financing activities</b>	<b>1,793</b>	<b>474</b>	<b>1,793</b>	<b>474</b>
Net increase in cash and cash equivalents	4	(735)	38	(544)
Exchange rate translation adjustment	-	31	-	-
Cash and cash equivalents at beginning of year	421	1,125	363	907
<b>Cash and cash equivalents at end of year</b>	<b>425</b>	<b>421</b>	<b>401</b>	<b>363</b>

The accounting policies and notes are an integral part of these financial statements.

**NOTES TO THE GROUP FINANCIAL STATEMENTS**

For the year ended 30 June 2020

**1 GENERAL INFORMATION**

Kazera Global Plc is a public limited company which is listed on the Alternative Investment Market (AIM) and incorporated and domiciled in the United Kingdom. The nature of the Group's operations and its principal activities are set out in the Strategic Report and the Directors' Report.

**2 ACCOUNTING POLICIES****BASIS OF PREPARATION**

These consolidated financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations (IFRS IC) as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings.

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 accounting policies. The 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 3.

The financial statements are presented in pounds sterling (£'000), which is also the functional currency of the Company.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**GOING CONCERN**

The financial statements have been prepared on the going concern basis.

In considering the adoption of the going concern basis for accounting management have considered various scenarios including a scenario in which all potential investment is received and planned activity performed and also a worst-case scenario wherein said funding does not materialize and the Group manages with the funds available to it including those generated from its mining activities.

The Group's South African diamond interest are now generating revenues. The Directors forecast that future revenue, along with existing available cash resources, will be sufficient to cover operating cash outflows for a period of 12 months from the date of approval of these financial statements, Future revenues will be dependent upon the Company's ability to extract diamonds in line with their forecasts and these to be sold through the auction process in South Africa, at budgeted pricing.

Should the Group be unable to continue trading, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities which might arise and to classify fixed assets as current.

**NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED BY THE GROUP**

The following IFRS or IFRIC interpretations were effective for the first time for the financial year beginning 1 July 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

<b>Standards /interpretations</b>	<b>Application</b>
IAS 1 & IAS 8 amendments	Definition of Material
IFRS 3 amendments	Business Combinations
Amendments to IFRS 9, IAS 39 & IFRS 17	Interest Rate Benchmark Reform
N/A	Amendments to References to the Conceptual Framework in IFRS Standards

**NOTES TO THE GROUP FINANCIAL STATEMENTS**

For the year ended 30 June 2020

**NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ADOPTED BY THE GROUP**

<b>Standards /interpretations</b>	<b>Application</b>
IAS 1 amendments	Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current and Classification of Liabilities as Current or Non-current – Deferral of Effective Date: Effective 1 January 2023
IFRS 3 amendments	Business Combinations – Reference to the Conceptual Framework: Effective 1 January 2022*
IAS 16 amendments	Property, Plant and Equipment: Effective 1 January 2022*
IAS 37 amendments	Provisions, Contingent Liabilities and Contingent Assets: Effective 1 January 2022*
N/A	Annual Improvements to IFRS Standards 2018-2020 Cycle: Effective 1 January 2022*

There are no IFRS's or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company or Group.

**BASIS OF CONSOLIDATION**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the subsidiary and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the subsidiary on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of subsidiary's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

**FOREIGN CURRENCIES**

The individual financial statements of each group company are presented in Namibian Dollars, which is the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the Group financial statements, the results and financial position of each group company are expressed in Pounds Sterling, which is the functional currency of the Company, and the presentation currency for the Group financial statements. The

In preparing the financial statement of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each year end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the year end date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period, except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

**NOTES TO THE GROUP FINANCIAL STATEMENTS****For the year ended 30 June 2020****FOREIGN CURRENCIES (continued)**

For the purpose of presenting Group financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the year end date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

**TAXATION**

The tax currently payable is based on taxable profit or loss for the period. Taxable profit or loss differs from net profit or loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**INTANGIBLE ASSETS – EXPLORATION AND EVALUATION EXPENDITURE**

Exploration and evaluation activity involve the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Research expenditure is written off in the year in which it is incurred. The Group recognises expenditure as exploration and evaluation assets when it determines that the legal rights to said assets have been obtained. Costs incurred which relate wholly to exploration work only, are expensed through the statement of comprehensive income. When a decision is taken that a mining property becomes viable for commercial production, all further pre-production expenditure is capitalised. Expenditure included in the initial measurement of exploration and evaluation assets and which is classified as intangible assets, relates to the acquisition of rights to undertake topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and other activities to evaluate the technical feasibility and commercial viability of extracting a mineral source.

**MINES UNDER CONSTRUCTION**

Expenditure is transferred from "Exploration and evaluation" assets to mining rights within "Mines under construction" once the work completed to date supports the future development of the property and such development receives the requisite approvals. All subsequent expenditure on technically and commercially feasible sites is capitalised within mining rights. All expenditure on the construction, installation or completion of infrastructure facilities is capitalised as construction in progress within "Mines under construction". Once production starts, all assets included in "Mines under construction" will be transferred into "Property, Plant and Equipment" or "Producing Mines. It is at this point that depreciation/amortisation commences over its useful economic life.

Mines under construction are stated at cost. The initial cost comprises transferred exploration and evaluation assets, construction costs, infrastructure facilities, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and, for qualifying assets, borrowing costs. Costs are capitalised and categorised between mining rights and construction in progress respectively according to whether they are intangible or tangible in nature.

## NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2020

### PROPERTY, PLANT AND EQUIPMENT

Property, Plant and equipment are recorded at cost, less depreciation, less any amount of adjustments for impairment, if any. Significant improvements are capitalised, provided they qualify for recognition as assets. The costs of maintenance, repairs and minor improvements are expensed when incurred.

Tangible assets, retired or withdrawn from service, are removed from the balance sheet together with the related accumulated depreciation. Any profit or loss resulting from such an operation is included in the income statement.

Tangible and intangible assets are depreciated on the straight-line method based on their estimated useful lives from the time they are put into operation, so that their net cost is diminished over the lifetime of consideration to estimated residual value as follows:

Land and buildings – Over 20 years

Plant and equipment– Between 5 and 10 years

### IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS EXCLUDING GOODWILL

Assets that have an indefinite useful life are not subject to amortisation but are reviewed for impairment annually and where there are indications that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the carrying value exceeds the recoverable amount.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at bank and in hand, deposits at call with banks, other short-term highly liquid investments with original maturity at acquisition of three months or less that are readily convertible to cash, net of bank overdrafts. For the purpose of the cash flow statement, cash and cash equivalents consist of the definition outlined above.

### EQUITY INSTRUMENTS INCLUDING SHARE CAPITAL

Equity instruments consist of the Company's ordinary share capital and are recorded at the proceeds received, net of direct issue costs.

### FINANCIAL INSTRUMENTS – INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

#### Classification

The Group classifies its financial assets into only one category, being those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

#### Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### Measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

#### Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

#### Impairment

The Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2020

### FINANCIAL LIABILITIES

All non-derivative financial liabilities are classified as other financial liabilities and are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Other financial liabilities consist of borrowings and trade and other payables.

Financial liabilities 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.

### OTHER FINANCIAL LIABILITIES, BANK AND SHORT-TERM BORROWINGS

Other financial liabilities, as categorised above, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. Other financial liabilities 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.

### REVENUE

Revenues from the sale of tantalite ore produced as a by-product of the evaluation or "testing" phase are offset against the cost of the intangible asset that is being created. This can be seen by reference to Note 10, Mines Under Construction.

### SEGMENTAL ANALYSIS

Under IFRS 8 operating segments are considered to be components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Board of Directors. At present, and for the period under review, the Company's sole reporting segment is the tantalite mining operation in Namibia.

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATIONS

In the application of the Group's accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

### Valuation of options

The valuation of the options involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in Note 20. The estimates and assumptions could materially affect the Income Statement.

### Estimated impairment of mines under construction (Note 10)

The Group tests annually whether its mines under construction have suffered any impairment and management make judgements in this respect. The judgements are based on the recoverable amounts of cash generating units ("CGUs") which are determined based on value in use calculations which require the use estimates and assumptions such as long-term commodity prices and recovery rates, discount rates, operating costs and therefore expected margins and future capital requirements. These estimates and assumptions are subject to risk and uncertainty and therefore there is a possibility that changes in circumstances will impact the recoverable amount.

In assessing the carrying amounts of its mines under construction, the Directors have conducted a feasibility study in conjunction with an independently prepared mineral resource estimate. The period used in management's assessment is the anticipated life of the mine to the expiration of the licence. A discount rate of 15% has been applied. The mineral resource report concluded on an inferred 297,600 tonnes of tantalum pentoxide within the White City Tantalum Mineral Resource Area. These estimates are consistent with external sources of information. The three principal variables in the Company's forecasts are as follows: resources, pricing and operational efficiency. In reviewing sensitivities, the following should be considered: a further 622,200 tonnes of lithium and tantalite resources have been identified at Purple Haze and Homestead in addition to the resources at White City, the Company's financial forecasts assume a 65% operational efficiency and resources are forecast to be sold on long term contracts to end users reducing commodity risk.

## NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2020

## CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATIONS (continued)

## Investment in subsidiaries

The investments in subsidiaries are recognised at cost less accumulated impairments. Details of the investments are listed in Note 12.

Upon acquisition, the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, is recognised under mines under construction.

Any potential impairments to the investments in subsidiaries are measured in line with the impairment of mines under construction in the paragraph above.

## 4 SEGMENTAL REPORTING

The Directors are of the opinion that under IFRS 8 – Operating Segments the Group operates in three primary business segments; being holding company expenses, tantalite mining and diamond mining activities. The secondary segment is geographic. The Group's losses and net assets by primary business segments are shown below.

## Segmentation by continuing business

	Year ended 30 June 2020	Year ended 30 June 2019
	£'000	£'000
<b>Profit/ (loss) before income tax</b>		
Holding company	(58)	83
Tantalite mining activity	(953)	(1,423)
Diamond mining activity	(9)	-
	<b>(1,020)</b>	<b>(1,340)</b>

	Year ended 30 June 2020	Year ended 30 June 2019
	£'000	£'000
<b>Net assets /(liabilities)</b>		
Holding company	10,379	8,530
Tantalite mining activity	(6,433)	3,029
Diamond mining activity	(104)	-

## Segmentation by geographical area

	Year ended 30 June 2020	Year ended 30 June 2019
	£'000	£'000
<b>Loss before income tax</b>		
United Kingdom	(58)	83
Namibia	(953)	(1,423)
South Africa	(9)	-
	<b>(1,020)</b>	<b>(1,340)</b>

	Year ended 30 June 2020	Year ended 30 June 2019
	£'000	£'000
<b>Net assets /(liabilities)</b>		
United Kingdom	10,379	8,530
Namibia	(6,433)	3,029
South Africa	(104)	-

## NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2020

## 5 OPERATING LOSS

	Year ended 30 June 2020 £'000	Year ended 30 June 2019 £'000
Loss for the period has been arrived at after charging:		
Staff costs as per Note 7 below	410	470
Auditors remuneration	35	28
Depreciation of property, plant and equipment	85	202

## 6 AUDITORS' REMUNERATION

The analysis of auditors' remuneration is as follows:

	Year ended 30 June 2020 £'000	Year ended 30 June 2019 £'000
Fees payable to the Group's auditors for the audit of the Group's annual accounts	32	25
Total audit fees	32	25
Fees payable to the Group auditor and their associates for other services to the Group:		
Tax services	3	3
	<b>35</b>	<b>28</b>

## 7 STAFF COSTS

The average monthly number of employees (including executive directors) for the continuing operations was:

	Year ended 30 June 2020 Number	Year ended 30 June 2019 Number
Group total staff	8	32

  

	£'000	£'000
Wages and salaries	279	380
Share based payment in respect of exercise of options	114	54
Other benefits	5	5
Social security costs	12	31
	<b>410</b>	<b>470</b>

## DIRECTORS' EMOLUMENTS

An analysis of the directors' emoluments and pension entitlements and their interest in the share capital of the Company is contained in the Directors' Remuneration report accompanying these financial statements. All emoluments are short term in nature and the Directors are considered to key management.

## NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2020

## 8 TAXATION

The weighted average applicable tax rate of 28.25% (2019: 28.25%) is a combination of the rates used in the UK and Namibia.

	Year ended 30 June 2020 £'000	Year ended 30 June 2019 £'000
Loss on continuing operations before tax	(1,020)	(1,340)
Tax at the weighted average tax rate of 28.25% (2019: 28.25%)	(288)	(379)
Effects of:		
Expenses not deductible for tax purposes	1	5
Unutilised tax losses carried forward	287	374
Tax charge for period	-	-

The taxation charge in future periods will be affected by any changes to the corporation tax rates in force in the countries in which the Group operates.

There is an unrecognised deferred tax asset of £5,169,000 (2019: £4,882,000) on the accumulated tax losses which is not recognised due to the uncertainty as to when the operations will generate sufficient profits against which to offset such assets.

## 9 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the following data:

	Year ended 30 June 2020 £'000	Year ended 30 June 2019 £'000
Loss for the year attributable to owners of the Company	(769)	(1,049)
Weighted average number of ordinary shares in issue for basic and fully diluted earnings	369,151,344	264,777,533
EARNINGS PER SHARE (PENCE PER SHARE)		
BASIC AND FULLY DILUTED:		
- from continuing and total operations	(0.21)	(0.39)

The Company has outstanding warrants and options as disclosed under Note 20 which may be dilutive in future periods. The effect in respect of the current year would have been anti-dilutive (reducing the loss per share) and accordingly is not presented.

In addition, the effect of the issue of ordinary shares shortly after year end, would also have been anti-dilutive, and accordingly is not considered. The issue however, may be dilutive in future periods.

## NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2020

## 10 MINES UNDER CONSTRUCTION

	Construction in progress	Mining licences	Total
GROUP	£'000	£'000	£'000
At 1 July 2019	2,389	10	2,399
Additions	-	-	-
Exchange translation difference	13	-	13
<b>At 30 June 2019</b>	<b>2,402</b>	<b>10</b>	<b>2,412</b>
Recognised on acquisition of Deep Blue Minerals	686	23	709
Revenue from the sale of by-products	(235)	-	(235)
Exchange translation difference	(69)	-	(69)
<b>At 30 June 2020</b>	<b>2,784</b>	<b>33</b>	<b>2,817</b>

Revenues from the sale of the by-product of testing and evaluation activities have been offset against the costs of the intangible asset. These totalled £235,462 in the year (2019: £nil).

## 11 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land & buildings	Plant & machinery	Furniture & equipment	Total
GROUP	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 July 2018	125	858	35	1,018
Exchange translation difference	1	10	-	11
Additions	-	136	5	141
<b>Cost at 30 June 2019</b>	<b>126</b>	<b>1,004</b>	<b>40</b>	<b>1,170</b>
Exchange translation difference	(1)	(110)	(4)	(115)
Additions	-	70	-	70
<b>Cost at 30 June 2020</b>	<b>125</b>	<b>964</b>	<b>36</b>	<b>1,125</b>
<b>Depreciation</b>				
At 1 July 2018	20	211	16	247
Exchange translation difference	-	8	4	12
Charge for the year	5	193	4	202
<b>Depreciation at 30 June 2019</b>	<b>25</b>	<b>412</b>	<b>24</b>	<b>461</b>
Exchange translation difference	-	(52)	(4)	(56)
Charge for the year	5	72	8	85
<b>Depreciation at 30 June 2020</b>	<b>30</b>	<b>432</b>	<b>28</b>	<b>490</b>
<b>Net book value at 30 June 2020</b>	<b>95</b>	<b>532</b>	<b>8</b>	<b>635</b>
Net book value at 30 June 2019	101	592	16	709

## NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2020

## 12 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The Company's investments in its subsidiary and associated undertakings

<b>COMPANY</b>	<b>Total £'000</b>
<b>Cost and net book value</b>	
At 1 July 2018	1,872
Capitalisation of loan to Aftan	335
<b>As at 30 June 2019</b>	<b>2,207</b>
Capitalisation of loan to Aftan	281
Acquisition of Deep Blue Minerals (Pty) Ltd	600
Acquisition of 25% stake in African Tantalum (Pty) Ltd	26
<b>As at 30 June 2020</b>	<b>3,114</b>

All principal subsidiaries of the Group are consolidated into the financial statements.

At 30 June 2020 the subsidiaries were as follows:

<b>Subsidiary undertakings</b>	<b>Country of registration</b>	<b>Principal activity</b>	<b>Holding</b>	<b>%</b>
African Tantalum (Pty) Ltd	Namibia	Intermediate holding company	Ordinary shares	100
Namibia Tantalite Investments (Pty) Ltd	Namibia	Tantalite mining	Ordinary shares	100
Tameka Shelf Company Four (Pty) Ltd	Namibia	Mining licence holder	Ordinary shares	100
Deep Blue Minerals (Pty) Ltd	South Africa	Mining licence holder	Ordinary shares	90

## 13 BUSINESS ACQUISITION

On 17 June 2020, the Company acquired 90% of the issued share capital of Deep Blue Minerals (Pty) Ltd ("Deep Blue") for a consideration of £600,000.

In accordance with IFRS 3 'Business Combinations', this transaction has been accounted for using the acquisition method of accounting. The consolidated income statement for the year ended 30 June 2020 includes the results of Deep Blue from 17 June 2020, the date of the acquisition. The assets and liabilities of Deep Blue have been consolidated from the date of acquisition using the fair value of the assets and liabilities at that date. The recognised value of assets purchased were as follows:

	<b>Total £'000</b>
Consideration – equity instruments	600
<b>Total consideration</b>	<b>600</b>
Recognised amounts of identifiable assets acquired and liabilities assumed	
Capitalised exploration	24
Cash and cash equivalents	-
Trade and other payables	(119)
<b>Total identifiable net assets</b>	<b>(95)</b>
Non-controlling interest	9
Recognised as Mines under Construction	686
<b>Total</b>	<b>600</b>

## NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2020

## 14 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On 26 June 2020, the Company purchased an additional 25% of the issued share capital in African Tantalum (Pty) Ltd ("AFTAN") for £26,008. Immediately prior to the purchase, the carrying amount of the existing 25% non-controlling interest in AFTAN was £1,424,000. The Group recognised the decrease in non-controlling interests of £1,424,000 and a decrease in equity attributable to the owners of the parent of £1,450,000. The effect on the equity attributable to the owners of Kazera Global plc during the year is summarised as follows:

	<b>Total £,000</b>
Carrying amount of non-controlling interests acquired	1,424
Consideration paid to non-controlling interests	(1,450)
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity	<b>(26)</b>

## 15 LONG-TERM LOAN

<b>COMPANY</b>	<b>Total £'000</b>
At 1 July 2018	5,154
Part capitalisation of loan to Aftan (note 12)	(335)
Increase in loan to Aftan	1,165
<b>As at 30 June 2019</b>	<b>5,984</b>
Part capitalisation of loan to Aftan (note 12)	(281)
Increase in loan to Aftan	1,128
<b>As at 30 June 2020</b>	<b>6,831</b>

During the year approximately 25% of the intercompany loan was converted into shares in Aftan. The intercompany loan to Aftan bears interest at 12% p.a.

## 16 TRADE AND OTHER RECEIVABLES

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2019 £'000</b>	2019	<b>2019 £'000</b>	2019
Other receivables	177	57	100	13
Prepayments and accrued income	12	6	12	6
	<b>189</b>	<b>63</b>	<b>112</b>	<b>19</b>

The Directors consider the carrying amount of intercompany loans and other receivables approximates to their fair value.

## 17 CASH AND CASH EQUIVALENTS

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2020 £'000</b>	2019	<b>2020 £'000</b>	2019
Cash and cash equivalents	425	421	401	363

Cash and cash equivalents (which are presented as a single class of asset on the face of the balance sheet) comprise cash at bank and other short term, highly liquid investments with a maturity of three months or less.

The Directors consider the carrying amount of cash and cash equivalents approximates to their fair value.

## NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2020

## 18 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade payables	46	15	23	4
Other payables	123	4	-	4
Accruals	55	45	56	35
	<b>225</b>	<b>64</b>	<b>79</b>	<b>43</b>

The Directors consider the carrying amount of trade payables approximates to their fair value.

## 19 SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Price per Share (pence)	Nominal value £'000	Share premium £'000
ISSUED AND FULLY PAID:				
At 1 July 2019, shares of 1p each	286,561,208	1 pence	2,866	14,307
27 August 2019 -Share split				
Ordinary shares	286,561,208	0.1	286	
Deferred shares	286,561,208	0.9	2,580	
	<b>286,561,208</b>		<b>2,866</b>	<b>14,307</b>
Share issues, net of share issue costs	388,866,666	0.1	389	1,404
<b>At 30 June 2020</b>	<b>675,427,874</b>		<b>3,255</b>	<b>15,711</b>

**Share issues**

On 27 August 2019, the Company carried out a subdivision of 1p ordinary shares whereby each existing ordinary share was subdivided into one new ordinary share of 0.1 pence and one deferred share of 0.9 pence.

On 27 August 2019, the Company issued 69,666,667 new ordinary shares at a price of 0.6 pence per share.

On 4 June 2020, 120,000,000 ordinary shares were issued at a price of 0.5p per share for the purchase of Deep Blue Minerals.

On 4 June 2020, a further 199,199,999 ordinary shares were issued, being 169,199,999 ordinary shares at a issue price of 0.5p per share and 30,000,000 at 0.2p per share.

**Reserves**

The Group's reserves are made up as follows:

**Share capital:** Represents the nominal value of the issued share capital.

**Share premium account:** Represents amounts received in excess of the nominal value on the issue of share capital less any costs associated with the issue of shares.

**Capital redemption reserve:** Reserve created on the redemption of the Company's shares

**Share option reserve:** Reserve created for the equity settled share option scheme (note 19)

**Currency translation reserve:** Reserve arising from the translation of foreign subsidiaries at consolidation.

**Retained earnings:** Represents accumulated comprehensive income for the year and prior periods.

## NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2020

## 20 SHARE-BASED PAYMENTS

## Equity-settled share option scheme

The Company operates share-based payment arrangements to incentivise directors by the grant of share options. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

On 21 December 2018, 10,000,000 options were granted to L. Johnson, vesting on 21 December 2021 at an exercisable at 1.75p per share.

On 2 October 2019, 3,333,333 share warrants were issued granted to Peterhouse Capital Limited, at an exercise price of 0.6p per share.

On 23 March 2020, a total of 66,666,667 share warrants were issued to G Clarke (8,333,333), N Harrison (8,333,333) and R Jennings (50,000,000) at an exercise price of 0.3p per share.

On 4 June 2020, a total of 26,500,000 share options were issued to G Clarke (5,000,000), N Harrison (5,000,000), L Johnson (5,000,000), D Edmonds (10,000,000) and B James (1,500,000) at an exercise price of 1p per share.

The fair value of the options has been calculated using the Black-Scholes valuation model. The assumptions used in the fair value calculation were as follows:

Date of grant	21 Dec 2018	2 Oct 2019	23 Mar 2020	4 Jun 2020
Number of options	10,000,000	3,333,333	66,666,667	26,500,000
Exercise price (pence)	1.75p	0.6p	0.3p	1p
Risk free interest (%)	0.5%	0.5%	0.5%	0.5%
Expected volatility (%)	50%	50%	50%	50%
Expected life (years)	3.66	2.9	2	5

The total share-based payment expense recognised in the income statement for the year ended 30 June 2020 in respect of the share options granted was £114,000 (2019: £51,000).

The share options are only exercisable when NTI have entered full production for at least six months.

The total share options at 30 June 2020 is as follows:

	Number	Exercise price	Vesting date	Expiry date
At 1 July 2019	10,000,000	1.75p	21.12.2021	21.12.2023
Granted	26,500,000	1p	03.06.2025	03.06.2025
Granted	66,666,667	0.3p	23.03.2022	23.03.2022
Granted	3,333,333	0.6p	23.09.2022	23.09.2022
At 30 June 2020	106,500,000			

## 21 FINANCIAL INSTRUMENTS

The Group's financial instruments comprise borrowings, cash and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

## FINANCIAL ASSETS BY CATEGORY

Financial assets included in the Statement of financial position and the headings in which they are included are as follows:

	2020 £'000	2019 £'000
Financial assets at amortised cost:		
Cash and cash equivalents	425	421
Loans and receivables	177	57
	602	478

## NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2020

## 21 FINANCIAL INSTRUMENTS (continued)

## FINANCIAL LIABILITIES BY CATEGORY

Financial liabilities included in the Statement of financial position and the headings in which they are included are as follows:

	2020	2019
	£'000	£'000
Financial liabilities at amortised cost:		
Trade and other payables	224	64
	<b>224</b>	<b>64</b>

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest repayment date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from the interest rate curves at the balance sheet date. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years
	£'000	£'000	£'000	£'000	£'000
30 June 2020					
Non-interest bearing:					
Trade and other payables	–	224	–	–	–
Short term borrowings	–	–	–	–	–
30 June 2019					
Non-interest bearing:					
Trade and other payables	–	64	–	–	–
Short term borrowings	–	–	–	–	–

## 22 RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Group's risk management is coordinated by the Board of Directors, and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets.

The main risks the Group are exposed to through its financial instruments and the operations of the Group are credit risk, foreign currency risk, liquidity risk and market price risk. These risks are managed by the Group's finance function together with the Board of Directors.

**Capital risk management**

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the Group's growth; and
- to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

**Credit risk**

The Company's principal financial assets are bank balances and cash and other receivables, which represent the Company's maximum exposure to credit risk in relation to financial assets. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The Group's maximum exposure to credit risk is £424,920 (2019: £421,000) comprising cash and cash equivalents.

**NOTES TO THE GROUP FINANCIAL STATEMENTS**

For the year ended 30 June 2020

**22 RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****Liquidity risk**

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through maintaining a positive cash balance and controlling expenses and commitments. The Directors are confident that adequate resources exist to finance current operations.

**Foreign Currency risk**

The Group undertakes transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Following the acquisition of African Tantalum (Pty) Ltd. Ltd, the Group's major activity is now in Namibia, bringing exposure to the exchange rate fluctuations of GBP/£ Sterling with the Namibian Dollar and South African Rand, the currencies in which most of the operating costs are denominated. At the year end the value of assets denominated in these currencies was such that the resulting exposure to exchange rate fluctuations was not material to the Group's operations. Going forwards the Group is exposed to the US\$ as it has entered into an off-take agreement for the major part of its production, priced in US\$.

Exchange rate exposures are managed within approved policy parameters. The Group has not entered into forward exchange contracts to mitigate the exposure to foreign currency risk.

The Directors consider the assets most susceptible to foreign currency movements to be the Investment in Subsidiaries. Although these investments are denominated in Namibian Dollars their value is dependent on the global market value of the available Tantalite resources.

The table below details the split of the cash held as at 30 June 2020 between the various currencies. The impact due to movements in the exchange rates is considered to be immaterial.

Namibian Dollar (NAD)	GBP Sterling (£)	Total GBP Sterling (£)
509,621	400,604	424,920

**Market Price risk**

Going forwards the Group's exposure to market price risk mainly arises from potential movements in the market price of Tantalite. The Group is managing this price risk by completing a fixed price off-take agreement in respect of the major part of its planned production.

**23 EVENTS AFTER THE REPORTING PERIOD**

On 2 July 2020, 4,523,114 ordinary shares at a price of 0.575 pence per share, were admitted to trade on AIM. The shares were issued for the acquisition of the remaining 25% of the share capital in AFTAN.

On 7 July 2020, the Company issued 800,000 ordinary shares at a price of 0.5p per share to Westleigh Investment Holdings ("WIHL"), a company which is controlled by Giles Clarke and Nick Harrison.

**24 RELATED PARTY TRANSACTIONS**

The remuneration of the Directors, who are the key management personnel of the Company, is set out in the report of the Board on remuneration accompanying these financial statements.

During the year, Westleigh Investment Holdings Ltd ("WIHL") received £48,013 (2019: £48,000) in respect of accounting, administration and office accommodation services provided to the Company. WIHL is a substantial shareholder in the Company and is controlled by Giles Clarke and Nick Harrison.

During the year, the Company paid £nil (2019: £1,920) to Amerisur Resources plc, a company in which Giles Clarke and Nick Harrison also hold directorships.

There have been no other material transactions with related parties.

**NOTES TO THE GROUP FINANCIAL STATEMENTS**

For the year ended 30 June 2020

**25 ULTIMATE CONTROLLING PARTY**

The Directors do not consider there to be one single ultimate controlling party.