

Company Registration No. 05697574

# **KAZERA GLOBAL PLC**

**Annual Report**  
**For the year ended 30 June 2023**



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**COMPANY INFORMATION**

DIRECTORS:	Gerard Kisbey-Green Dennis Edmonds Geoffrey Eyre Peter Wilson
JOINT SECRETARIES:	David Taylor Brian James
REGISTERED OFFICE:	Unit D, De Clare House Sir Alfred Owen Way Pontygwindy Industrial Estate Caerphilly Wales CF83 3HU
COMPANY REGISTRATION NUMBER:	05697574
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INDEPENDENT AUDITORS:	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
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BANKERS:	HSBC Bank PLC 3 Rivergate Temple Quay Bristol BS1 6ER

**CHAIRMAN'S STATEMENT**

**For the year ended 30 June 2023**

**Review of the Period**

Such is the activity and progress at Kazera over the last year that it can be easy to forget that I only joined the Group as Non-Executive Chairman in July 2022.

In my first annual report, I commented that it was an exciting prospect to join the Company with its assets on the verge of becoming cash flow positive. Whilst that objective is still a short distance away, I am proud of the progress and changes that Kazera has made during the year, having laid a strong foundation for future success.

It is sometimes overlooked that our two main investments, Whale Head Minerals Pty Ltd ("WHM"), in which we hold 60% of the share capital, and Deep Blue Minerals Pty Ltd ("Deep Blue" or "DBM"), in which we have a 64% beneficial interest (see Note 14), are in their infancy. In fact, in 2020, Deep Blue had a sub-contracting agreement to mine diamonds at Alexander Bay but absolutely no equipment, and it was only in July 2022 that a mining permit was granted at WHM's Walviskop site.

Progress at Deep Blue has been frustrating as we have tried to navigate the challenges posed by the unique operating environment in which we operate. I believe that we are close to having the correct structures and equipment to finally realise the potential of this company.

WHM has seen significant progress during the year, however while work was completed on the processing plant design and the major components of the Wet Processing Plant were ordered, progress on actual production was delayed by the need to apply for authorisation from the National Nuclear Regulator after slightly elevated levels of radioactivity within the gravels were detected. It is not uncommon for heavy mineral sands to contain radioactive elements; we have submitted the necessary application and anticipate that authorisation will be granted during the first quarter of the 2024 calendar year. In the meantime, we have put this time to good use, further optimising the metallurgy and process design to maximise recoveries once production begins.

Whilst there are still a few hurdles to overcome, the hard work, persistence, and investment means the Group is in a much better place than it was a year ago. My confidence in Kazera is multifaceted but fundamentally, the projects have sizeable resources, and the mining, processing and sale of the commodities is neither complex nor costly, and they can quickly become profitable once we have in place the right equipment, infrastructure and partners.

On the investment front, the transaction to sell our African Tantalum project in Namibia has thus far allowed the Group to progress the WHM and Deep Blue projects towards production and profitability without raising additional funds or taking on any debt.

The Board chose to terminate the proposed acquisition of a 71% interest in Great Lakes Graphite (Pty) Ltd in March 2023. Although it would have diversified the Company's portfolio, the Board decided that it was more prudent to focus its energy and the Company's resources on WHM and Deep Blue where the route to production and profitability were well defined. The Board and its advisors continue to seek and evaluate new investments whilst managing capital and cash resources prudently. Both the termination of the Great Lakes Graphite deal as well as the sale of Aftan demonstrates that the Board is flexible in terms of the investment criteria and focused on adding value to shareholders.

We have also been adding to the experience, knowledge and capacity of the team. At board level, we were pleased to welcome Peter Wilson, with 42 years of experience in the international mining and mining contract industry, and Geoffrey Eyre, a finance professional with more than 17 years' experience in senior positions in the mining industry, as Non-Executive Directors.

I am pleased to welcome African Mineral Sands Pte Ltd Singapore ("AMS"), which has acquired 26.69% of the Company's Ordinary shares from an existing shareholder. AMS has extensive experience in mining and infrastructure projects in Southern Africa and its knowledge, experience and connections are already providing opportunities for the Company.

In closing, I want to reiterate the progress Kazera has made in the past year. We have made significant strides in bringing both WHM and Deep Blue closer to profitability. Our focus on acquiring the right equipment, developing efficient processes, and forging strategic partnerships has been relentless, funded by the sale of Aftan. This strategic approach has allowed us to avoid raising additional funds or taking on debt, a testament to our commitment to responsible growth. Alongside this, the strengthening of our team and shareholder base is enhancing our capabilities and opening new opportunities.

I am confident that Kazera is poised for a prosperous future, and I am excited about the journey that lies ahead for our Company. I would like to thank the Board, the executive team and all of our advisors for your trust and support during the year, and I look forward to working with all of you as we continue our progress in the current year.

**Gerard Kisbey-Green**  
**Chairman**  
14 December 2023

**CHIEF EXECUTIVE OFFICER'S REVIEW****For the year ended 30 June 2023****Overview**

I am pleased to provide an overview of activities during the year in which, notwithstanding some developments are taking longer than anticipated, Kazera Global Plc has made excellent progress towards generating cashflow in the near future.

**Operations***Whale Head Minerals – Heavy Mineral Sands*

Kazera owns 60% of Whale Head Minerals ("WHM"), a heavy mineral sands ("HMS") project in Walviskop, Alexander Bay, South Africa. In 2020, independent consultancy company Creo Design (Pty) Limited ("CREO"), which undertook the initial competent persons report and resource estimate, calculated WHM had a net present value at £150 million based on expected production of circa 6,000 tons of HMS per month and applying a 20% discount rate. It is estimated that the resource, once fully operational, which we expect to achieve during the course of 2024, may generate gross profits of circa US\$300,000 per month.

It is easy to forget that it was only in August 2022 that a Mining Permit was granted to WHM enabling the construction of an HMS processing facility at the site to commence. The permit gave WHM the right to mine a 5 hectare beach sand deposit at Walviskop with a JORC Indicated Mineral Resource of 3.11 million tons of Valuable Heavy Minerals at a grade of 61.2%. This was made up of Garnet (30.29% Run of Mine ("ROM")) and Ilmenite (27.54% ROM), with Zircon and Rutile also present but not included in any of the Company's modelling.

In December 2022, WHM commenced initial limited basic production of HMS to help inform the design of a more comprehensive processing facility and, in February 2023, the Company placed an order for the manufacture of equipment including a specially designed centrifugal screen.

Whilst awaiting the build and delivery of the screen, the Company introduced a double-deck 500-micron screen with a view to accelerating production of the separated HMS product and commence building up stockpiles of HMS whilst identifying a site to dry material away from the moisture at the coast. Work also commenced on building a spiral array, reconditioning pumps, building additional scalpers, screens, feed bins and conveyers.

Subsequently, in March 2023, the permit area was moved circa 100 metres to the west due to conflicts identified with the original permit coordinates. This resulted in the updated mine permit being in the surf zone of the bay and not largely on the beach. CREO estimated the resource volume for the updated permit location to be comparable in volume to the initial volume estimate under the original permit but at a grade of 49.9% total heavy minerals compared to the 61.2%. This difference was explained by the wind playing a significant role in removing light sand grains from the beach within the original permit area, and so enriching the heavy mineral deposited there.

However, the Company recognised that a major benefit of the revised permits was that the volumes in situ are largely irrelevant, as was the 5-year Life of Mine under the original permit area, given that wave action constantly replenishes HMS in the updated permit area, whilst also rehabilitating the mine site.

The proposed mining method used at the updated WHM permit area will remain a dredging operation as originally planned. With the entire resource being submerged, mining at the revised permit area is not dependent on, or hindered by, the tidal state and with dredge pumps able to deliver high volumes of raw material than an excavator, it will be possible to achieve higher production levels, at lower unit cost per ton mined. Consequently, the revised permit area has the potential to outperform the HMS production volumes of the original permit area.

Extensive testing revealed very promising results and allowed the Company to determine the make-up of its HMS and further guide refinements in the design of its full processing plant.

Samples and test results also formed the basis for informed strategic discussions with industry experts and off-take partners on the short and long term potential of the Company's HMS. From these discussions, initial findings suggest that the Company's HMS has a heavy mineral content of approximately 62%, with around 55% of the resources classified as "saleable heavy minerals". Indicative pricing for the basic (unseparated) product was \$160 per ton, but the Company was able to confirm that by undertaking further separation, it could be expected to achieve a price of approximately double, whilst transport costs would remain the same.

### *Deep Blue Minerals – Diamonds*

Kazera has a 64% beneficial interest (see Note 14) in Deep Blue, which is a diamond project in Alexander Bay, South Africa. The operation is located within the 80km long Alexkor diamond fields, which lies between two historic De Beers operations. The area has been mined for diamonds since 1928 and more than ten million carats of gem quality diamonds have been recovered over the last ninety years or so. It is estimated that there are at least another two million carats left in the tenement.

In 2020, a Feasibility Study was prepared on one of the mining blocks allocated to Deep Blue, which resulted in an ascribed inferred resource of 208,000 carats at a bottom cut-off aperture size of 1.6 mm at a grade of 6.0 ct/100m<sup>2</sup>. DBM's current focus is on deposits closer to the beach where diamonds tend to be of better quality and the amount of overburden is considerably less.

Mining at Deep Blue is undertaken under contract from Alexkor RMC JV ("Alexkor"), a government owned entity, which has the rights to all the diamonds in the area. In 2020, Deep Blue had a sub-contract to mine diamonds, but none of its own equipment. Since then, the Company has acquired its own mining contract as well as the equipment required to mine and process diamond gravel. This includes a diamond mining plant and new heavy plant, including a front-end Loader and a 75 ton Low-bed transporter, to allow the sharing of equipment between Deep Blue's diamond project, and WHM's HMS project. At Deep Blue, this is specifically used to target areas containing prospective high quantities of diamond gravel, which the Group believes creates a very cost-effective approach by prioritising potentially rich diamond deposits first.

Part of the agreement with Alexkor requires that it processes the diamond gravels and undertakes all diamond sales, but with Alexkor's Muisvlak processing plant operating sporadically during the year, the ability to process diamond gravel and, accordingly, produce diamonds for sale has been greatly constrained.

In June 2022, Deep Blue agreed to take on the task of getting the Muisvlak plant running as, without it, neither Deep Blue or the majority of the other contractors in the area had any way of processing their diamonds. Deep Blue was successful in doing this but was forced to withdraw its assistance due to political and economic factors, and operating difficulties at Muisvlak endure.

The resulting blockage in the diamond mining process for Deep Blue and all other diamond miners in the area because of a forced reliance on Alexkor to process our diamonds and take them to market is hugely frustrating for all. Accordingly, Deep Blue has now commissioned the building of a diamond specific pulsating jig, together with a Flow Sorter, which will enable it to bypass the Muisvlak plant completely and allow it to deliver very small volumes of very high concentrate diamond gravels to Alexkor for final sorting. Deep Blue anticipate that this equipment will be in operation early in 2024 and will allow a quick ramp up in production and positive cash flow.

### *African Tantalum - Lithium*

In July 2022, the Company announced an agreement to secure a non-dilutive US\$7.5 million investment in return for a 49% stake in the Company's marketing, sales, and export subsidiary for all lithium production from the Tantalite Valley mine in Namibia. Subsequently, this was improved upon when, in December 2022, it was agreed that Hebei Xinjian Construction ("Xinjian") would acquire the Company's entire interest in African Tantalum (Pty) Ltd ("Aftan") in Namibia to for cash consideration of US\$13,000,000, meaning the Company would not have to incur any of the costs related to mining, transport or building a processing plant.

To date, we have received aggregate payments totalling c.US\$4.4 million in respect of the sale, which have enabled Kazera to invest in, and advance, its other investment projects, without the need of accessing external funding.

Nonetheless, it has been frustrating for the Board and Shareholders alike that the full cash consideration of the sale is yet to be paid, albeit the transaction still represents a milestone for the Company as it is the first realisation of a return from an investment, which is in line with our stated strategy.

As things currently stand, Xinjian is not in compliance with the sale agreement (as announced on 20 December 2022) and also owes accrued interest of approximately US\$260k at 30 June 2023. However, our decision not to exercise our contractual rights to terminate the contract at this time is due to the strong position it is in, given that:

- Kazera retains 100% ownership of Aftan as security until all amounts owed by Xinjian have been paid in full;
- All ongoing operational costs in respect of the Aftan business are being borne by Xinjian and have been since the beginning of 2023;
- Communication between Kazera and Xinjian remains positive and constructive, and there is hope that further payments will be forthcoming; and
- Outstanding and overdue balances are accruing interest at a rate of 8% per annum.

This is a situation we wish to resolve and are actively exploring alternative avenues for the future of Aftan should Xinjian fail to swiftly fulfil its contractual obligations. Options open to the Company include terminating the contract with Xinjian and resuming full control of Aftan, finding an alternative buyer for the project, or selling Xinjian's debt to a third party. Whatever the outcome for the Aftan project, it is important to remember that the Company still owns the underlying asset and will retain all payments received from Xinjian to date. We will, naturally, update shareholders of any development in due course.

### **Corporate Matters**

During the year we made important additions to the Board of Directors in Geoffrey Eyre and Peter Wilson, whilst Giles Clarke, Nick Harrison and Odilon Kasongo Ilunga stepped down.

In December 2022, the Company settled all outstanding debts to former Directors and loan providers, and is now debt-free.

In March 2023, we welcomed a new strategic shareholder to the register, African Mineral Sands Pte Ltd Singapore ("AMS"), which has experience in mining and infrastructure projects in Southern Africa. It has since acquired an aggregate of 26.69% of the Company's existing Ordinary shares from an existing shareholder and this relationship is already proving of great value. AMS has introduced a number of potential new deals to the Company and the Board is actively engaged in due diligence and negotiations regarding structuring.

### **Post year end**

#### *Whale Head Minerals – Heavy Mineral Sands*

Further test results from the pilot plant in July 2023 indicate the presence of minerals including rutile, zircon, and monazite in much higher quantities than anticipated. These minerals usually have a much higher commercial value than ilmenite, but are typically associated with raised levels of radioactivity. This has required the Company to engage with the National Nuclear Regulator ("NRR") to obtain the appropriate certification to allow it to process and transport radioactive materials.

To guide this discussion, a comprehensive baseline study of radioactivity was conducted across all areas of Walviskop, including areas where the Company's HMS will be stored, processed, and transported. In addition, a third party compiled a Workers Safety Report and Operating Procedures. Subsequently, the Company commenced the application process with the NRR for relevant permits, which it anticipates will be granted in Q1 2024.

In the meantime, further HMS sampling has been undertaken to enable the Company to design the necessary processes to maximise the commercial separation of the component materials. The Company has commissioned a Trommel screening plant, which was completed on schedule at the end of September 2023 and has now been transported to site for installation. The construction of the remainder of the wet concentration plant on site has also commenced, along with the creation of administration, security, storage, and loading facilities within a secure area supplied to the Company by Alexkor RMC JV. In addition, Alexkor RMC JV, which recognises the value of the project in terms of opportunities for the local community, has provided the Company with administration buildings, entrance /exit facilities and a sheltered and secure workshop facility for the repair, maintenance and storage of the Company's plant and machinery.



The Company expects the full HMS plant at Walviskop to be in operation before it receives the NRR permits in Q1 2024 and, once fully operational, this strategically important project is expected to produce circa 6,000t of HMS per month. Given anticipated strong demand for its products, the Company expects to achieve a gross profit of circa US\$300,000 per month based on current prices.

Having invested in the appropriate plant and machinery and undertaken a great deal of hard work on the ground, we believe full production at WHM is now just a few months away.

### **Outlook**

Taking the final few steps to positive cashflow and profitability are the Company's immediate focus and, whilst we have experienced some delays, we have used the time constructively utilising funding from the ongoing sale of the Aftan Project to put in place the plant, people and equipment needed to make this a reality in short order.

As we move into positive cashflow, we will continue to deliver growth and value for our shareholders through reinvestment into our WHM and Deep Blue projects to fulfil our organic growth potential, whilst carefully evaluating the potential of M&A opportunities that frequently cross our desk. As demonstrated when we walked away from Buru Hills rare earth project at nil cost, our priority is to ensure that any M&A activity is right for the Company at that point in time and does not risk jeopardising fulfilling the potential of our existing projects, which have real potential to make Kazera a very successful business. It is not our intention to sit on piles of cash, so if a project has not already been identified the Board would always consider returning excess cash to shareholders.

**Dennis Edmonds**  
**Chief Executive Officer**  
14 December 2023

## **STRATEGIC REPORT**

**For the year ended 30 June 2023**

The Directors present their strategic report on the Group For the year ended 30 June 2023.

### **PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The principal activity of the Company is to act as an investor in the resources and energy sectors, either acquiring and controlling individual companies or acquiring non-controlling shareholdings.

During the year to 30 June 2023, the Group was focused on its diamond and heavy mineral sands mining projects in South Africa whilst working to dispose of its projects in Namibia.

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 (which are set out in the CEO's report on page 3), taking into consideration the disposal of the Group's interest in Namibia post period end.

The Directors recommend that there is no dividend payment for the year ended 30 June 2023 (2022: nil) as proceeds from the sale of Aftan are being employed to invest in other projects.

### **INVESTING POLICY**

Kazera Global plc (the "**Company**") seeks to achieve shareholder returns 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.

**STRATEGIC REPORT (continued)**  
**For the year ended 30 June 2023**

**KEY PERFORMANCE INDICATORS**

The Group considers investment value and return on investment as its principal key performance indicators. This is monitored throughout the year.

As a consequence of the disposal of Aftan, the decrease in value of the investment in subsidiaries as at 30 June 2023 was offset by the profit attributable to the owners of the Company as a result of the gain on disposal for the same period.

The Company has continued to provide further finance to its subsidiaries throughout the year.

The Board believes the return on investment to be a fair representation of business for the year.

Key Performance Indicator	30 June 2023	30 June 2022	30 June 2021
Value of investment in subsidiaries (see Note 14)	£784k	£3,298k	£3,114k
Movements in value of investment in subsidiaries (see Note 14)	(£2,514k)	£184k	-
Profit/(loss) attributable to owners of the Company	£6,706k	(£2,001k)	(£1,146k)
Investment performance (£) <sup>(1)</sup>	£6,059	(£1,817)	(£1,146k)
<b>Investment performance (%)</b>	<b>127%</b> <sup>(1)</sup>	<b>(58%)</b> <sup>(2)</sup>	<b>(37%)</b> <sup>(3)</sup>

<sup>(1)</sup> Investment performance is calculated by aggregating the movement in the value of the investment in subsidiaries over the year and the profit or loss attributable to the owners of the Company. The performance percentage is relative to the carrying value of the investment in subsidiaries at the beginning of that year.

<sup>(2)</sup> Investment performance for the year ended 30 June 2022 has been restated from (64%) as reported in the prior year to reflect the adjusted method of calculation, which the Board considers is a more appropriate calculation methodology.

<sup>(3)</sup> Investment performance for the year ended 30 June 2021 has been included for the benefit of allowing reconciliation of the investment performance for the year ended 30 June 2022. The investment performance for the year ended 30 June 2021 has been restated on a like-for-like basis; it had previously been calculated to be (20%), as reported in the Annual Report and Accounts for the year ended 30 June 2021.

**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.

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.

• **Political and Country Risk**

Substantially all of the Group's business and operations are conducted in South Africa (and up to the point of disposal, also in Namibia). The political, economic, legal and social situation in Namibia and South Africa introduces a certain degree of risk with respect to the Group's activities. The governments of Namibia and South Africa exercise 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. Following completion of the disposal of the Company's assets in Namibia, the Group will be exposed principally to political and country risks in South Africa.

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 and South Africa could adversely affect the value of the Group's interests.

**STRATEGIC REPORT (continued)****For the year ended 30 June 2023**

The Group's risks are mitigated by liaison with the local governments and union representatives as well as continuous monitoring of local situations. The Group's exposure to Namibia in this regard has now been mitigated by the work undertaken to dispose of the operations in Namibia, for which the acquirer is now responsible.

- **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. In respect of the Namibian site this risk has been substantially mitigated by the disposal transaction referred to above.

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 companies in which investments are made will be successful in adhering to their current development or 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.

- **Production risks**

The Group's cash flows are impacted by its investee companies achieving production with the expected cash flows whether in terms of capital expenditure or in positive returns, within the expected timeframes.

The Group is currently at a very early stage of production, and delays to commissioning and the optimisation of plant will delay positive cash flows. If recovery rates are not as high as forecast, this will impact the returns achieved.

The Board ensures that operations are monitored closely in order that it can respond and assist its investee companies in a timely manner to minimise and mitigate any such delays.

**STRATEGIC REPORT (continued)**

**For the year ended 30 June 2023**

- **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 Board is comprised of experienced mining executives with significant experience in sourcing investment opportunities, and has engaged professional advisers, each of whom has access to a broad network through which opportunities are frequently referred. Shareholders in the Company may also bring to the Board's attention, projects which they believe to be consistent with the Group's investment policy.

- **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 AIM, which should provide enhanced access to capital in the event that it should be required. The Company's agreement to dispose of its interests in Namibia in December 2022 reduced its funding requirements, as will the Company's subsidiaries progress towards cash generative production during the present financial year.

- **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 seeks to take 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 opportunities and adding value to assets until such time as an acceptable return on investment can be realised.

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

Note 24 to the financial statements sets out the financial risks to which the Group is exposed, together with its policies for managing these risks.

**STRATEGIC REPORT (continued)**  
**For the year ended 30 June 2023****PROMOTION OF THE COMPANY FOR THE BENEFIT OF THE MEMBERS AS A WHOLE**

The Directors 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 section specifies that the Directors must act in good faith, when promoting the success of the Company and in doing so have regard (amongst other things) 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's shares are quoted on AIM and its members will be fully aware, through detailed announcements, shareholder meetings and financial communications, an updated website, of the Board's broad and specific intentions and the rationale for its decisions. The Company has complied with all its obligations under AIM rule 26. The Directors worked during the year and after year-end to increase its reach with regards to mining rights in various countries which sets the stage for further growth and development.

When selecting investments, issues such as the impact on the community and the environment have actively been taken into consideration. The Company strives to comply with all local environmental legislation, and takes its responsibility to the environment very seriously.

The Company pays its employees and creditors promptly and keeps its costs to a minimum to protect shareholders funds. The Company recognises, communicates with workers' representation unions and complies with all local employment legislation. There were no outstanding employment disputes at 30 June 2023.

**Decision Making and Implementation**

The Board is collectively responsible for the decisions made towards the long-term success of the Company and how the strategic, operational and risk management decisions have been implemented throughout the business, this is detailed in this Strategic Report on pages 7 to 13.

**Maintaining High Standards of Business Conduct**

The Board places great importance on the high standards of business conduct on itself and its group companies. Failure to do so would create unnecessary risk which could impede the Company's ability to achieve its corporate objectives. Transmitting these values and culture throughout the organisation sets a benchmark and signals to third parties what it will and will not do in the jurisdictions in which the Company or its wider group operates.

The Company is incorporated in the UK and governed by the Companies Act 2006, the Group's business operations are carried out within the UK and Internationally, which requires the Company to conform with the various statutory and regulatory provisions in the UK as well as in other locations in which it operates. The Company has adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the 'QCA Code') and the Board recognises the need to maintain a high standard of corporate governance as well as to comply with AIM Rules to safeguard the interest of the Company's stakeholders. The corporate governance arrangements that the Board has adopted, together with a punctilious observance of applicable regulatory requirements also form part of the corporate culture, requiring a standard of behaviour when interacting with contractors, business partners, service providers, regulators and others. For example, the Company has adopted an Anti-Corruption and Bribery Policy as well as a Share Dealing Code for Directors and employees, required for AIM companies and in accordance with the requirements of the Market Abuse Regulation, which came into effect in 2016.

Staff training on anti-corruption and anti-bribery is monitored and refresher courses are provided as when required to ensure that the issues of bribery and corruption remain at the forefront of peoples' mind.

**STRATEGIC REPORT (continued)**  
**For the year ended 30 June 2023****Employee Engagement**

The Board recognises that its employees are one its key resources, which enables delivering the Company's vision and goals. Annual pay and benefit reviews are carried out to determine whether all levels of employees are benefited equally and to retain and encourage skills vital for the business. The Board encourages management to improve employee engagement and to provide necessary training in order to use their skills in the relevant areas in the business. The Board ensures that health and safety measures implemented in the business premises are routinely reviewed and that any possible opportunities for improvement are assessed and where appropriate, practices refined accordingly.

Employees are informed of the results and important business decisions to stimulate their engagement and are encouraged to improve their skills and career potential.

**Suppliers, Customers and Regulatory Authorities**

The Board acknowledges that a strong business relationship with suppliers and customers is a vital part of the growth. Whilst day to day business operations are delegated to the executive management, the Board sets directions with regard to new business ventures. The Board upholds ethical behaviour across all sectors of the business and encourages management to seek comparable business practices from all suppliers and customers doing business with the Company. We value the feedback we receive from our stakeholders, and we take every opportunity to ensure that, where possible, their wishes are duly considered.

**Shareholder Engagement**

The Board places equal importance on all shareholders and recognises the significance of transparent and effective communications with shareholders. As an AIM company, there is a need to provide fair and balanced information in a way that is understandable to all stakeholders and particularly our shareholders.

The Board recognises that it is accountable to shareholders for the performance and activities of the Company and is committed to providing effective communication with its shareholders. Significant developments are disseminated through stock exchange announcements. The changes to the Board and Board Committees, changes to major shareholder information, QCA Code disclosure updates are promptly published on the website to enable the shareholders to be kept abreast of the Company's affairs. The Company's Annual Report and Notice of Annual General Meetings (AGM) are available to all shareholders and the Interim Report and other investor presentations are also available for the last five years and can be downloaded from the Company's website [www.kazeraglobal.com](http://www.kazeraglobal.com).

Shareholders can attend the Company's Annual General Meetings and any other shareholder meetings held during the year, where they can formally ask questions, raise issues and vote on the resolutions as well as engage in a more informal one-to-one dialogue with the executive Directors.

**Community and Environment**

The Board recognises that the long-term success of the Company will be enhanced by good relations with different internal and external groups and to understand their needs, interests and expectations.

Kazera is committed to sustainable natural resource investment and development worldwide and recognises a responsibility to protect the environments in which it operates. The Company seeks to manage and mitigate environmental risks as well as to minimise the overall impact of our operations on the people and countries in which we operate. The Board encourages that good relations are cultivated with local governments and communities, aiming to better understand various parties' aspirations and ensure that the Company's business activities are compliant not only with local and global laws, including environmental laws, but also where possible take account of local expectations and priorities.

**STRATEGIC REPORT (continued)**  
**For the year ended 30 June 2023**

**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 the cash receipts arising from the disposal of the Group's operations in Namibia, and in South Africa, the Group's future plans, expenditure commitments, and cost reduction measures that can be implemented and permitting requirements. The Directors' estimates are dependent upon the Group's mining operations coming into operation as planned. In the event that this does not occur the Directors are confident that further funds could be raised to meet any shortfall. In view of the facts that the Group's mining operations are not yet in full operation and the proceeds arising from the sale of the Company's former subsidiary, African Tantalum Pty Ltd have not yet been received in full, the Directors consider that a material uncertainty exists as to the Company's ability to continue as a going concern.

Following the Company's announcement of 20 December 2022, when the Company announced an agreement for the sale of Kazera's interest in 100% of the shares in African Tantalum to Xinjian for a headline sum of US\$13 million (excluding interest at 8% on loans of c. US\$9.3 million made by Kazera to Aftan), the Company has since received a payments amounting to US\$4.42m.

This report was approved by the board of Directors on 14 December 2023 and signed on its behalf by

**Dennis Edmonds**  
**Chief Executive Officer**



**DIRECTORS' REPORT**

For the year ended 30 June 2023

The Directors present their annual report and audited financial statements for the year ended 30 June 2023.

**DIRECTORS**

The Directors who served during the year and at the date of this report were as follows:

**Gerard Kisbey-Green – Chairman - appointed on 18 July 2022**

Mr Kisbey-Green, a qualified Mining Engineer, has over 36 years' experience in the mining and related financial industry and has worked on mines in a diversity of commodities and geographies both as an engineer and as a banker. Mr Kisbey-Green has also held the position of CEO for a number of private and listed mining and exploration companies in addition to holding numerous non-executive board positions. Mr Kisbey-Green has 17 years of resource banking experience including a period in equity analysis as well as a corporate financier for major banks in Johannesburg and London including JPMorgan, Investec, and Standard Bank.

**Dennis Edmonds – Chief Executive Officer**

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 Chairman of Pathfinder Minerals PLC.

**Geoffrey Eyre - Non-Executive Director - appointed on 8 July 2022**

Mr Eyre was appointed on 8 July 2022. He is an experienced finance professional with more than 17 years of experience holding senior positions with companies in the mining industry including producing assets, exploration and development stage companies and private equity investment funds. Most recently, Mr. Eyre was the CFO of Adriatic Metals plc. He is a Chartered Accountant, member of the ICAEW and holds a first-class honours degree in Electrical Engineering from the University of Warwick

**Peter Wilson - Non-Executive Director - appointed on 19 April 2023**

Mr Wilson has over 42 years of experience in the international mining and mining contract industry and has held senior management positions including General Manager, Director and Chief Operating Officer at a number of mine operating and contracting companies. During his career, he has worked in multiple jurisdictions including Australia, New Zealand, India, and Africa, and he has experience across a range of commodities including coking coal, heavy mineral sands and metalliferous mining. More recently, Mr Wilson was engaged as a consultant on a Heavy Mineral Sands project in Namaqualand, South Africa, and is currently Operations Director at Mine2Port Limited, a Singaporean company with interests in coking coal, rail and port logistics projects in Africa and the United States of America.

**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 2023		30 June 2022	
	Number	% held	Number	% held
D Edmonds	5,000,000	0.53%	5,000,000	0.53%
G Kisbey-Green	-	-	-	-
G Eyre	-	-	-	-
P Wilson	-	-	n/a	n/a
G Clarke* (resigned 8 July 2022)	n/a	n/a	19,832,743	2.83%
N Harrison* (resigned 8 July 2022)	n/a	n/a	20,499,409	2.93%
O Ilunga (resigned 14 March 2023)	n/a	n/a	-	-

\* Westleigh Investments Holdings Limited (a company beneficially owned by Giles Clarke and Nick Harrison), held 15,138,095 Ordinary shares in the capital of the Company as at 30 June 2022 in addition to the personal holdings shown above. Please refer to Note 26 for further details on the Related Party Transaction.

## CAPITAL STRUCTURE

Details of the issued share capital are shown in Note 21. 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 25 details the events after the reporting period.

## EMPLOYEES

The Group is an equal opportunities employer.

## SUBSTANTIAL SHAREHOLDINGS

Other than as stated below, as far as we are aware, there are no persons with significant direct or indirect holdings in the Company. Information provided to the company pursuant to the Financial Conduct Authority's Disclosure Guidance and Transparency Rules (DTR 5) is published on a Regulatory Information Service and on the company's website, [www.kazeraglobal.com](http://www.kazeraglobal.com).

As at 13 December 2023, the Company has received notifications in accordance with DTR 5 of the following notifiable interests in the voting rights in the company's issued share capital:

	<b>% of ordinary share capital and voting rights</b>
African Mineral Sands Pte Ltd	26.69%
Tracarta Limited	4.61%
Giles Clarke & Westleigh Investments Holdings Ltd	3.97%
Spreadex Ltd	3.26%
Align Research Ltd & Related Parties R S & C A Jennings	3.20%

## KAZERA GLOBAL PLC

As at 13 December 2023, the registered holders of 3% or more of the Ordinary shares in the capital of the Company were as set out below; the holdings disclosed in accordance with DTR 5 may be represented by one or more of these registered shareholder accounts:

	<b>Number of ordinary shares</b>	<b>% of ordinary share capital and voting rights</b>
Fiske Nominees Limited FISKPOOL a/c	141,005,309	15.1%
Fiske Nominees Limited FISKEISA a/c	65,150,000	7.0%
Hargreaves Lansdowne (Nominees) Ltd HLNOM a/c	52,605,599	5.6%
Interactive Investor Services Nominees Limited SMKTISAS a/c	48,481,899	5.2%
Chase Nominees Limited	43,191,095	4.6%
Hargreaves Lansdown (Nominees) Limited VRA a/c	40,865,782	4.4%
Global Investment Strategy UK Limited GISCLT a/c	37,000,000	4.0%
Ferlim Nominees Limited POOLED a/c	33,404,466	3.6%
The Bank of New York (Nominees) Limited 672938 a/c	31,414,924	3.4%
Hargreaves Lansdown (Nominees) Limited 15942 a/c	29,521,257	3.2%
GHC Nominees Limited POOL a/c	29,251,492	3.1%
HSDL Nominees Limited MAXI a/c	28,923,355	3.1%

### 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 14 December 2023 and signed on its behalf by

**Dennis Edmonds**  
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, 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**). 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.

**CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (continued)****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 has a 64% beneficial interest in Deep Blue Minerals Pty Ltd (see Note 14) and a 60% beneficial interest in Whale Head Minerals Pty Ltd, each of which is incorporated and operates in South Africa.

In December 2022, the Company agreed to dispose of its African Tantalum business in Namibia (Aftan), and relinquished control of that company on 4 January 2023. The full sales proceeds and reimbursement of the intercompany loan are continuing to be received.

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.

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 7, 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.

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

**QCA Principles (continued)**

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 (X, formerly 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.

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, including those detailed in the Strategic Report on pages 8 to 10, 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.

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

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 Board seeks to make investments in companies which already have a strong and effective culture which recognises the importance of good governance, including risk management. The Board is mindful therefore, of striking an appropriate balance between satisfying itself that investee companies have appropriate governance structures including risk management processes, and actively embedding risk management procedures in the executive capacity envisaged by the QCA Code.

As the Company's governance framework matures, the Group Board will increasingly be involved in strategic investment decisions, allowing subsidiary boards to operate independently. Where the Company has an interest in excess of 50% or more in an investee Company, the Board acknowledges its responsibility for ensuring that its subsidiary companies have embedded effective governance procedures including risk management procedures. In such cases, the Group Board will receive reports from its subsidiary Boards (or other investee companies where it is deemed appropriate), in order to enable the Group Board to take action, should it be required.

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 2023 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 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.

*Independent directors*

The Board currently comprises of the Chairman, the Chief Executive Officer, and two Independent Non-Executive Directors. The Board and each of the directors are each unaware of any grounds to question the independence of any of the independent directors. The Chairman was deemed independent upon appointment.

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. The Audit and Nomination & Remuneration committees comprise the Chairman, Gerard Kisbey-Green, and Independent Non-Executive Director, Geoffrey Eyre.

*The time commitment*

At the present time, the CEO is expected to provide at least 75% of his working time to matters pertaining to the Company and its subsidiaries.

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

In view of the Company's stage of development, the time commitment required of non-executive directors, including the Chairman is determined by the needs of the business. It is a requirement under the terms of their respective service agreements that all non-executive directors have due regard for any other commitments they may have, to ensure they will have sufficient time available to commit to the needs of the business.

*Meetings of directors*

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 Board held four meetings during the year at which it considered all matters of a routine nature. Director's attendance during the year ended 30 June 2023 was as follows:

	<b>Board</b>
Dennis Edmonds	4/4
Geoffrey Eyre (appointed 8 July 2022)	4/4
Gerard Kisbey-Green (appointed 18 July 2022)	4/4
Peter Wilson (appointed 19 April 2023)	n/a
Odilon Ilunga (resigned 14 March 2023)	1/1
Giles Clarke (resigned 8 July 2022)	0/0
Nick Harrison (resigned 8 July 2022)	0/0

In addition to the full, scheduled board and committee meetings, the directors routinely meet during the intervening periods, and pass resolutions in writing, as appropriate.

The Audit Committee and Nomination & Remuneration Committee did not meet during the year; the Audit Committee passed resolutions in writing. The absence of committee meetings during the year is reflective of the small size of the Board.

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 14. Gerard Kisbey-Green was independent on appointment as Chairman. During the year, Odilon Ilunga resigned as a director, and Peter Wilson was appointed as an independent non-executive director. 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.



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

**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 Directors maintain 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 14 of this report.

David Taylor and Brian James are each appointed as Company Secretary and help Kazera comply with all applicable rules, regulations and obligations governing its operation. The Company's Nominated Advisor ("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 Secretaries, 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.

All directors are expected to keep their skillsets up to date. The seniority of the individuals is such that they are expected to identify any training gaps they may have. This is supplemented by the board performance review, through which additional training recommendations may be identified and where such opportunities for additional training are identified, the Company will provide the necessary resources.

Board composition is always a factor for consideration in relation to succession planning. The Nomination & Remuneration Committee will seek to consider any Board imbalances for future nominations, with areas considered including board independence and gender balance, and makes recommendations to 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 Secretaries remain on hand to provide impartial advice, and have appropriate experience in arranging and carrying out board performance reviews.

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.

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

**QCA Principles (continued)**

**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 and the Group 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.

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 also places great importance on accuracy and honesty, 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.

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

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 has delegated authority to the Audit Committee to assist in all matters relating financial reporting, internal controls and risk management, and compliance.

Matters relating to remuneration are addressed by the Nomination & Remuneration Committee, and the Committee makes recommendations to the Board.

Giles Clarke and Nick Harrisson resigned as directors on 8 July 2022.

Geoffrey Eyre was appointed as an independent non-executive director on 8 July 2022; Gerard Kisbey-Green was appointed as Chairman on 18 July 2022, and was deemed independent upon appointment.

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.

**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 ordinarily 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 Investor Relations page of the website, at [www.kazeraglobal.com/corporate-responsibility](http://www.kazeraglobal.com/corporate-responsibility).

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.

**Gerard Kisbey-Green**

**Chairman**

14 December 2023

**DIRECTORS' REPORT ON REMUNERATION**

For the year ended 30 June 2023

**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 provides an Auto-Enrolment pension scheme for employees.

**DIRECTORS' 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:

	Year ended 30 June 2023		
	Short-term benefits £'000	Post-employment benefits £'000	Total £'000
D Edmonds	70	-	70
G Eyre (appointed on 8 July 2022)	29	-	29
G Kisbey-Green (appointed on 18 July 2022)	39	-	39
P Wilson (appointed on 19 April 2023)	8	-	8
O Ilunga <sup>(1)</sup> (Resigned on 14 March 2023)	11	-	11
G Clarke (Resigned on 8 July 2022)	1	-	1
N Harrison (Resigned on 8 July 2022)	1	-	1
	<b>159</b>	<b>-</b>	<b>159</b>

	Year ended 30 June 2022		
	Short-term benefits £'000	Post-employment benefits £'000	Total £'000
D Edmonds	70	-	70
G Eyre (appointed on 8 July 2022)	-	-	-
G Kisbey-Green (appointed on 18 July 2022)	-	-	-
P Wilson (appointed on 19 April 2023)	-	-	-
O Ilunga <sup>(1)</sup> (Resigned on 14 March 2023)	11	-	11
G Clarke (Resigned on 8 July 2022)	50	25	75
N Harrison (Resigned on 8 July 2022)	40	20	60
L Johnson (Resigned on 20 October 2021)	17	20	37
	<b>188</b>	<b>65</b>	<b>253</b>

- (1) GBP equivalent of fees paid in Namibian dollars, converted at the NAD:GBP exchange rate on 30 June 2023 of 0.0423.
- (2) No bonuses were paid during the year ended 30 June 2023 (2022: nil)
- (3) No other benefits were paid to directors during the year ended 30 June 2023 (2022: nil)
- (4) Termination payments relating to the year ended 30 June 2022 were paid to directors during the year ended 30 June 2023.

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

	<b>Number outstanding at 30 June 2023</b>	Number outstanding at 30 June 2022
D Edmonds	<b>25,000,000</b>	10,000,000
G Eyre	<b>3,000,000</b>	n/a
G Kisbey-Green	<b>4,000,000</b>	n/a
P Wilson	<b>3,000,000</b>	n/a
O Ilunga (Resigned on 14 March 2023)	-	-
G Clarke (Resigned on 8 July 2022)	<b>n/a</b>	13,333,333
N Harrison (Resigned on 8 July 2022)	<b>n/a</b>	13,333,333
L Johnson (Resigned on 8 July 2022)	<b>n/a</b>	15,000,000
	<b>35,000,000</b>	51,666,666

This report was approved by the board of Directors on 14 December 2023 and signed on its behalf by

Dennis Edmonds  
**Director**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**For the year ended 30 June 2023**

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 applicable law and UK-adopted international accounting standards. 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 UK-adopted international accounting standards 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.

**Gerard Kisbey-Green**

**Director**

14 December 2023

**INDEPENDENT AUDITOR'S 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 2023 which comprise the group Statement of Comprehensive Income, the group and company Statements of Financial Position, the group and company Statements of Changes in Equity, the group and company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2023 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions 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.

**Material uncertainty related to going concern**

We draw attention to note 2 in the financial statements, under the heading 'Going concern', which indicates that the group and parent company are dependent upon receipt of funds related to the disposal of former subsidiary AFTAN, as well as the group's two key mining projects coming into operation as planned. These matters are inherently uncertain at the time of this report on the basis that:

- There have been delays in bringing the projects into full operation and there is not at present a clear timeline as to when this will be possible; and
- The proceeds from the sale of AFTAN have not yet been received in full and there have been delays in receiving these funds as compared to the agreed payment plan within the sale and purchase agreement.

As stated in note 2, these events or conditions, along with the other matters as set forth in that note, indicate that a material uncertainty exists that may cast significant doubt on the group's and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included the following procedures:

- An assessment of the forecasting accuracy of management by obtaining updated management accounts for the post year-end period and comparing to the cash flow forecast, as well as reviewing accuracy of historical forecast financial information;
- Ensuring the mathematical accuracy of management's going concern forecast;
- Reviewing the cash flow forecast for the period to 31 May 2025 and challenging management on the reasonableness of the significant assumptions and inputs therein; and
- Performing stress testing on the key inputs into the going concern forecast, including sales price per tonne, the expected yield from the mines, the timing of production and on forecasted cash receipts from the sale of AFTAN.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Emphasis of matter – carrying value of receivables relating to AFTAN sale proceeds**

We draw attention to note 3 of the financial statements, under heading 'Recoverability of proceeds from disposal of Aftan', which describes the uncertainties with regard to the final amounts expected to be received from the buyer in respect of the disposal of the parent company's former subsidiary, African Tantalum Pty Ltd ('AFTAN'), during the year, as well as the uncertainties surrounding timing of those receipts. These uncertainties arise as the buyer, Xinjian, is currently in breach of contract due to non-compliance with the agreed payment terms. Note 3 explains that, at the year end and at the date of these financial statements, the Directors consider the balance due to be fully recoverable. The Note further explains the impact on the financial statements should a revised agreement not be reached and the transaction terminated.

Our opinion is not modified in this respect.

**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 sample sizes during the audit.

The overall materiality applied to the group financial statements was £257,000 (2022: £231,000), based on 2% of gross assets, as it is from these assets that the group seeks to deliver returns for shareholders.

As in the prior year, we considered gross assets to be the most significant determinant of the group's financial position and performance used by shareholders. This is because the key balances, as reflected in the Statement of Financial Position, are mines under construction, property, plant and equipment, and receivables. The going concern of the group is dependent on its ability to fund operations going forward, as well as on the valuation of its mines under construction, which drive the underlying value of the group.

Whilst overall materiality for the financial statements as a whole was set at £257,000, each significant component of the group was audited to an overall materiality ranging between £34,000 - £159,000 (2022: £700 - £207,000) with performance materiality set at 60% for the significant components and the group (2022: 70%). The performance materiality for the group was set at £154,200 (2022: £161,700). The benchmark of 60% is considered appropriate in accordance with the level of inherent risk assessed. The balances representing risk areas, including the carrying value of mines under construction and impairments of investments in subsidiaries (at company level), have been sufficiently addressed by our planned audit procedures. Therefore, we concluded this level of performance materiality provided sufficient coverage of residual risks. We applied the concept of materiality both in planning and performing our audit, and in evaluating the impact of misstatements.

We communicated in our audit planning report that all audit differences identified during the course of our audit in excess of £12,850 (2022: £11,550) will be brought to the attention of those charged with governance. There were no misstatements identified during the course of our audit that were individually, or in aggregate, considered to be material.

Materiality for the parent company financial statements was set at £154,200 (2022: £207,000), based on 3% of net assets (2022: 2% of gross assets), capped at group performance materiality, with performance materiality set at 60% (2022: 70%). 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.

**Our approach to the audit**

In designing our audit approach, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we assessed the areas requiring the directors to make subjective judgements, for example in respect of significant accounting estimates including the carrying value of mines under construction and impairment of investments in subsidiaries and intercompany receivables, as well as the accounting treatment in relation to the disposal of the company's subsidiary, AFTAN, and the consideration of future events that are inherently uncertain.



## KAZERA GLOBAL PLC

An audit was performed on the financial information of the group's material operating components which, for the year ended 30 June 2023, were located in South Africa and in Namibia (up to the date of disposal of AFTAN). There are a number of dormant companies within the group which were not assessed as material components. The audit work performed on non-significant components consisted of analytical procedures at group level.

The work performed by component auditors, under our instructions, on the significant components located in Namibia up to the date of disposal of AFTAN, was directed by us as group auditor and the Senior Statutory Auditor was responsible for the scope and direction of the audit process. We ensured that there was regular interaction with the component auditors during all stages of the audit and reviewed their working papers to gain sufficient appropriate evidence for our opinion on the group financial statements.

### 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 our scope addressed this matter
<p><b>Carrying value of investments in subsidiaries and recoverability of intercompany balances (parent company only) (notes 14 and 16)</b></p> <p>As at 30 June 2023, the value of investments in subsidiaries amounts to <b>£784k</b> (2022: £3,298k). The loan receivables from the subsidiaries were considerably higher than the values of the investments at <b>£1,607k</b> (2022: £8,737k). These balances relate to the company's investments in Deep Blue Minerals (Pty) Ltd and Whale Head Minerals (Pty) Ltd, and the related intercompany long-term receivables.</p> <p>There is a risk that the carrying value of investments held in subsidiaries, and the related receivables from these parties, at a parent company level may be impaired. The recoverability of these balances is dependent on the subsidiaries being able to generate returns from its underlying assets, being mines under construction, and the recoverability of these balances is subject to significant management estimation and judgement.</p> <p>Given the quantum of the account balances and the significant level of management judgement and estimation involved, the impairment of investments in subsidiaries is and intercompany receivables is considered to be a key audit matter.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>• Obtaining Management's impairment assessments and challenging the inputs used therein;</li> <li>• Assessing whether sufficient funding is available to bring the mines into production and thereby generate revenue;</li> <li>• Performing relevant sensitivity analysis in respect of the key assumptions used within the impairment calculations;</li> <li>• Obtaining and reviewing reports produced by management's experts in support of the underlying mineral resources;</li> <li>• Assessing the independence and competence of management's expert;</li> <li>• Ensuring valid licenses were held in respect of key projects at the year end;</li> <li>• Ensuring that, where applicable, valid relevant subcontracting agreements were in place to enable mining operations; and</li> <li>• Consideration of whether adequate disclosure has been included in the financial statements in accordance with the financial reporting framework.</li> </ul>

	<p>During the year, progress on production at the Walviskop site held by Whale Head Minerals, the parent company’s 60% owned subsidiary, was delayed by the need to apply for authorisation from the National Nuclear Regulator after slightly elevated levels of radioactivity within the gravels were detected. The necessary application has been submitted and management anticipate that authorisation will be granted during the first quarter of the 2024 calendar year. Should this authorisation be denied or the process be further delayed, there may be an impact on the carrying value of the investment in subsidiary and the loan receivable within the parent company’s Statement of Financial Position.</p>
<p><b>Carrying value of mines under construction (note 12)</b></p>	
<p>The value of the mines under construction amounts to <b>£749k</b> (2022: £2,961k). These assets represent the key source from which the group will generate income.</p> <p>The recoverability of these balances is ultimately dependent on the mines being able to generate returns. The mines are not yet in the full operation, and the recoverability and valuation of these amounts therefore requires a high level of management judgement and estimation.</p> <p>There is a risk that the carrying value of the mines under construction might be impaired and the assumptions used to estimate impairment values are not appropriate.</p> <p>Given the quantum of the account balance and the significant level of management judgement and estimation involved, the carrying value of mines under construction is considered to be a key audit matter.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>• Reviewing the costs capitalised and additions made to mines under construction assets during the financial year and ensuring that transactions were properly accounted for in accordance with IFRS;</li> <li>• Obtaining Management’s impairment assessments and challenging the inputs used therein;</li> <li>• Performing relevant sensitivity analysis in respect of the key assumptions used within the impairment calculations;</li> <li>• Obtaining and reviewing reports produced by management’s experts in support of the underlying mineral resources;</li> <li>• Assessing the independence and competence of management’s expert;</li> <li>• Ensuring valid licenses were held in respect of key projects at the year end; and</li> <li>• Ensuring that, where applicable, valid relevant subcontracting agreements were in place to enable mining operations.</li> </ul> <p>We refer to the observation made within the Key audit matter relating to the carrying value of investments in subsidiaries above, which is also applicable in respect of the Mines under construction assets relating to the Walviskop site.</p>

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**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 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 Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management. We also selected a specific audit team based on experience with auditing entities within this industry facing similar audit and business risks.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from the Companies Act 2006, AIM Rules and local laws and regulations in South Africa and Namibia relating to exploration and mining.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:

- Discussions with management regarding potential non-compliance during the financial year ended 30 June 2023;
  - Review of the component auditor's work on the compliance with local laws and regulations in Namibia up to the date of disposal of AFTAN;
  - Review of legal and professional expenditure to understand the nature of the costs and existence of any non-compliance with laws and regulations;
  - Review of minutes of meetings of those charged with governance and RNS announcements during the year and post-year end.
- We also identified the risks of material misstatement of the financial statements due to fraud. Aside from the non-rebuttable presumption of a risk of fraud arising from management override of controls, and the presumed risk of fraud on revenue recognition, we did not identify any significant fraud risks. We identified the potential for management bias in relation to the carrying value and recoverability of the mines under construction assets and the investments in subsidiaries and intercompany loan balances as described in the Key Audit Matter section above.
  - As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
  - As part of the group audit, we communicated with the component auditor the risks associated with the in-scope components of the group, including the risk of fraud as a result of management override of controls. To ensure these risks were addressed, we reviewed the working papers of the component auditor and obtained responses to our group audit instructions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

### **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.

**Imogen Massey (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**

15 Westferry Circus  
Canary Wharf  
London E14 4HD

Date: 14 December 2023

## GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Notes	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Revenue	5	31	107
Cost of Sales		(155)	(107)
<b>Gross loss</b>		<b>(124)</b>	<b>-</b>
Pre-production expenses		-	(333)
Administrative expenses		(1,518)	(474)
<b>Operating loss</b>	6	<b>(1,642)</b>	<b>(807)</b>
Finance charges	7	-	(44)
Net finance income	7	246	-
<b>Loss before taxation from continuing operations</b>		<b>(1,396)</b>	<b>(851)</b>
Taxation expense	10	(142)	-
<b>Loss for the year from continuing operations</b>		<b>(1,538)</b>	<b>(851)</b>
Profit/(loss) on discontinued operation, net of tax	15	8,128	(1,170)
Profit/(loss) attributable to owners of the Company		6,706	(2,001)
Loss attributable to non-controlling interests		(116)	(20)
<b>Profit/(loss) for the year</b>		<b>6,590</b>	<b>(2,021)</b>
<b>Other comprehensive income:</b>			
Items that may be subsequently reclassified to profit and loss:			
Exchange differences on translation of foreign operations		159	(17)
		<b>6,749</b>	<b>(2,038)</b>
Total comprehensive profit/(loss) for the year attributable to:			
The equity holders of the parent		6,865	(2,018)
The non-controlling interests		(116)	(20)
<b>Total comprehensive profit/(loss) for the year</b>		<b>6,749</b>	<b>(2,038)</b>
Basic and diluted Earnings per share in pence attributable to owners of the Company from:			
Total operations	11	0.70 p	(0.26) p
Discontinued operations	11	0.87 p	(0.15) p

The accounting policies and notes on pages 39 to 63 are an integral part of these financial statements.

## GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION

As at 30 June 2023

	Notes	GROUP		COMPANY	
		2023 £'000	2022 (as restated) £'000	2023 £'000	2022 £'000
<b>Non-Current assets</b>					
Mines under construction	12	749	2,961	-	-
Property, plant and equipment	13	531	796	-	-
Investment in subsidiaries	14	-	-	784	3,298
Long-term loan	16	-	-	1,607	8,737
		<b>1,280</b>	<b>3,757</b>	<b>2,391</b>	<b>12,035</b>
<b>Current assets</b>					
Trade and other receivables	17	9,053	279	8,866	22
Cash and cash equivalents	18	761	637	758	609
		<b>9,814</b>	<b>916</b>	<b>9,624</b>	<b>631</b>
<b>Current liabilities</b>					
Trade and other payables	19	191	652	73	645
		<b>191</b>	<b>652</b>	<b>73</b>	<b>645</b>
<b>Non-Current liabilities</b>					
Other payables	19	-	69	-	-
Provisions		-	54	-	-
		-	123	-	-
<b>Net current assets / (liabilities)</b>		<b>9,623</b>	<b>264</b>	<b>9,551</b>	<b>(14)</b>
<b>Net assets</b>		<b>10,903</b>	<b>3,898</b>	<b>11,942</b>	<b>12,021</b>
<b>Equity</b>					
Share capital	21	3,516	3,516	3,516	3,516
Share premium account	21	17,556	17,556	17,556	17,556
Capital redemption reserve		2,077	2,077	2,077	2,077
Share option reserve		574	443	574	443
Currency translation reserve		422	263	-	-
Retained earnings		(13,077)	(19,908)	(11,781)	(11,571)
Equity attributable to owners of the Company		<b>11,068</b>	<b>3,947</b>	<b>11,942</b>	<b>12,021</b>
Non-controlling interests		(165)	(49)	-	-
<b>Total equity</b>		<b>10,903</b>	<b>3,898</b>	<b>11,942</b>	<b>12,021</b>

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 £335,670 (2022: £328,095 loss).

These financial statements were approved by the Board of Directors on 14 December 2023.

**Signed on behalf of the Board by**

**Dennis Edmonds**

**Director**

**Company number: 05697574**

The accounting policies and notes on pages 39 to 63 form an integral part of these financial statements.

## GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share option reserve £'000	Currency translation reserve (restated) £'000	Retained earnings £'000	Equity shareholders' funds £'000	Non- controlling interests £'000	Total £'000
<b>Balance at 30 June 2021</b>	<b>3,279</b>	<b>15,863</b>	<b>2,077</b>	<b>337</b>	<b>(477)</b>	<b>(17,917)</b>	<b>3,162</b>	<b>(29)</b>	<b>3,133</b>
Loss for the year	-	-	-	-	-	(2,001)	(2,001)	(20)	(2,021)
Other comprehensive income	-	-	-	-	740	-	740	-	740
Total comprehensive income	-	-	-	-	263	(2,001)	(1,261)	(20)	(1,281)
Transactions with owners in their capacity as owners:									
Issue of share capital	237	1,693	-	-	-	-	1,930	-	1,930
Share options/warrants exercised	-	-	-	(10)	-	10	-	-	-
Share based payment expense	-	-	-	116	-	-	116	-	116
Balance at 30 June 2022	3,516	17,556	2,077	443	(494)	(19,908)	3,947	(49)	3,141
Prior year adjustment see note 27	-	-	-	-	757	-	-	-	757
<b>Balance at 30 June 2022 (as restated)</b>	<b>3,516</b>	<b>17,556</b>	<b>2,077</b>	<b>443</b>	<b>263</b>	<b>(19,908)</b>	<b>3,947</b>	<b>(49)</b>	<b>3,898</b>
Profit for the year	-	-	-	-	-	6,706	6,706	(116)	6,590
Other comprehensive income	-	-	-	-	159	-	159	-	159
Total comprehensive income	-	-	-	-	159	6,706	6,865	(116)	6,749
Transactions with owners in their capacity as owners:									
Share options/warrants exercised	-	-	-	(125)	-	125	-	-	-
Share based payment expense	-	-	-	256	-	-	256	-	256
<b>Balance at 30 June 2023</b>	<b>3,516</b>	<b>17,556</b>	<b>2,077</b>	<b>574</b>	<b>422</b>	<b>(13,077)</b>	<b>11,068</b>	<b>(165)</b>	<b>10,903</b>

The accounting policies and notes on pages 39 to 63 form an integral part of these financial statements.

## COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share option reserve £'000	Retained earnings £'000	Total £'000
<b>Balance at 30 June 2021</b>	<b>3,279</b>	<b>15,863</b>	<b>2,077</b>	<b>337</b>	<b>(11,253)</b>	<b>10,303</b>
Total comprehensive income for the year	-	-	-	-	(328)	(328)
Issue of share capital, net of share issue costs	237	1,693	-	-	-	1,930
Share options/warrants exercised	-	-	-	(10)	10	-
Share based payment expense	-	-	-	116	-	116
<b>Balance at 30 June 2022</b>	<b>3,516</b>	<b>17,556</b>	<b>2,077</b>	<b>443</b>	<b>(11,571)</b>	<b>12,021</b>
Total comprehensive income for the year	-	-	-	-	(335)	(335)
Share options/warrants exercised	-	-	-	(125)	125	-
Share based payment expense	-	-	-	256	-	256
<b>Balance at 30 June 2023</b>	<b>3,516</b>	<b>17,556</b>	<b>2,077</b>	<b>574</b>	<b>(11,781)</b>	<b>11,942</b>

The accounting policies and notes on pages 39 to 63 form an integral part of these financial statements.



## GROUP AND COMPANY STATEMENTS OF CASH FLOWS

For the year ended 30 June 2023

	GROUP		COMPANY	
	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
<b>OPERATING ACTIVITIES</b>				
Loss before tax from continuing operations	(1,396)	(851)	(335)	(328)
Profit/loss before tax from discontinued operations	8,128	(1,170)	-	-
<b>Loss before tax</b>	<b>6,732</b>	<b>(2,021)</b>	<b>(335)</b>	<b>(328)</b>
Depreciation and amortisation	40	52	-	-
Share based payment expense	256	116	256	116
Net finance (income)/charges	(246)	44	(246)	44
Foreign exchange	269	121	75	-
Gain on sale of subsidiary	(8,037)	-	(476)	-
Intercompany loan written off	-	-	1,308	-
Management fees	-	-	(1,144)	-
Intercompany loan interest charged	-	-	(106)	(336)
Operating cash flows before movement in working capital	(986)	(1,688)	(668)	(504)
(Increase)/decrease in receivables	(531)	(110)	(343)	1
(Decrease)/increase in payables	(59)	880	(66)	205
<b>Net cash used in operating activities</b>	<b>(1,576)</b>	<b>(918)</b>	<b>(1,077)</b>	<b>(298)</b>
<b>INVESTING ACTIVITIES</b>				
Purchases of property, plant and equipment	(69)	(438)	-	-
Development costs	(24)	(6)	-	-
Trial diamond mining	-	107	-	-
Proceeds from disposal of subsidiary	2,316	-	2,316	-
Advances to subsidiary undertakings	-	-	(569)	(757)
Purchase/increase in subsidiary undertakings	-	-	-	(184)
<b>Net cash used in investing activities</b>	<b>2,223</b>	<b>(337)</b>	<b>1,747</b>	<b>(941)</b>
<b>FINANCING ACTIVITIES</b>				
Net proceeds from share issues	-	1,498	-	1,498
Loans (repaid)/received	(474)	347	(474)	347
Interest paid	(47)	-	(47)	-
<b>Net cash from financing activities</b>	<b>(521)</b>	<b>1,845</b>	<b>(521)</b>	<b>1,845</b>
Net increase in cash and cash equivalents	126	590	149	606
Cash and cash equivalents at beginning of year	637	47	609	3
Exchange losses on cash and cash equivalents	(2)	-	-	-
<b>Cash and cash equivalents at end of year</b>	<b>761</b>	<b>637</b>	<b>758</b>	<b>609</b>

During the year purchases of property, plant and equipment included £180k of non-cash additions.

The accounting policies and notes on pages 39 to 63 are an integral part of these financial statements.

**NOTES TO THE GROUP FINANCIAL STATEMENTS****For the year ended 30 June 2023****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 England and Wales, 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 UK Adopted International Accounting Standards in accordance with the requirements of the Companies Act 2006.

The consolidated financial statements have been prepared under the historical cost convention, except as noted in the accompanying accounting policies.

The preparation of financial statements in conformity with UK Adopted International Accounting Standards ('IAS') 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 and Group.

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.

**PRIOR YEAR ADJUSTMENT**

Subsequent to the approval of the 2022 financial statements the Board carried out a review of the prior year 'other payables' balance of £826k shown in non-current liabilities. The Board concluded that £757k of this balance related to amounts due from Deep Blue Minerals (Pty) Ltd to the Company. As DBM is a subsidiary of the Company this amount should have been eliminated against the corresponding receivable amount in the Company, in the consolidated statement of financial position. However, the elimination had instead been allocated to Currency translation reserve. The effect of the adjustment to correct the error increases the Group's net assets by £757k to £3.9m from the previously stated £3.1m. See note 27.

Additionally, a reconciliation of the issued share capital of the Company was carried out and a historical error was identified which had resulted in the 2022 financial statements having overstated the number of Ordinary shares of 0.1p in issue by 565,388. See note 21.

**GOING CONCERN**

The financial statements have been prepared assuming the Group and Company will continue as a going concern.

The Company prepares and routinely maintains a cash flow forecast; the directors have, with reference to the cash flow forecast considered a number of potential scenarios under which the Company's ability to continue as a going concern is assessed.

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 the cash receipts arising from the disposal of the Group's operations in Namibia, and in South Africa, the Group's future plans, expenditure commitments, and cost reduction measures that can be implemented and permitting requirements.

**NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)**

For the year ended 30 June 2023

The Directors' estimates are dependent principally upon the Group's mining operations coming into operation as planned and funds from the sale of African Tantalum Pty Ltd continuing to be received in the short-term. The Directors are confident that further funds could be raised to meet any shortfall in the event that insufficient funds are received timeously, or operations are delayed or underperform.

In view of the facts that the Group's mining operations are not yet in full operation and the proceeds arising from the sale of the Company's former subsidiary, African Tantalum Pty Ltd have not yet been received in full, the Directors consider that a material uncertainty exists as to the Company's ability to continue as a going concern; the auditors have made reference to this material uncertainty in their audit report on page 28.

Following the Company's announcement of 20 December 2022, that Kazera had entered into an agreement for the sale of 100% of its shares in African Tantalum Pty Ltd to Hebei Xinjian Construction for a headline sum of US\$13 million (excluding interest at 8% on loans of c.US\$9.3 million made by Kazera to Aftan), the Company has received payments amounting to US\$4.42m.

**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 2022. 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>	<b>Effective from</b>
IAS 1 amendments	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2024
IAS 1 amendments	Classification of Liabilities as Current or Non-current	1 January 2024
IAS 1 amendments	Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
IAS 8 amendments	Accounting policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
IAS 12 amendments	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

**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.

**NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)**

For the year ended 30 June 2023

*Disposal of subsidiary undertakings*

A disposal of a subsidiary occurs when control is lost, which can happen through the sale, liquidation, or other forms of relinquishment of control. Upon disposal, the subsidiary will be deconsolidated from the date control is lost. All assets, liabilities, and non-controlling interests related to the subsidiary will be removed from the consolidated balance sheet. The consideration received from the disposal of a subsidiary will be measured at fair value on the disposal date; the gain or loss on disposal will be calculated as the difference between:

- The fair value of the consideration received; and
- The carrying amount of the subsidiary's assets and liabilities, and any cumulative translation differences recorded in equity.

The results of the subsidiary up to the date of disposal will be included in the consolidated income statement and shown separately as discontinued operations.

**FOREIGN CURRENCIES**

The individual financial statements of each subsidiary company are presented in South African Rands (and Namibian Dollars for the subsidiary disposed of during the year), which is the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the Group and parent company 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.

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.

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.

**NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)****For the year ended 30 June 2023**

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 “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” are transferred into “Property, Plant and Equipment” or “Producing Mines. It is at this point that depreciation/amortisation commences over its useful economic life. The asset will be depreciated using the Units of Production method (UOP).

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 (continued)**

For the year ended 30 June 2023

**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:

Buildings	Over 20 years
Plant and machinery	Between 5 and 10 years
Furniture 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.

**ASSET ACQUISITIONS - LAND**

Acquisitions of mineral exploration licences through the acquisition of non-operational corporate structures that do not represent a business, and therefore do not meet the definition of a business combination, are accounted for as the acquisition of an asset. The consideration for the asset is allocated to the assets based on their relative fair values at the date of acquisition. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

Where the asset was acquired during the period however licensing becomes available post year end this is accounted for as an acquisition of Land.

**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.

**NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)**

For the year ended 30 June 2023

*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.

**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.

**TRIAL PRODUCTION REVENUE AND COSTS***Revenue*

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. These steps are as follows: identification of the customer contract; identification of the contract performance obligations; determination of the transaction price; allocation of the transaction price to the performance obligations; and revenue recognition as performance obligations are satisfied.

Under IFRS 15, revenue is recognised when performance obligations are met. This is the point of delivery of goods to the customer. Revenue is measured at the fair value of consideration received or receivable from sales of diamonds and tantalite to an end user, net of buyer's discount, treatment charges, freight costs and value added tax. The application of the standard including the five-step approach has not resulted in any changes to the timing of recognition of revenue in the current or any prior period.

*Cost of revenue*

These are the costs directly associated with the extraction and processing of diamonds from mining operations.

Costs to be included in cost of sales are as follows:

**NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)**

For the year ended 30 June 2023

- Extraction costs: These include labour and overhead costs directly related to the extraction of diamonds from the mine.
- Processing Costs: Costs incurred in the crushing, sorting, and other processing required to prepare the diamonds for sale.
- Inventory Costs: Costs related to the storage and security of diamonds until they are sold. This includes warehousing and insurance costs.
- Depreciation and Amortization: The systematic allocation of the depreciable amount of assets (e.g., machinery, equipment) used in the extraction and processing of diamonds.

Exclusion of costs: General administrative expenses, marketing, and distribution costs are not included in the cost of sales but are recognized as separate expense categories in the income statement.

Cost of sales is recognized in the income statement when the related revenue is recognized.

**EARNINGS PER SHARE**

Basic earnings per share (EPS) is calculated by dividing: the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (note 11).

Diluted EPS adjusts the figures used in the determination of basic EPS to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares.

*Discontinued operations*

Basic EPS for discontinued operations is calculated by dividing the net profit or loss attributable to ordinary shareholders from discontinued operations by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS considers the potential dilution that would occur if convertible instruments or contracts to issue shares were converted into ordinary shares.

**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 reporting segments are the holding company, tantalite and lithium mining operation in Namibia and the diamond mining operations in South Africa.

**3. CRITICAL ACCOUNTING JUDGEMENTS**

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.



**NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)**

For the year ended 30 June 2023

**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 and valuation methodology adopted have been described in more detail in Note 22. The estimates and assumptions could materially affect the Income Statement.

**Carrying value of mines under construction (Note 12)**

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.

During the year, progress on production at the Walviskop site held by Whale Head Minerals, the parent company's 60% owned subsidiary, was delayed by the need to apply for authorisation from the National Nuclear Regulator after slightly elevated levels of radioactivity within the gravels were detected. The necessary application has been submitted and it is expected that authorisation will be granted during Q1 2024. Should this authorisation be denied or the process be further delayed, this would impact the Company's cash flow projections and potentially also the carrying values of the 'investment in subsidiary' and 'mines under construction'.

The Group continually monitors and updates its cash flow forecast on both Group and legal entity bases, applying the latest available information as regards operations and key inputs such as commodity prices or sales forecasts, production rates, transport costs. In reviewing the carrying value of *mines under construction*, the Board has considered the present value of expected future cash flows, discounted at a rate of 10%, and has ensured these exceed the present carrying value.

**Investment in subsidiaries**

The investments in subsidiaries are recognised at cost less accumulated impairments. Details of the investments are listed in Note 14.

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.

The Directors are confident that the future operational cashflows forecast to be generated from the sale of diamonds and HMS will be sufficient to repay the intragroup loans.

**Loss of Control of African Tantalum Pty Ltd**

In December 2022, the Company agreed to dispose of its interest in 100% of the issued share capital of subsidiary African Tantalum Pty Ltd ("Aftan") to Hebei Xinjian Construction CC ("**Xinjian**"). On 4 January 2023, Dennis Edmonds resigned as a director of Aftan and each of its subsidiaries, following which Kazera has no control of the board, operations or finances of Aftan and there is no shareholder or relationship agreement in place through which Kazera can exert control. Kazera is unable to compel the provision of such detailed financial information from Aftan to enable it to consolidate Aftan's financial information as it has no operational control and no right to receive operational accounting information. Furthermore, (without prejudice, and notwithstanding its ongoing contractual breach) Xinjian has the power to compel the final transfer of the issued share capital by making the final payment and the remaining completion elements under the terms of the sale and purchase agreement ("**SPA**") between the parties.

**NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)**

For the year ended 30 June 2023

Whilst the ongoing fixed-rate royalty leads to a variable absolute return, the Directors consider this to be consistent with other forms of debt financing, and the SPA includes a negative covenant restricting the payment of dividends by Aftan to Kazera.

As a result of the loss of control of Aftan, that Company's financial statements have been deconsolidated from the Group, as further detailed in Note 15.

**Recoverability of proceeds from disposal of Aftan**

The directors acknowledge that:

- There are uncertainties surrounding final amounts to be received from Xinjian
- There are uncertainties surrounding timing of receipts
- If the transaction is terminated due to non-payment of the disposal proceeds the loan to Aftan may need to be reinstated; the amounts received to date would be treated as repayment of this loan and the deferred consideration would need to be written off

As at the date of this financial statements the directors consider that the amounts due from Xinjian are recoverable, however, if Xinjian remains in breach of contract and the parties cease to progress the transaction in good faith, Kazera could attempt to exercise its powers as a shareholder to eject Xinjian's representatives from the board and retake operational control of Aftan.

The Directors consider that the Company's potential economic benefit from Aftan post-signing of the SPA is capped at the amount of the outstanding intercompany loan and the remaining consideration payable in respect of the equity sold.

**Recoverability of intragroup loans**

Significant judgment has been exercised by the directors in assessing the recoverability of intragroup loans. The Company has provided financial assistance to its subsidiaries in the form of loans. These loans are assessed for recoverability annually.

The determination of recoverability involves estimating the future cash flows expected to be received from the subsidiaries, considering their financial position, profit projections, and external market conditions. Based on these assessments, management has concluded that the loans are recoverable and has recognised them at their carrying amount in the financial statements.

Given the inherent uncertainties in predicting future events and behaviours, this judgment is subject to estimation uncertainty. Any changes in the financial condition of the subsidiaries, or in the economic conditions under which they operate, could impact the estimated recoverability of these loans, which may require adjustments to their carrying values in future periods.

**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 profit/(losses) and net assets by primary business segments are shown below.

NOTES TO THE GROUP FINANCIAL STATEMENTS (*continued*)

For the year ended 30 June 2023

## Segmentation by continuing business

	Year ended 30 June 2023	Year ended 30 June 2022
	£'000	£'000
<b>Profit/ (loss) before income tax</b>		
Holding company	(1,060)	(620)
Diamond mining activity	(453)	(187)
Mineral sands mining activity	(129)	-
<b>Operating loss</b>	<b>(1,642)</b>	<b>(807)</b>
Net finance income/(charge)	246	(44)
Taxation expense	(142)	-
Loss from continuing activities	(1,538)	(851)
Profit/(loss) on discontinued operation, net of tax	8,128	(1,170)
<b>Group profit/(loss) for the year</b>	<b>6,590</b>	<b>(2,021)</b>
	Year ended 30 June 2023	Year ended 30 June 2022
	£'000	£'000
<b>Net assets /(liabilities)</b>		
Holding company	12,027	11,124
Diamond mining activity	(1,009)	(504)
Mineral sands mining activity	(115)	-
Tantalite mining activity	-	(6,722)
<b>Group net assets</b>	<b>10,903</b>	<b>3,898</b>

## Segmentation by geographical area

	Year ended 30 June 2023	Year ended 30 June 2022
	£'000	£'000
<b>Operating loss</b>		
United Kingdom	(1,060)	(620)
South Africa	(582)	(187)
	<b>(1,642)</b>	<b>(807)</b>
	Year ended 30 June 2023	Year ended 30 June 2022
	£'000	£'000
<b>Net assets /(liabilities)</b>		
United Kingdom	12,027	11,124
Namibia	-	(6,722)
South Africa	(1,124)	(504)
	<b>10,903</b>	<b>3,898</b>

NOTES TO THE GROUP FINANCIAL STATEMENTS (*continued*)

For the year ended 30 June 2023

## 5. REVENUE

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Revenue from external customers	31	107

Revenues of £31k (2022: £107k) were derived for the sale of the by-products of testing and evaluation activities. Additionally, there were £24k of revenues also from testing and evaluation activities incurred in the disposal group (see note 15). For the prior year the revenues derived from pre-production activities were considered against the Mines Under Construction intangible asset recognised in the Group. This amount was not deemed to be material to the financial statements. (see note 12).

## 6. OPERATING LOSS

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Loss for the period has been arrived at after charging:		
Staff costs as per Note 9 below	790	520
Auditors' remuneration	61	50
Depreciation of property, plant and equipment	40	52
Share-based payment expense	256	116

## 7. FINANCE CHARGES/INCOME

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Loan interest payable	(15)	(44)
Interest income on deferred consideration	261	-
	246	(44)

## 8. AUDITORS' REMUNERATION

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Fees payable to the Group's auditors for the audit of the Group's annual accounts	61	50
<b>Total audit fees</b>	<b>61</b>	<b>50</b>

NOTES TO THE GROUP FINANCIAL STATEMENTS (*continued*)

For the year ended 30 June 2023

**9. STAFF COSTS**

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

	Year ended 30 June 2023	Year ended 30 June 2022
	Number	Number
Group total staff	29	16
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	507	400
Share based payment in respect of exercise of options	256	118
Other benefits	-	1
Social security costs	27	1
	<b>790</b>	<b>520</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 on page 24 accompanying these financial statements. All emoluments are short term in nature and the Directors are considered to be key management personnel.

**10. TAXATION**

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax applied to profits for the year are as follows:

	Year ended 30 June 2023	Year ended 30 June 2022
	£'000	£'000
<b>Analysis of income tax expense:</b>		
Current tax	-	-
Deferred tax	142	-
<b>Total income tax expense</b>	<b>142</b>	<b>-</b>
Loss before tax from continuing operations	(1,396)	(851)
Profit/(loss) before tax from discontinued operations	8,128	(1,170)
<b>Profit/(loss) before tax for the year</b>	<b>6,732</b>	<b>(2,021)</b>
Tax using the Company's domestic tax rate of 20.50% (2022:19%)	1,380	(571)
Effects of:		
Expenses not deductible for tax purposes	52	33
Unutilised tax losses carried forward	664	538
Substantial shareholder relief	(1,832)	-
Local deferred tax derecognised	142	-
Effect of difference between local and UK tax rate	(264)	-
<b>Tax charge for period</b>	<b>142</b>	<b>-</b>

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. Losses from the previous period have been carried forward. A deferred tax asset has not been recognised in the financial statements due to the uncertainty of the recoverability of the amount.

At the balance sheet date the Group had unused tax losses of £5,288k (2022: £7,401k).

NOTES TO THE GROUP FINANCIAL STATEMENTS (*continued*)

For the year ended 30 June 2023

**11. EARNINGS PER SHARE**

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

	Year ended 30 June 2023	Year ended 30 June 2022
	£'000	£'000
Profit/(loss) for the year attributable to owners of the Company		
Continuing operations	(1,538)	(851)
Discontinued operations	8,128	(1,170)
Weighted average number of ordinary shares in issue for basic and fully diluted earnings	936,599,523	770,895,360
EARNINGS PER SHARE (PENCE PER SHARE)		
BASIC AND FULLY DILUTED:		
- from continuing operations	(0.17)	(0.11)
- from discontinued operations	0.87	(0.15)
	0.70	(0.26)

The Company has outstanding warrants and options as disclosed under Note 22 which may be dilutive in future periods. As all options and warrants had fully vested they had no-dilutive effect on the basic earnings per share.

**12. MINES UNDER CONSTRUCTION**

	Construction in progress	Mining licences	Total
GROUP	£'000	£'000	£'000
<b>At 1 July 2021</b>	<b>2,861</b>	<b>36</b>	<b>2,897</b>
Additions	-	6	6
Sale of by-products	(107)	-	(107)
Exchange translation difference	161	4	165
<b>At 30 June 2022</b>	<b>2,915</b>	<b>46</b>	<b>2,961</b>
Additions	27	-	27
Exchange translation difference	(92)	-	(92)
Disposal of subsidiary	(2,147)	-	(2,147)
<b>At 30 June 2023</b>	<b>703</b>	<b>46</b>	<b>749</b>

NOTES TO THE GROUP FINANCIAL STATEMENTS (*continued*)

For the year ended 30 June 2023

## 13. PROPERTY, PLANT AND EQUIPMENT

GROUP	Land & buildings £'000	Plant & machinery £'000	Total £'000
<b>Cost</b>			
<b>At 1 July 2021</b>	125	1,224	<b>1,349</b>
Exchange translation difference	-	(350)	(350)
Additions	184	254	438
<b>Cost at 30 June 2022</b>	<b>309</b>	<b>1,128</b>	<b>1,437</b>
Exchange translation difference	-	(169)	(169)
Additions	-	279	279
Disposal of subsidiary	(125)	(778)	(903)
<b>Cost at 30 June 2023</b>	<b>184</b>	<b>460</b>	<b>644</b>
<b>Depreciation</b>			
<b>At 1 July 2021</b>	35	598	<b>633</b>
Exchange translation difference	-	(44)	<b>(44)</b>
Charge for the year	5	47	<b>52</b>
<b>Depreciation at 30 June 2022</b>	<b>40</b>	<b>601</b>	<b>641</b>
Exchange translation difference	-	(103)	(103)
Charge for the year	-	40	40
Disposal of subsidiary	(40)	(425)	(465)
<b>Depreciation at 30 June 2023</b>	<b>-</b>	<b>113</b>	<b>113</b>
<b>Net book value at 30 June 2023</b>	<b>184</b>	<b>347</b>	<b>531</b>
Net book value at 30 June 2022	269	528	796

NOTES TO THE GROUP FINANCIAL STATEMENTS (*continued*)

For the year ended 30 June 2023

**14. 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>	
<b>As at 1 July 2021</b>	<b>3,114</b>
Acquisition: 60% of Whale Head Minerals (Pty) Ltd (Note 15)	184
<b>As at 30 June 2022</b>	<b>3,298</b>
Disposal of African Tantalum	<b>(2,514)</b>
<b>As at 30 June 2023</b>	<b>784</b>

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

At 30 June 2023 the subsidiaries were as follows:

<b>Subsidiary undertakings</b>	<b>Country of registration</b>	<b>Principal activity</b>	<b>Holding</b>	<b>%</b>
Whale Head Minerals (Pty) Ltd <sup>(1)</sup> 6 Reier Avenue Alexander Bay Northern Cape 8290 South Africa	South Africa	Mining License holder	Ordinary shares	60%
Deep Blue Minerals (Pty) Ltd <sup>(1)(2)</sup> 6 Reier Avenue Alexander Bay Northern Cape 8290 South Africa	South Africa	Mining License holder	Ordinary shares	90%
Kazera Trading Limited Unit D, De Clare House, Sir Alfred Owen Way, Pontygwindy Industrial Estate, Caerphilly, Wales, CF83 3HU	UK	Dormant	Ordinary shares	100%

<sup>(1)</sup> Companies incorporated in South Africa are required to comply with Broad-Based Black Economic Empowerment (B-BBEE) regulations.

<sup>(2)</sup> 26% of the shares in Deep Blue Minerals (Pty) Ltd are reserved for Black Economic Empowerment partners, and therefore Kazera's ultimate beneficial interest in Deep Blue Minerals (Pty) Ltd is 64%.

**African Tantalum (Pty) Ltd and subsidiaries ("Aftan")**

On 20 December 2022 the Company announced the 100% sale of Aftan to Hebei Xinjian Construction for cash consideration of US\$13m (details provided in note 15).



NOTES TO THE GROUP FINANCIAL STATEMENTS (*continued*)

For the year ended 30 June 2023

**15. DISPOSAL OF SUBSIDIARY**

On 20 December 2022, the Company announced the 100% sale of Aftan to Hebei Xinjian Construction for cash consideration of US\$13m. Comprised of purchase consideration for the sale of the shares in Aftan of USD3,642,207 and the repayment of the intercompany loan to Kazera of USD9,357,793. Total consideration in GBP is £10,673k.

On 4 January 2023, Dennis Edmonds resigned as a director of Aftan and each of its subsidiaries, and from that date, the accounts of Aftan ceased to be consolidated as a group company. See note 3 for further information.

The post-tax gain on disposal of Aftan was determined as follows:

<b>Group</b>	<b>£'000</b>
Cash consideration	<b>2,990</b>
Repayment of existing loan	<b>7,863</b>
<b>Total consideration</b>	<b>10,673</b>
Cash disposed of	<b>615</b>
Net inflow on disposal of discontinued operations	<b>10,059</b>
<i>Net assets disposed (other than cash)</i>	
Mines under construction	<b>(2,147)</b>
Property, plant and equipment	<b>(438)</b>
Trade and other receivables	<b>(92)</b>
Trade and other payables	<b>655</b>
Pre-tax gain on disposal of subsidiary undertaking	<b>8,037</b>

The post tax gain on disposal of discontinued operations was determined as follows:

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Revenue	<b>24</b>	-
Administration and other costs	<b>67</b>	(1,170)
Gain from selling discontinued operations after tax	<b>8,037</b>	-
Profit/(loss) on discontinued operations after tax	<b>8,128</b>	(1,170)

The statement of cash flows included £73k in relation to outflow from operating activities relating to discontinued operations.

NOTES TO THE GROUP FINANCIAL STATEMENTS (*continued*)

For the year ended 30 June 2023

## 16. LONG TERM LOAN (COMPANY)

Company	Loan to Aftan Tantalum £'000	Loan to Deep Blue Minerals £'000	Loan to Whale Head Minerals £'000	Total £'000
As at 1 July 2021	7,145	499	-	7,644
As at 30 June 2022	7,985	733	19	8,737
Increase in loan	361	338	517	1,216
Disposal of subsidiary	(8,346)	-	-	(8,346)
As at 30 June 2023	-	1,071	536	1,607

## 17. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Other receivables	8,520	262	8,500	5
Prepayments and accrued income	533	17	366	17
	9,053	279	8,866	22

Included in other receivables is £8,501k (2022: nil) with respect to amounts due on the sale of Aftan.

## 18. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cash and cash equivalents	761	637	758	609

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 (*continued*)

For the year ended 30 June 2023

## 19. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2023 £'000	2022 (as restated) £'000	2023 £'000	2022 £'000
<b>Current Liabilities</b>				
Trade payables	17	12	11	12
Other payables	124	482	12	480
Accruals	50	158	50	153
	<b>191</b>	<b>652</b>	<b>73</b>	<b>645</b>
<b>Non-Current Liabilities</b>				
Other payables	-	123	-	-
	-	123	-	-

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

The 'other payables' non-current liability for the year ended 30 June 2022 has been re-stated as it had incorrectly included amounts due from subsidiary, Deep Blue Minerals (Pty) Limited to the Company. For further details see note 27 – prior year adjustment.

## 20. PROVISIONS

	GROUP		COMPANY	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Mine rehabilitation provision	-	44	-	-
Mine decommissioning provision	-	10	-	-
	-	54	-	-

The provisions for mine rehabilitation and decommissioning in 2022 related to Aftan. Following the disposal of Aftan during the year these provisions are no longer required. For further info on the disposal of Aftan see note 15.

Each of Deep Blue and WHM carry out continuous rehabilitation as an embedded part of the mining process. Consequently, any rehabilitation costs are incurred on an ongoing basis and no provision is required.

NOTES TO THE GROUP FINANCIAL STATEMENTS (*continued*)

For the year ended 30 June 2023

## 21. SHARE CAPITAL AND SHARE PREMIUM

	No. Ordinary shares of 0.1p each	Deferred shares of 0.9p each	Share Capital £'000	Share Premium £'000
<b>Total as at 30 June 2022 (restated)</b>	<b>936,599,523</b>	<b>286,561,208</b>	<b>3,516</b>	<b>17,556</b>
Share issues	-	-	-	-
<b>Total as at 30 June 2023</b>	<b>936,599,523</b>	<b>286,561,208</b>	<b>3,516</b>	<b>17,556</b>

The number of Ordinary shares of 0.1p each in the capital of the Company as at 30 June 2022 has been restated as the number of such Ordinary shares had previously been overstated by 565,388 Ordinary shares of 0.1p each.

**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 (see note 22).
Currency translation reserve:	Reserve arising from the translation of foreign subsidiaries at consolidation. The total movement in the foreign currency translation reserve was presented in both the Statement of Changes in Equity and in Other Comprehensive Income in the current year. During the prior year, this movement was presented in the Statement of Changes in Equity.
Retained earnings:	Represents accumulated comprehensive income for the year and prior periods.

## 22. SHARE-BASED PAYMENTS

**Equity-settled share option scheme and share warrants**

The Company operates share-based payment arrangements to incentivise directors by the grant of share options.

Equity-settled share-based payments within the scope of IFRS 2 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.

The fair value of the share-based payments issued during the year has been calculated using the Black-Scholes valuation model. The assumptions used in the fair value calculation were as follows:

Date of grant	8 July 2022	18 July 2022	3 November 2022	16 May 2023
Number of options/warrants	3,000,000	4,000,000	16,500,000	4,000,000
Weighted average share price	£0.00725	£0.008	£0.00925	£0.00875
Exercise price (pence)	£0.01	£0.01	£0.01	£0.01
Risk free interest (%)	1.91%	1.87%	3.345%	3.628%
Expected volatility (%)	80%	80%	78%	76%
Expected life (years)	5	5	5	5
Fair value per option/warrant (pence)	0.42p	0.48p	0.59p	0.54p

NOTES TO THE GROUP FINANCIAL STATEMENTS (*continued*)

For the year ended 30 June 2023

The expected volatility is calculated by obtaining daily closing prices over period of measure, computing the daily returns, determining their standard deviation, and then annualizing this figure by multiplying by the square root of the number of trading days which is usually 252 days.

The total share-based payment expense recognised in the income statement for the year ended 30 June 2023 in respect of the share options granted was £256k (2022: £116k).

The total number of share options and share warrants in issue as at 30 June 2023 are as follows:

Exercise Price	Expiry Date	Share Warrants				At 30 June 2023
		At 1 July 2022	Issued	Exercised	Lapsed	
£0.02	27/12/2022	10,000,000	-	-	(10,000,000)	-
£0.02	04/01/2023	2,500,000	-	-	(2,500,000)	-
£0.02	04/01/2023	5,000,000	-	-	(5,000,000)	-
£0.01	30/10/2023	39,937,643	-	-	-	<b>39,937,643</b>
£0.02	01/02/2023	2,500,000	-	-	(2,500,000)	-
£0.02	31/01/2023	10,000,000	-	-	(10,000,000)	-
£0.01	31/05/2023	116,131,500	-	-	(116,131,500)	-
£0.02	01/02/2023	3,500,000	-	-	(3,500,000)	-
		<b>189,354,143</b>	-	-	<b>(149,631,500)</b>	<b>39,397,643</b>

As at 30 June 2023 the weighted average contractual life of the warrants in issue was 4 months (2022: 11.3 months)

## Share options

Exercise Price (p)	Expiry Date	At 1 July				At 30 June 2023
		2022	Issued	Exercised	Lapsed	
£0.0175	20/12/2022	3,300,000	-	-	(3,300,000)	-
£0.0175	20/12/2023	3,300,000	-	-	-	<b>3,300,000</b>
£0.0175	20/12/2024	3,400,000	-	-	-	<b>3,400,000</b>
£0.0100	03/06/2025	5,000,000	-	-	-	<b>5,000,000</b>
£0.0100	03/06/2025	5,000,000	-	-	-	<b>5,000,000</b>
£0.0100	03/06/2025	5,000,000	-	-	-	<b>5,000,000</b>
£0.0100	03/06/2025	10,000,000	-	-	-	<b>10,000,000</b>
£0.0100	08/07/2027	-	3,000,000	-	-	<b>3,000,000</b>
£0.0100	18/07/2027	-	4,000,000	-	-	<b>4,000,000</b>
£0.0100	06/05/2027	-	15,000,000	-	-	<b>15,000,000</b>
£0.0200	12/01/2023	1,500,000	-	-	(1,500,000)	-
£0.0100	06/05/2027	-	1,500,000	-	-	<b>1,500,000</b>
£0.0100	11/05/2028	-	3,000,000	-	-	<b>3,000,000</b>
£0.0100	11/05/2028	-	1,000,000	-	-	<b>1,000,000</b>
		<b>36,500,000</b>	<b>27,500,000</b>	-	<b>(4,800,000)</b>	<b>59,200,000</b>

As at 30 June 2023 the weighted average contractual life of the share options in issue was 2.8 years (2022: 2.4 years).

NOTES TO THE GROUP FINANCIAL STATEMENTS (*continued*)

For the year ended 30 June 2023

**23. 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:

	GROUP		COMPANY	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Financial assets at amortised cost:				
Cash and cash equivalents	761	637	758	609
Loans and receivables	9,053	279	8,866	22
	<b>9,814</b>	<b>916</b>	<b>9,624</b>	<b>631</b>

## FINANCIAL LIABILITIES BY CATEGORY

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

	GROUP		COMPANY	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Financial liabilities at amortised cost:				
Trade and other payables	191	652	73	645
	<b>191</b>	<b>652</b>	<b>73</b>	<b>645</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 £'000	1-3 months £'000	3 months to 1 year £'000	1-5 years £'000	Over 5 years £'000
<b>30 June 2022</b>					
Non-interest bearing:					
Trade and other payables	-	652	-	-	-
Short term borrowings	-	-	-	-	-
<b>30 June 2023</b>					
Non-interest bearing:					
Trade and other payables	-	191	-	-	-
Short term borrowings	-	-	-	-	-

**NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)**

For the year ended 30 June 2023

**24. 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.

As at 30 June 2023, the Group's maximum exposure to credit risk was £760,576 (2022: £636,854) comprising cash and cash equivalents.

**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, the Group's major activity has been 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. It is expected that the Group's future exposure will principally be to GBP South African Rand foreign exchange fluctuations following the Company's disposal of African Tantalum (Pty) Ltd. 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.

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 South African Rands their value is dependent on the global market value of the available Tantalite resources.

**NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)**

For the year ended 30 June 2023

The table below details the split of the cash held as at 30 June 2023 between the various currencies. The impact due to movements in the exchange rates is considered to be immaterial.

<b>Currency</b>	<b>2023</b>	<b>2022</b>
Namibian Dollar	-	NAD 173,234
South African Rand	<b>ZAR 233,109</b>	ZAR 220,360
Great British Pounds	<b>GBP 366,884</b>	GBP 608,504
US Dollars	<b>USD 480,289</b>	-
Euros	<b>EUR 6,031</b>	-
<b>Total in GBP</b>	<b>GBP 761,000</b>	GBP 637,000

**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.

**25. EVENTS AFTER THE REPORTING PERIOD**

In respect of the disposal of Aftan, the Company received £795k in August 2023 and £264k in November 2023.

On 30 October, warrants over 39,397,643 Ordinary shares exercisable at a price of £0.01 per share, lapsed unexercised.

**26. 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 £55,000 (2022: £49,000) 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 (each of whom resigned as directors on 8 July 2022).

As at 30 June 2022, the Company had an outstanding loan of £199,000 with WIHL. This loan was repaid in January 2023.

As at 30 June 2022, £71,000 and £57,000 was owed to Giles Clarke and Nick Harrison (each of whom was a director until 8 July 2022) respectively in unpaid salaries. These amounts were settled in full in December 2022.

There have been no other material transactions with related parties.



NOTES TO THE GROUP FINANCIAL STATEMENTS (*continued*)

For the year ended 30 June 2023

**27. PRIOR YEAR ADJUSTMENT**

The prior year comparatives for the Group have been restated from those previously reported by the Company as shown below:

	As previously stated 2022 £'000	Adjustment £'000	As restated 2022 £'000
<b>Non-Current assets</b>			
Mines under construction	2,961	-	2,961
Property, plant and equipment	796	-	796
	3,757	-	3,757
<b>Current assets</b>			
Trade and other receivables	279	-	279
Cash and cash equivalents	637	-	637
	916	-	916
<b>Current liabilities</b>			
Trade and other payables	652	-	652
	652	-	652
<b>Non-Current liabilities</b>			
Other payables	826	(757)	69
Provisions	54	-	54
	880	(757)	123
<b>Net current assets / (liabilities)</b>	264	-	264
<b>Net assets</b>	3,141	(757)	3,898
<b>Equity</b>			
Share capital	3,516	-	3,516
Share premium account	17,556	-	17,556
Capital redemption reserve	2,077	-	2,077
Share option reserve	443	-	443
Currency translation reserve	(494)	757	263
Retained earnings	(19,908)	-	(19,908)
Equity attributable to owners of the Company	3,190	757	3,947
Non-controlling interests	(49)	-	(49)
<b>Total equity</b>	3,141	757	3,898

Subsequent to the approval of the 2022 financial statements the Board carried out a review of the prior year Other payables balance of £826k shown in non-current liabilities. The Board concluded that £757k of this balance related to amounts due from Deep Blue Minerals (Pty) Ltd (DBM) to the Company. As DBM is a subsidiary of the Company this amount should have been eliminated against the corresponding receivable amount in the Company, in the consolidated statement of financial position. However, the elimination had instead been allocated to Currency translation reserve. The effect of the adjustment to correct the error increases the Group's net assets by £757k to £3.9m from the previously stated £3.1m. There was no resulting impact on profit or loss.

NOTES TO THE GROUP FINANCIAL STATEMENTS (*continued*)

For the year ended 30 June 2023

**28. NOTES SUPPORTING STATEMENT OF CASHFLOWS**

Significant non-cash transactions from investing activities are as follows:

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Consideration for the disposal of subsidiary	<b>10,673</b>	-
See note 15		

Reconciliation of net cash flow to movement in net debt

	<b>2023</b>	2022
<b>Group</b>	<b>£000</b>	£000
Cash and cash equivalents	<b>761</b>	637
Borrowings	-	(474)
Net debt	<b>761</b>	163
Net increase in cash and cash equivalents in the period	<b>126</b>	590
Cash flows from decrease/(increase) in borrowings	<b>474</b>	(347)
Other non-cash changes	<b>(2)</b>	16
Change in net debt resulting from cashflows	<b>598</b>	259
Net debt at the start of the year	<b>163</b>	(96)
Net debt at the end of the year	<b>761</b>	163

**29. ULTIMATE CONTROLLING PARTY**

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