

27 March 2020

Kazera Global plc

Interim Results for the six months ended 31 December 2019

Kazera Global plc ("Kazera Global", "Kazera" or "the Company"), the AIM quoted investment company who, through its stake in African Tantalum (Pty) Limited ("Aftan"), has an interest in the Namibia Tantalite Investment Mine ("NTI" or the "Mine") in Namibia, is pleased to announce its unaudited interim results for the six months ended 31 December 2019 ("the Period").

Highlights:

Operational

- Successful exploration campaign at Homestead and Purple Haze deposits with material increases on initial estimates and a Maiden JORC (2012) compliant Mineral Resource identified at these deposits
- Maiden Inferred tantalite Resource at White City Deposit of 297.6 thousand tonnes ("kt"), in line with the Company's pre-exploration programme expectation. Strong grades of 105 parts per million Ta₂O₅ measured.
- Across White City, Purple Haze and Homestead, the mine now has a maiden JORC Compliant Mineral Resource Estimate of 622.2 kt of lithium and tantalite resources.
- Kazera registered a subsidiary named Kazera Trading, which will operate in conjunction with Kazera Global. Kazera Trading will function as an ore trading arm of the Company facilitating the global movement of resources such as tantalum, leveraging the experience of Kazera's management. Initial trades have already been agreed by the Company.
- Implemented water management and efficiency measures across the property.
- Endeavoured to reduce diesel usage and has begun to use solar panels to power all water bore holes across the property. Additionally, the Company installed a bulk diesel system directly at the village generator which enables the Company to have access to 50 days of energy supply from the generator

Financial

- At 31 December 2019, cash at bank amounted to £0.26m
- Total Current Assets at 31 December 2019 amounted to £0.35m
- Overall Net Assets at 31 December 2019 amounted to £3.3m
- Successful placing to raise £400,000 (before expenses) through the issue of the 66,666,667 Placing Shares completed in September

Post Period

Commenced Phase II Drilling Program to continue the comprehensive understanding of the mineralisation on the property and to further identify the fundamental and future value of the operation.

On 23 March 2020 the Company announced that it had entered into short term unsecured loan facilities with a consortium of investors in order to provide the Company with an additional £200k of working capital.

Outlook

- Continued focus on unlocking the full value of the property through its targeted Phase II exploration program
- The Company intends to move one or more of the man-carry rigs to Signaalberg
- Negotiations continue with two international groups who have approached the Company with indicative offers for the funding of construction of the Orange River Pipeline as well as offtake proposals
- Continued trading through the Company's trading arm
- Continued assessment of global investment opportunities

Larry Johnson, CEO of Kazera Global, said:

"During the Period, I have been delighted with the progress of the exploration programme. Significant value has been added to the Mine in the past few months as we have continued to drill across the property. We have achieved a JORC compliant resource at Homestead, Purple Haze and White City deposits and we intend to move one of the man-carry rigs to Signaalberg having previously considered Signaalberg to be out of reach due to the incline and terrain.

"We continue to look for cash flow opportunities such as the new trading arm of the business which enables us to deliver additional value to our shareholders and following the recent raise we are in a position to advance discussions with interested parties to fund the next phase of our growth."

For further information on the Company, visit: www.kazeraglobal.com

****ENDS****

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CHAIRMAN'S STATEMENT

Review of the Period

This period has been characterised by exceptional drilling results from our first phase of exploration drilling and the realisation of value at our Mine in Namibia.

Beginning in July, the Company reported its maiden JORC compliant Mineral Resource over the Homestead and Purple Haze deposits which identified a combined total Indicated and Inferred tantalite and lithium Mineral Resource of 324.6 thousand tonnes, with further resource upside expected. Encouragingly, strong grades of tantalite and lithium were found across both deposits indicating potential for economic production of both commodities at the Purple Haze and Homestead deposits. Further results were received in August from the Purple Haze deposit as well as over the White City Pegmatites which delivered further exciting results and demonstrates the quality of both deposits.

At this time, it also become clear that the first phase of exploration would test a fraction of the potentially mineralised areas and therefore, a second phase of exploration activity would be a cost-effective strategy of identifying further resource at the Mine. As such, the Company, with technical input from MSA Group began planning a Phase 2 programme of approximately 2,000 metres of drilling aimed at delineating further mineralisation at White City, Homestead and Purple Haze deposits and testing potential mineralised zones at Signalberg. With further resource identification, this would allow the Company to engage in discussions with potential interested parties for the next stage of project funding.

To support this and for general working capital requirements, the Company completed an equity placing to raise £400,000 (before expenses) in August which was subsequently approved by shareholders in a General Meeting at the end of September.

Following, and as part of the phase one drilling campaign, further JORC Compliant Mineral Resource Estimate for the White City Pegmatite was completed. In line with the Company's pre-exploration drilling programme expectations, an Inferred Resource of 297,600 tonnes of tantalite with strong grades was identified. Cumulatively this meant the mine has a maiden JORC Compliant Mineral Resource Estimate of 622,200 tonnes of lithium and tantalite resources.

At this time, the Company registered a subsidiary of the Company called Kazera Trading, which will operate in conjunction to the Company as an ore trading arm of the Company. Kazera Trading will leverage the experience of our management team to facilitate the global movement of resources such as tantalum.

Post-period, the Company commenced its second phase of drilling across the mine, with the intention to comprehensively identify mineralisation on the property of the mine. This saw the Company being the first to drill virgin ground on the properties south eastern mountainous side.

Initial results of this second phase has been positive, with each hole being drilled intersecting pegmatites with continued visible signs of both tantalite and Lithium occurring in the same ore body.

Financials

The Company recorded a loss before tax of £524,000 and had cash balances of £264,000 at the end of the Period.

The Company does not plan to pay an interim dividend for the six months ended 31 December 2019.

Outlook

As we progress with Phase II of the exploration drilling campaign, we expect to delineate further Mineral Resources across the entire property and aim to identify additional mineralisation across the mine. We also expect to add additional value through the newly established Kazera Trading arm of the business. With further results expected shortly across the business and with funding in place, we look forward to progressing the Company's assets through high-impact exploration to a permanent funding solution. We also have a number of interested parties who are conducting due diligence on the project with the view of becoming a strategic financing partner.

I would like to thank our employees, the staff of Aftan and our shareholders for their continued support and look forward to providing further updates on our progress over the coming months.

Giles Clarke
Chairman
26 March 2020

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

	Unaudited six months ended 31 December 2019	Unaudited six months ended 31 December 2018	Audited year ended 30 June 2019
Notes	£'000	£'000	£'000
Exploration expenses	(181)	(307)	(469)
Administrative expenses	(296)	(439)	(832)
Share based payment expense	(48)	(48)	(51)
Other operating income	1	-	12
Operating loss and loss before tax	(524)	(794)	(1,340)
Tax on profit on ordinary activities	-	-	-
Loss for the period	(524)	(794)	(1,340)
Loss attributable to owners of the Company	(385)	(671)	(1,049)
(Loss)/profit attributable to non-controlling interests	(139)	(123)	(291)
	(524)	(794)	(1,340)
Loss per share			
Basic and diluted (loss) per share (pence)	4	(0.11) p	(0.39) p
Loss for the period	(385)	(671)	(1,049)
Exchange differences on translation of foreign operations	(89)	(6)	56
Total comprehensive loss for the year attributable to equity holders of the parent	(474)	(677)	(993)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Unaudited As at 31 December 2019	Unaudited As at 31 December 2018	Audited As at 30 June 2019
	£'000	£'000	£'000

Non-current assets			
Other intangible assets	-	2,429	-
Mines under construction	2,449	-	2,412
Property, plant & equipment	692	718	709
Total non-current assets	3,141	3,147	3,121
Current assets			
Trade and other receivables	92	78	63
Cash and cash equivalents	264	534	421
Total current assets	356	612	484
Current liabilities			
Trade and other payables	123	211	64
Total current liabilities	123	211	64
Net assets	3,374	3,548	3,541
Capital and reserves			
Called up share capital	2,936	2,568	2,866
Share premium account	14,635	14,131	14,307
Capital redemption reserve	2,077	2,077	2,077
Share option reserve	99	-	51
Currency translation reserve	(123)	(96)	(34)
Retained earnings	(14,937)	(14,126)	(14,552)
Equity attributable to owners of the Company	4,687	4,554	4,715
Non-controlling interests	(1,313)	(1,006)	(1,174)
Shareholder funds	3,374	3,548	3,541

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share option reserve £'000	Currency translation reserve £'000	Retained earnings £'000	Equity shareholders' funds £'000	Non-controlling interests £'000	Total £'000
Balance at 1 July 2018	2,568	14,131	2,077	-	(90)	(13,503)	5,183	(883)	4,300
Comprehensive loss for the period	-	-	-	-	-	(671)	(671)	(123)	(794)
Other comprehensive income	-	-	-	-	(6)	-	(6)	-	(6)

Total comprehensive expense	-	-	-	-	(6)	(671)	(677)	(123)	(800)
Share based payment expense	-	-	-	-	-	48	48	-	48
Balance at 31 December 2018	2,568	14,131	2,077	-	(96)	(14,126)	4,554	(1,006)	3,548
Comprehensive loss for the period	-	-	-	-	-	(378)	(378)	(168)	(546)
Other comprehensive income	-	-	-	-	62	-	62	-	62
Total comprehensive expense	-	-	-	-	62	(378)	(316)	(168)	(484)
Issue of share capital, net of share issue costs	298	176	-	-	-	-	474	-	474
Share based payment expense	-	-	-	51	-	(48)	3	-	3
Balance at 30 June 2019	2,866	14,307	2,077	51	(34)	(14,552)	4,715	(1,174)	3,541
Comprehensive loss for the period	-	-	-	-	-	(385)	(385)	(139)	(524)
Other comprehensive income	-	-	-	-	(89)	-	(89)	-	(89)
Total comprehensive expense	-	-	-	-	(89)	(385)	(474)	(139)	(613)
Issue of share capital, net of share issue costs	70	328	-	-	-	-	398	-	398
Share based payment expense	-	-	-	48	-	-	48	-	48
Balance at 31 December 2019	2,936	14,635	2,077	99	(123)	(14,937)	4,687	(1,313)	3,374

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

	Unaudited Six months ended 31 December 2019 £'000	Unaudited Six months ended 31 December 2018 £'000	Audited year ended 30 June 2019 £'000
Cash flows from operating activities			
Operating loss	(524)	(794)	(1,340)
Adjustments for:			
Depreciation	18	61	202
Share based payment charge for year	48	48	51
Shares issued in settlement of fees	18	-	3
Operating cashflow before working capital changes	(440)	(685)	(1,084)
Decrease/(increase) in receivables	(29)	135	160
Increase/(decrease) in payables	60	3	(144)
Net cash outflow from operating activities	(409)	(547)	(1,068)
Investing activities			
Purchase of property, plant & equipment	-	(13)	(141)
Development costs	(37)	(53)	-

Net cash outflow from investing activities	(37)	(66)	(141)
Financing activities			
Net proceeds from share issues	398	-	474
Net cash inflow from financing activities	398	-	474
Net (decrease)/increase in cash in the period			
	(48)	(613)	(735)
Exchange rate translation adjustment	(109)	22	31
Cash and cash equivalents at beginning of period	421	1,125	1,125
Cash and cash equivalents at end of period			
	264	534	421

NOTES TO THE UNAUDITED INTERIM ACCOUNTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

1. Basis of preparation

The financial statements included in the interim accounts have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS). The comparative figures for the six months ended 31 December 2018 are also included in these interim accounts under the historical cost convention.

The principal accounting policies used in preparing these interim accounts are those expected to apply in the Company's Financial Statements for the year ending 30 June 2020 and are unchanged from those disclosed in the Company's Annual Report for the year ended 30 June 2019.

The interim accounts were approved by the Board of Kazera Global plc on 26 March 2020. The interim financial information for the six months ended 31 December 2019 does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 and is unaudited. The comparatives for the year ended 30 June 2019 are not the Company's full statutory accounts for that period. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, and did not contain statements under sections 498(2) or (3) of the Companies Act 2006. Copies of the accounts for the year ended 30 June 2019 are available on the Company's website (<https://kazeraglobal.com/>).

2. Accounting policies

The principal accounting policies are:

Basis of preparation

The comparative figures for the six months ended 31 December 2019 have been presented on the same basis as the interim accounts for the six months ended 31 December 2018.

Going concern

The interim financial statements have been prepared on the going concern basis as, in the opinion of the Directors, at the time of approving the interim financial statements, there is a reasonable expectation that the Company will continue in operational existence for the foreseeable future. The interim financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

Sales of Tantalite

The interim accounts have been prepared on the basis that the Group is not deemed to be in commercial production; therefore, the proceeds of sales of tantalite have been set off against the development costs associated with the tantalite mine site.

3. Share based payment expense

On 21 December 2018, the Company granted options over 10,000,000 new ordinary shares, exercisable at 1.75p per ordinary share. The options will vest on 21 December 2021. In tandem with the grant of these options, previous share options totalling 10,000,000 Ordinary Shares, exercisable at 6p per share, granted on 17 August 2017 have been cancelled. The share-based payment expense for the 6 months was £48,000 (6 months to 31 December 2018: £48,000; 12 months to 30 June 2019: £51,000).

4. Loss per share

	Unaudited	Unaudited	Audited
	6 months	6 months	Year ended
	ended	ended	Year ended
	31 December	31 December	30 June 2019
	2019	2018	
	£'000	£'000	£'000

Loss used for calculation of basic and diluted EPS	(385)	(671)	(1,049)
Loss for the year attributable to owners of the Company	(385)	(671)	(1,049)
Weighted average number of ordinary shares in issue used for calculation of basic and diluted EPS*	335,714,911	256,849,443	264,777,533

Loss per share (pence per share)

Basic and fully diluted*:

-from continuing and total operations	(0.11) p	(0.3) p	(0.39) p
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*The Company has outstanding warrants and options which may be dilutive in future periods. The effect in respect of the current and comparative periods would have been anti-dilutive (i.e. reducing the loss per share) and accordingly is not presented.

5. Distribution of Interim Report and Registered Office

A copy of the Interim Report will be available shortly on the Company's website, <https://kazeraglobal.com/>, in accordance with rule 26 of the AIM Rules for Companies; and copies will be available from the Company's registered office, Lakeside Fountain Lane, St. Mellons, Cardiff, CF3 0FB.

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