Epangelo Mining Company

INTEGRATED ANNUAL REPORT

2018/19; 2019/20; 2020/21

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EPANGELO
MINING
COMPANY
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About this report

This report covers the financial, social and environmental performance of the company over a three-year reporting period, from 1 April 2018 to 31 March 2019; from 1 April 2019 to 31 March 2020 and from 1 April 2020 to 31 March 2021. The report highlights achievement of strategic objectives of Epangelo Mining Company, as well the governance and execution of activities. Furthermore, the report covers all entities wherein the Company has a significant interest, including those under the company's direct management as well as Associate companies.

Reporting principles and assurance

This report is compiled and presented taking into consideration the requirements of the Namibia Code of Governance Principles (NamCode for Namibia 2014) and the International Integrated Reporting Framework (IIRF). It places emphasis on the three dimensions of sustainability (economic, social and environmental), given the fact that mining involves extraction of non-renewable resources which requires protection of the natural environment, whilst ensuring the socio-economic wellbeing for communities affected by mining.

The Audited Annual Financial Statements for the year ended 31 March 2019 are presented on pages 57 to 101, for the year ended 31 March 2020 on pages 103 to 146, and for the year ended 31 March 2021 on pages 147 to 187 . The Annual Financial Statements were prepared in accordance with International Financial Reporting Standards (IFRS).

As required under the Companies Act No. 28 of 2004, as amended, the Annual Financial Statements were audited by the Company's external auditors, Saunderson and Associates, whose unqualified audit opinion for the year ended 31 March 2019 may be found on page 62 to 63; for the year ended 31 March 2020 on page 108 to 109; and for the year ended 31 March 2021 on page 152 to 153.

Forward-looking statements

Forward-looking statements

This integrated report contains certain statements about Epangelo that are, or may be, forward-looking statements (such as the future financial position or future profits strategy, and other economic factors) which by their very nature involve risk and uncertainty, because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements have not been reviewed or reported on by the Company's external auditors and, therefore, are not to be considered as a guarantee of future performance.

Board Approval

The ultimately responsible for ensuring the integrity of the integrated annual report lies with Epangelo Mining Company's Board of Directors ("the Board"). The Board, after applying its collective mind to the preparation and presentation of the report, has approved the report for publication.

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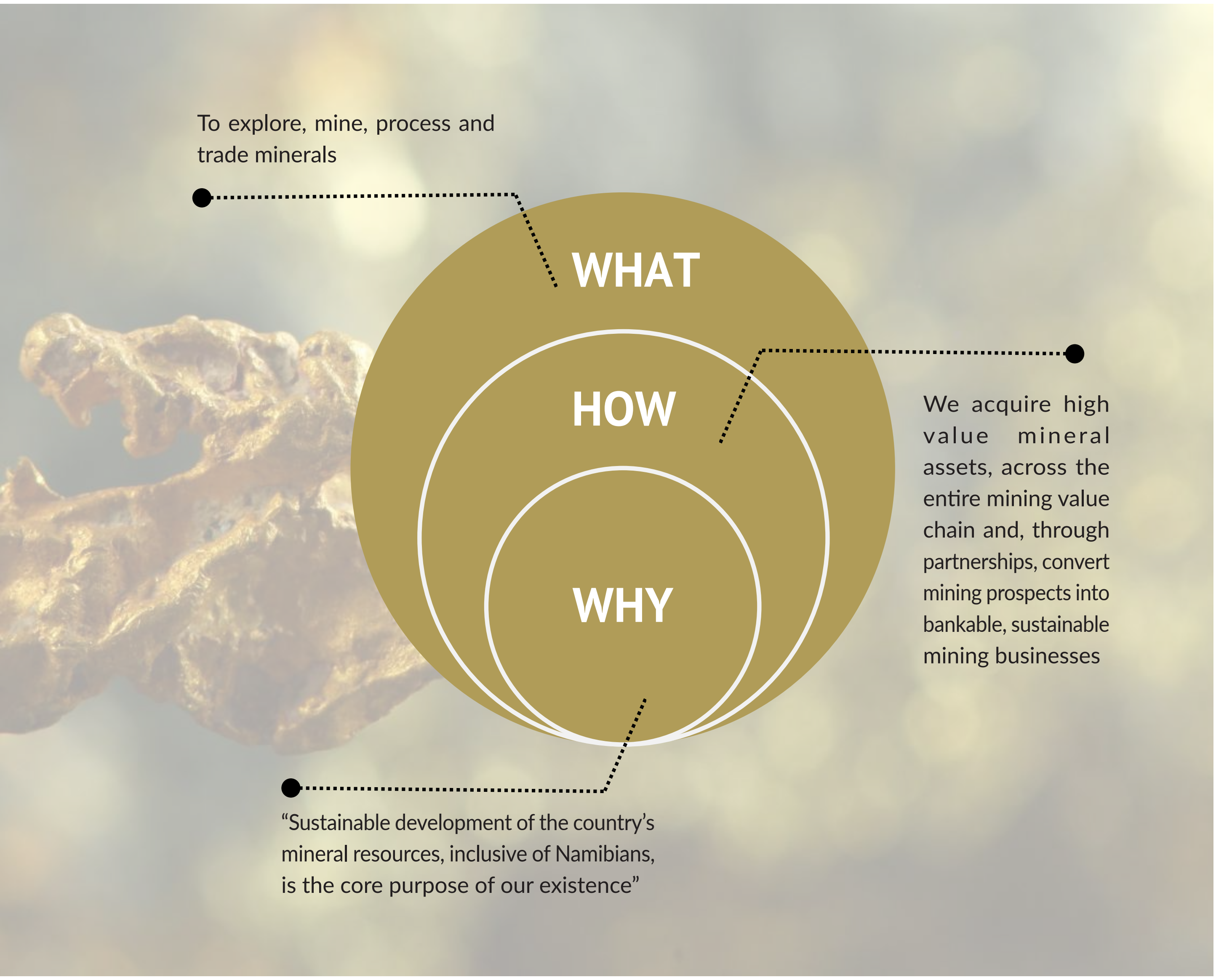
About Epangelo Mining Company

Who we are

Epangelo Mining Company (Proprietary) Limited ("Epangelo") is a public enterprise established under the Companies Act (Act 61 of 1972), with the Government of the Republic of Namibia as the sole shareholder. The company was operationalized in 2009, through Cabinet Resolution 20th/27.10.09/001. It is classified as a Tier 2 commercial Public Enterprise. It is an organisation that combines the characteristics of an instrument of Public Policy and a business organisation. Under the Public Enterprises Governance Act (PEGA) the Company is classified as a Tier 2 Commercial Enterprise.

Our Golden Circle

Our existence is anchored on national aspirations (WHY we exist). Our core values form the basis for What and How we do things.



- Adopted from Simon Sinek's Golden Circle theory

Mandate

The mandate of Epangelo, as contained in its Memorandum of Association, is to conduct exploration, mining, mineral processing, trading of minerals, and financing of businesses. According to the Company's Articles of Association the government of the Republic of Namibia has the sole responsibility of providing funding for Epangelo.

However, given recent Government policy shifts as well as competing priorities for government funding, it is recognised that the Company has to find alternative self-funding mechanism; in order to reduce its reliance on government subsidies. The thrust of the Company's activities over the last two-year reporting periods was geared towards development of alternative funding mechanisms, mainly through contract mining activities through an associate company, EVS Mining Contractors ("”EVS).

Vision, Mission, Values

The mandate of Epangelo is expressed through its vision, mission and values; as described below:

Vision	Mission	Values
To be a Prosperous Global Mining Company.	To ensure national participation in the mining value chain by acquiring and consolidating a portfolio of high-quality assets and services for her stakeholders	In pursuit of its vision and mission Epangelo will uphold the following core values with the acronym: **CUTIEF**.

C	U	T	I	E	F
Care	**Urgency**	**Teamwork**	**Integrity**	**Excellence**	**Focus**
We are committed to the health and safety of our employees and to sustainable development and utilisation of Namibia's mineral resources.	We treat our activities with a sense of urgency. Our response is fast paced, action oriented, with purpose.	Teamwork, with both our internal and external stakeholders, is the key to our success. Our stakeholders are important to us.	We will always be honest, fair and transparent everything we do.	We will ensure attainment of excellence and results through innovation and high-quality service delivery to all stakeholders. We are committed to deliver cost-efficient operations.	We will focus on setting goals and establishing strategies, using our vision as a basis at all times.

How Mining Works – The Mineral Value Chain

The company owns 12 exclusive prospecting licences (EPLs) of different commodity groups, such as base and rare metals, industrials minerals, precious metals and nuclear fuels; which are at various stages of the mining value chain. These EPLs are strategically located in different geological environments, to ensure a diversified mining portfolio. About 80% of the EPLs are located within the famous Damara orogenic belt which runs at the intersection of the Congo and the Kalahari cratons. In order to understand our activities, it is thus important to set out the stages of a typical mining cycle (or mining value chain).

After acquiring the necessary licenses, the cycle can be broken down into six stages:

Sustainability assessment (social, economic, environmental) → **Prospecting** → **Exploration** → **Development** → **Exploitation** → **Reclamation**

The sustainability assessment stage involves conducting of environmental, social and economic impact assessments. This is a critical stage brought about by the increased societal awareness of the importance of sustainability when it comes to exploitation of natural resources. Minerals are non-renewable, as such, the impact of their exploitation (both positive and negative) should be undertaken prior to mining operations taking place.

Prospecting is the first stage in the search for mineral deposits, which may be located either at or below the surface. Both direct and indirect prospecting

techniques may be used, with the direct method consisting of visual examination of exposed rock masses (outcrops), or of loose fragments and/or soils that have broken off or weathered away from the outcrop. Geologists then conduct desktop studies to support this simple, direct method, using aerial photographs, geologic maps and structural assessments of an area in which they wish to locate minerals. Indirect prospecting methods involve geophysical surveys as well as the use of geochemistry. Geophysics uses physical measurements of gravitational, seismic, magnetic, electrical, electromagnetic and radiometric variables that can be applied from the air using aircraft, from space using satellites, or from the surface of the earth (as well as beneath it) using ground geophysical methods. Geochemistry involves chemical analysis of target samples to detect the presence of minerals.

During the exploration stage geologists aim to determine, as accurately as possible, the size and value of a mineral deposit as well as the extent and grade of the orebody. Samples are often taken during exploration stage, using different techniques such as rock sampling on outcrops, digging trenches (or tunnels), or by drilling.

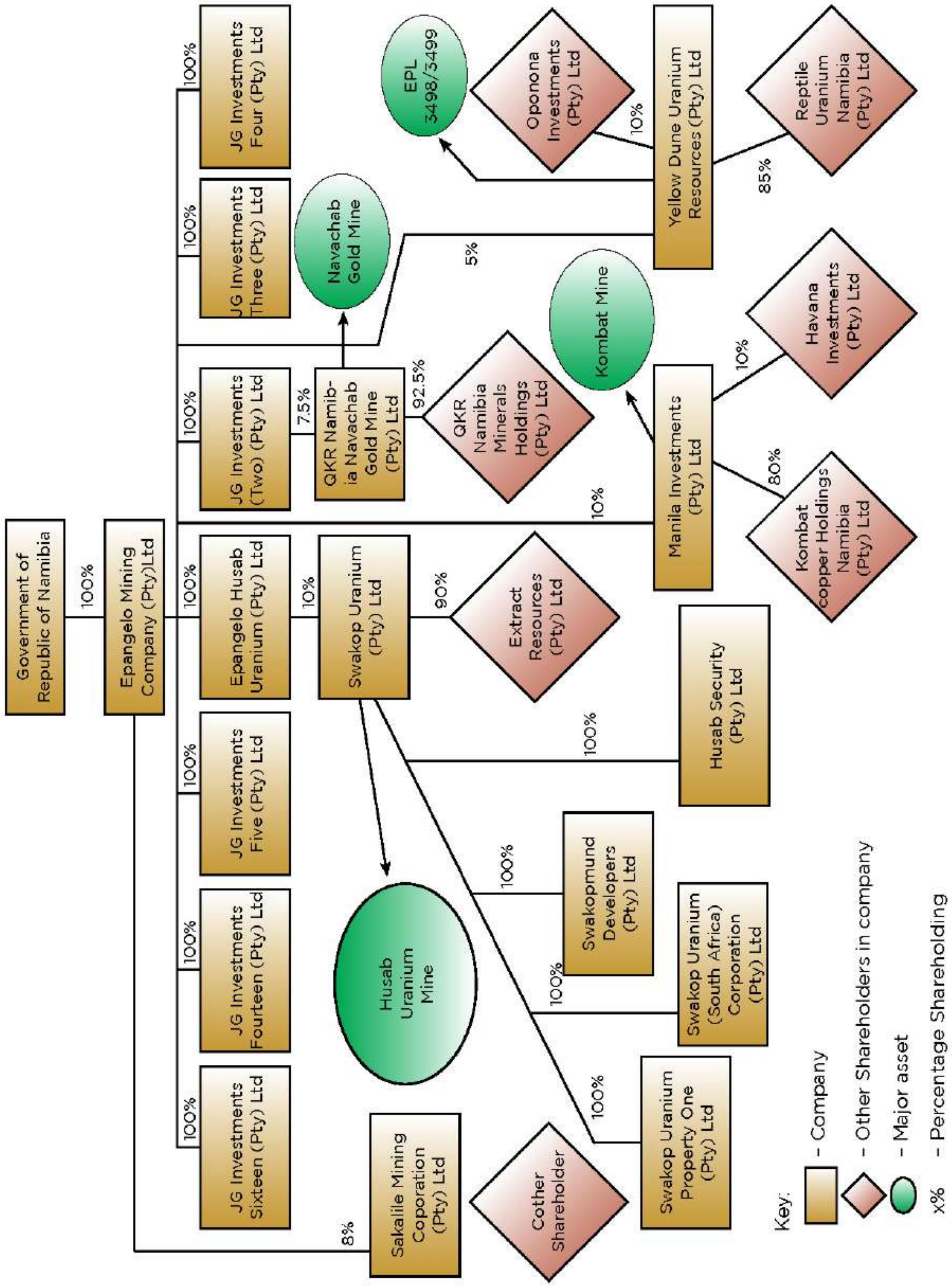
Evaluation of the samples enables geologists to calculate the tonnage and grade. It also enables mining engineers to estimate the richness of the mineral deposit, the mining costs involved in mining it, as well as assessment of other foreseeable factors to allow the assessor to reach a conclusion about the profitability of the mineral deposit. This stage typically ends with a compilation of a Bankable Feasibility Study.

During the development stage, excavation of the mineral deposit is carried out by stripping off the overburden soil or rock in order to access the deposit under the surface, or by sinking a shaft for underground mining. During this stage, other support infrastructure such as access roads, power sources, transportation, processing plants, waste disposal areas, administrative blocks and other support facilities are constructed.

The actual recovery and trading of minerals takes place during the exploitation stage. This is also commonly known as the production or mining stage.

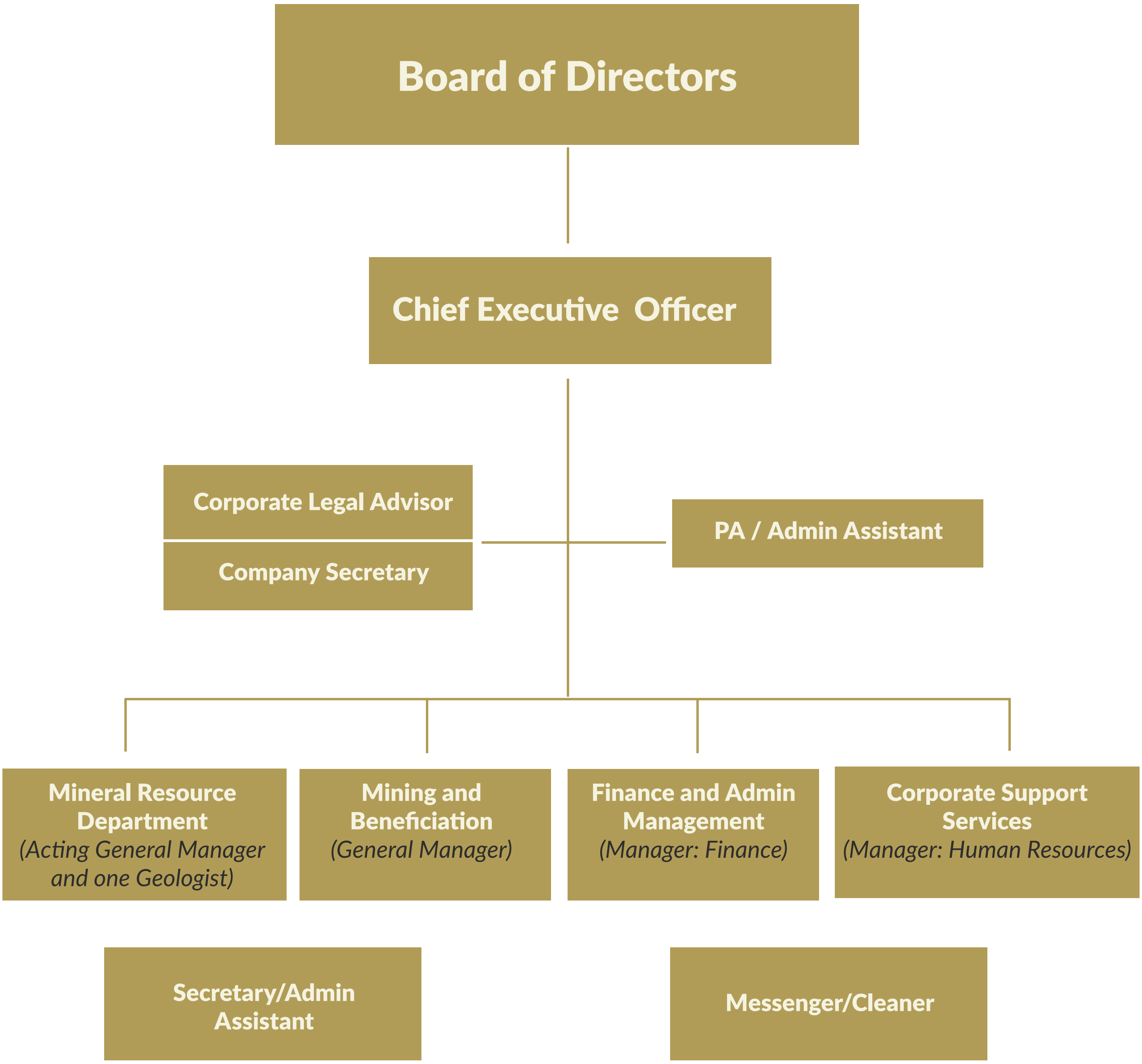
In the past the reclamation stage commenced when the mine closes and deals with issues such as rehabilitation of the environment. With increased awareness of environmental impacts some reclamation efforts are carried out con-currently with the mining process.

Group Structure



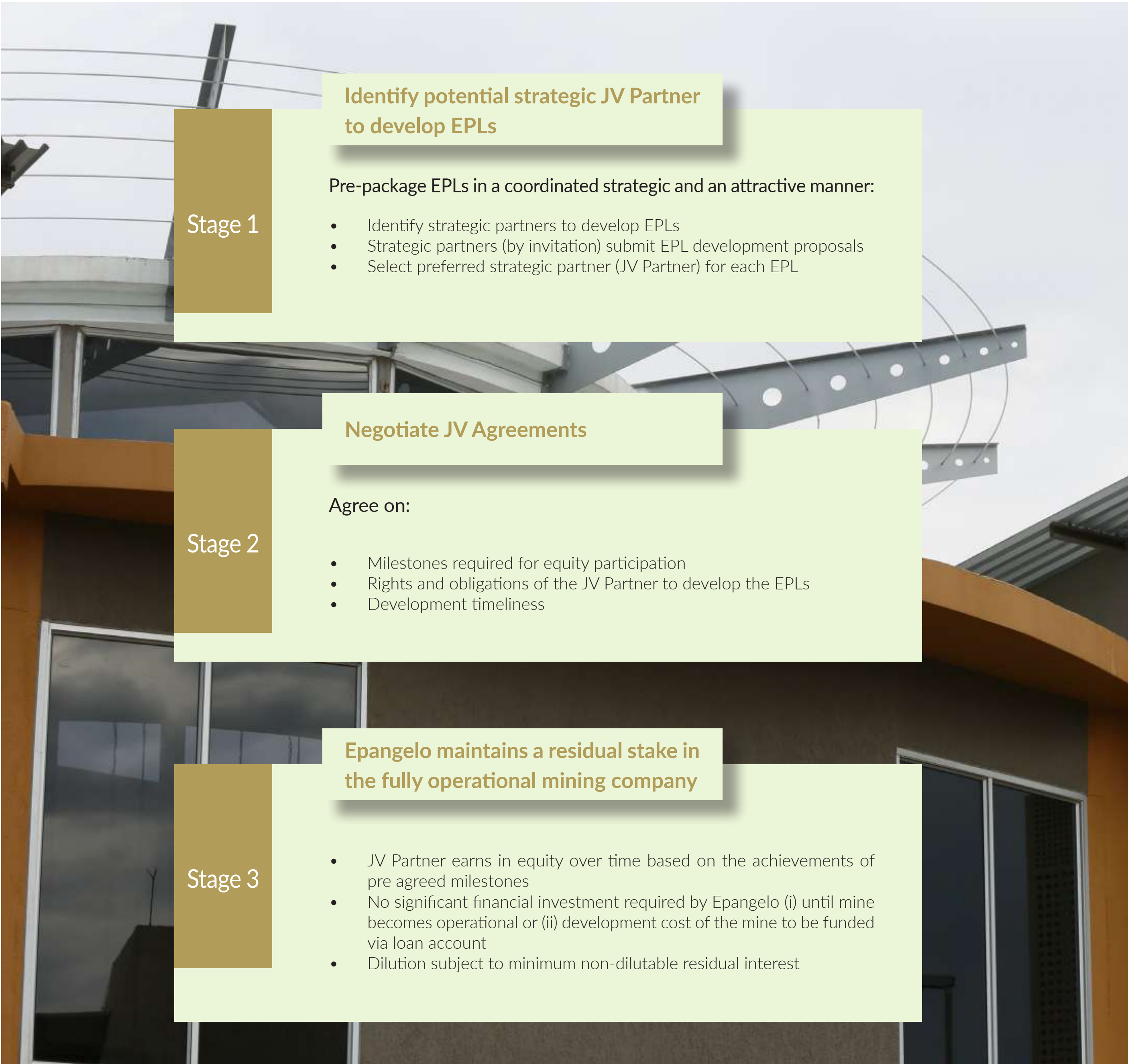
Corporate Structure

The company has a total of eleven (11) employees with expertise in geology, mining engineering, finance and legal professions. Epangelo thus operates on a lean organisational structure.



Earn-in Framework

A strategy on how potential investors can earn shares in Epangelo exclusive prospective licences (EPLs) (the earn-in framework) was developed, in consultation with Investec of South Africa. Below is a representation of the various stages of the framework.



Stage 1

Identify potential strategic JV Partner to develop EPLs

Pre-package EPLs in a coordinated strategic and an attractive manner:

- Identify strategic partners to develop EPLs
- Strategic partners (by invitation) submit EPL development proposals
- Select preferred strategic partner (JV Partner) for each EPL

Stage 2

Negotiate JV Agreements

Agree on:

- Milestones required for equity participation
- Rights and obligations of the JV Partner to develop the EPLs
- Development timeliness

Stage 3

Epangelo maintains a residual stake in the fully operational mining company

- JV Partner earns in equity over time based on the achievements of pre agreed milestones
- No significant financial investment required by Epangelo (i) until mine becomes operational or (ii) development cost of the mine to be funded via loan account
- Dilution subject to minimum non-dilutable residual interest

Our Sustainability Promise "Beyond Mining"

Namibia is endowed with an abundance of mineral resources. Mining contributed 9% to the country's GDP in 2019 (NSA, 2020) and about 50% of the country's export earnings during the same period. However, the country is faced with challenges such as poverty, unemployment as well as unequal distribution of wealth. There are expectations that mining should contribute to sustainable development, for the benefit of both current and future generations. Vision 2030 mineral sector goal is:

"To ensure that Namibia's mineral resources are strategically exploited and beneficiated, providing equitable opportunities for all Namibians to participate in the industry, while ensuring that environmental impacts are minimized, and investments resulting from mining are made to develop other, sustainable industries and human capital for long-term national development."
We thus attach great importance to sustainable development and endeavour to differentiate ourselves from other players. Concerns about global warming and environmental degradation have accelerated the demand for decarbonisation and establishment of renewable energy resources. This transition, from fossil fuels to renewable energy, is driving the demand for battery minerals (lithium, copper, and cobalt). Other drivers for metals demand include urbanization, technology advancement as well as adoption of climate smart agriculture. Epangelo's strategy, beyond mining, is informed by the above emerging trends.

Subsidiaries and Associate Companies

In order to prepare for implementation of earn-in strategy, the Company acquired several subsidiaries, to serve as special purpose vehicles ("SPV") when forming joint ventures. At the time of this reporting period, the Company held several subsidiaries, of which most are dormant. These are listed as follows:

- JG Investments Sixteen (Pty) Ltd
- JG Investments Fourteen (Pty) Ltd
- JG Investments Five (Pty) Ltd
- JG Investments Three (Pty) Ltd
- JG Investments Four (Pty) Ltd

Epangelo Husab Uranium (Pty) Ltd - (SPV which owns 10% Swakop Uranium (PTY) Limited
JG Investments (Two) (Pty) Ltd - (SPV which owns 7.5% QKR Namibia Navachab Gold Mine (Pty) Ltd)
Epangelo owns 8% Sakawe Mining Corporation (Pty) Ltd
Epangelo owns 10% Manila Investments (Kombat Mine)
Epangelo owns 5% Yellow Dune Uranium Resources (Pty) Ltd (a subsidiary of Reptile Uranium Namibia and Epangelo which owns EPL 3498/3499)

The following subsidiaries were dormant at the end of 2018/2019; 2019/2020 and 2020/2021 financial years respectively.

JG Investments Three Proprietary) Limited.
JG Investments Five (Proprietary) Limited.
G Investments Fourteen (Proprietary) Limited.

A twenty-year long term plan, focusing on four thematic “chapters” namely, **establishment, consolidation, return on investment and growth was formulated.**

OUR STRATEGY

These Chapters are herein elaborated as follows:

Chapter one: Establishment (2010-2015)

This Chapter represents the period 2010-2015 after the Company was operationalized. During this period the company was pre-occupied with establishing systems and structure for the newly company. The first high-level strategic plan was formulated, highlighting issues that the company should tackle at the time. These included determining how the company was going to be funded as well as to align the company's strategies to its mandate, including the administrative aspects of forming a new State Owned Enterprise. The primary objectives, at that time, were to put modalities in place for forming Joint Ventures that would be conducting exploration of the newly acquired EPLs.

Chapter two: Consolidation (2016-2020)

The main outcome from the "chapter two" strategic plan was the adoption of a global outlook instead of looking at Namibia alone. This was motivated by the fact that, firstly, the investments sought are mostly available outside the country. Secondly, the board adopted to focus areas dealing with speed of delivery and focus; thus placing emphasis on the values of Urgency and Focus.

Chapter Three: Return on Investment

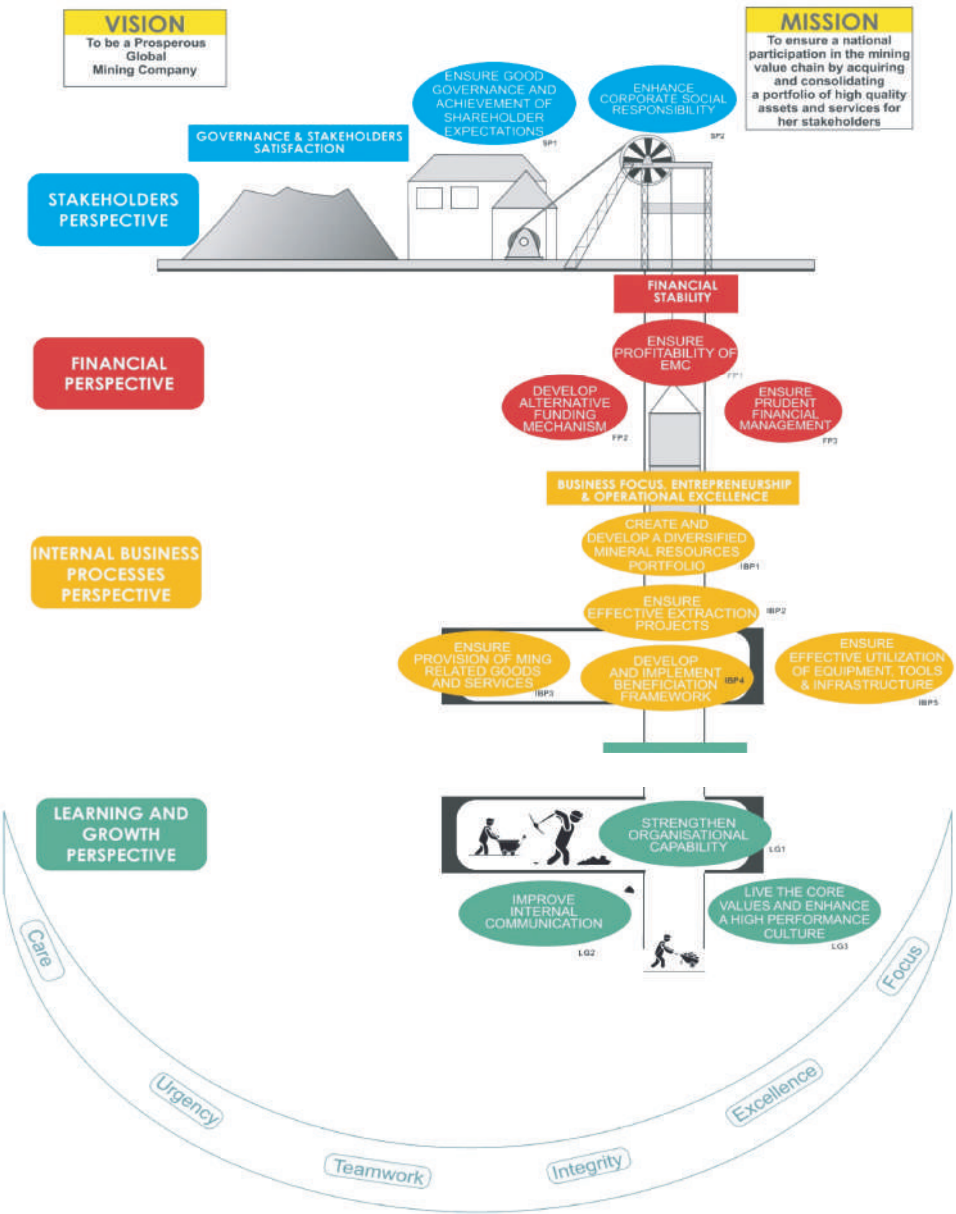
Chapter Three is envisaged to be the period were the company is expected to provide returns on investment to the shareholder. As such, the focus of Chapter Three is to ensure that projects that were started in Chapters One and Two should start yielding profits, thus the theme "return on investment". The pressure to deliver on this objective was also brought by the fact that SOEs are now required "to do more with less" as well as to shed their dependence on government subsidies. This report was prepared under the Chapter Three strategic period. Therefore, the report endeavours to showcase some of the projects (undertaken in the 2018/19 period) that are having potential to yield returns. Projects such as EVS Mining contracting services and the aggregate supply project fall under the Chapter Three effectiveness area.

Chapter Four: Growth

The long-term vision of the Company is to ensure that there is beneficiation of the minerals that produced in the country. It is thus anticipated that Chapter Four will place emphasis on growing the business beyond mining, towards beneficiation. This Chapter will also concentrate on human capital development, diversification and achievement the triple bottom line (sustainability on the economic, social and environmental dimensions).

Strategy Map

The Strategy Map below is a summary of our high-level key performance indicators the current Chapter Three strategy. As illustrated in the four balanced scorecard perspectives, the Strategy Map highlights the inter-relationship among the objectives that will guide the Company to achieve its Vision.



Statement on Achievement of Objectives

The Company was able to carry out exploration activities on several EPLs (as detailed in the ensuing mineral resources development section of this report). The most advanced of these projects is the exploration works carried out by Tanga Resources, which began in 2018 but continued throughout the two reporting periods. Progress was made on the contractor mining side, as detailed in the contractor mining services carried out by EVS Mining Contractors. EVS provided contractor mining services at Navachab and Husab mines.

The table below describes our Balanced Scorecard, with detailed on Strategic Objectives as well as the Programs against which performance is measured. These objectives are an extract of the five-year (2017/2018 – 2021/2022) Strategic Plan.

Perspectives	Strategic Objectives	Programs
Customer/ Stakeholder Perspective	• Ensure good governance and achievement of shareholder expectations. • Enhance corporate social responsibility.	• Good governance. • Good corporate citizenship. • Local Empowerment.
Financial Perspective	• Ensure profitability of Epangelo. • Develop alternative funding mechanisms. • Ensure prudent financial management.	• Revenue generation. • Sourcing of funds. • Fiscal discipline.
Internal Business Processes Perspective	• Create and develop a diversified mineral resources portfolio. • Ensure effective extraction projects. • Ensure provision of mining related goods and services. • Develop and implement beneficiation framework. • Ensure effective utilisation of equipment, tools and infrastructure.	• Diverse commodity portfolio. • Mineral prospecting. • Mining. • Mining services. • Material supply. • Safety, environmental protection and quality assurance. • Value addition. • Operational effectiveness.
Learning and Growth Perspective	• Strengthen organisational capacity. • Improve internal communication. • Live the core values and enhance a high-performance culture.	• Leadership and employee effectiveness. • Effective communication. • Performance excellence. • Corporate culture enhancement.

Our Leadership
Chairman's Statement

The abundance of Namibia's mineral resources provides the country with an opportunity to pursue a resource-based economic development path.

However, as with many resource-rich developing countries, the abundance of mineral resources does not always translate into prosperity; a phenomenon known as the "resource curse".

Furthermore, the mining industry is evolving. There are increased expectations that resources should benefit resource-rich countries, and not merely be a source of resource plundering as has been in the past. That means that mineral resources have to provide socio-economic benefits to society, while at the same time avoiding undue harm to the ecological environment. We are proud to report that this has been our guiding mantra throughout the reporting period.

In addition, the expected increase in the world population and the subsequent increased demand for mineral's products will reshape how minerals will be exploited. While emphasis, in the past, has been on economic sustainability there are now added expectations for mining to contribute not only to socio-economic sustainability, whilst ensuring environmental protection, but also to the circular economy. Battery minerals required for electric vehicles as well as for renewable energy have to be mined. In response to these new expectations, we have revisited our value proposition, to meet not only the expected triple bottom line, namely social, economic and environmental sustainability, but also to shift our focus towards finding battery minerals such as lithium, copper and cobalt. With the downward economic pressures, we also placed emphasis in our gold licences. This emphasis has yielded positive results. The Kokoseb gold discovery on our EPL, through the Tanga Resources Joint Venture, is one such highlight.

Given the fact that Epangelo is classified as a commercial entity, the company is expected to make a profit. Overcoming the challenge of financial viability has thus been the focus of our projects. However, our operations are still at the exploration stage.

Our success on the exploration front have contributed to creation of direct employment opportunities for communities where we operate. Further, Epangelo owns shares in entities such as EVS Mining Contractors and BREVS, who over the reporting period provided more than 200 direct jobs through contractor mining at Husab mine and at Navachab Gold mine. Epangelo owns a 49% share in EVS. Furthermore, Epangelo own shares in operating mine ventures such as Dundee Precious Metals (which owns the Tsumeb Smelter), Swakop Uranium (which owns the Husab Mine), QKR Navachab Gold Mine and Kombat mine. These operations are expected to contribute towards the country's sustainable development.

As we pursue our objectives, we have often been expected to address many questions. These include queries as to whether the State should continue to be directly involved in mining. Related to that is the question whether the Government is capable of financing mining activities, given other societal needs and the downward global economic headwinds. Our activities have responded to these expectations by focusing on finding alternative funding mechanisms such as the EVS Mining Contractor venture as well as narrowing our exploration activities.

The volatility of commodity prices also had a negative impact on our strategic posture, as exemplified by the underperformance of the uranium price as well as subdued investment in exploration. Nevertheless, we rouse to meet the challenge, given the positive gold discover results which are further highlighted in this report. I would like to take this opportunity to thank the staff of Epangelo Mining Company, for their valuable efforts to make this discovery possible. This will definitely contribute towards achievement of our value proposition.

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Mr. Roger Gertze
Chairman

Chief Executive Officer's Report

As part of the company's governance infrastructure, the Board has signed Governance and Performance Agreements with the shareholder, in order to ensure alignment between the Board and the shareholder's expectations.

Our shareholder expect us to deliver on specific governance indicators as well as to yield impactful performance results, faster than we have done in the past. Epangelo's objectives are based on four broad pillars, namely to ensure good governance and stakeholder satisfaction, profitability and prudent financial management, effective exploration and extraction projects as well as strengthening of organisational capacity. As part of our shareholder's expectations, Epangelo is expected to do more with less. As such, our strategy is aimed at reducing our dependence on Government subsidies. This led us to form joint ventures to provide mining services at existing mines, such as EVS Mining Contractors. EVS was awarded contractor mining projects at the Husab and Navachab mines. EVS was able to generate income to purchase a small mining fleet, comprising of drilling, loading and hauling equipment. However, disagreements between EVS and it equipment suppliers resulted in the company not being able to generate sufficient income to pay dividends. EVS was able to employ more than 200 fixed term employees over a three year operating period. Furthemore, Epangelo was able to create direct and indirect employment opportunities through its own exploration programs. We conducted several exploration expeditions which contributed to development of our human capital. Furthermore, we provided internship opportunities to geology graduates.

Though it was a challenging three years, our staff rose to the challenge. Together with our Joint Venture partners, particularly Tanga Resources, exploration carried out led to a discovery of a significant gold deposit (Kokoseb).

Performance against objectives

Good Governance and Stakeholder Satisfaction

Epangelo Mining adopted an ambitious stakeholder engagement plan, which focused on creating awareness about our activities. A learning exhibition and community engagement workshop was carried out at Opuwo. The company submitted its first Integrated Strategic Business Plan (ISBP) to the Ministry of Public Enterprises. However, the Company experienced challenges in having the plan approved. Firstly, the planning period coincided with the end of the previous board's mandate, whose term expired in October 2019 but was only renewed on short extension. Secondly, there was no certainty as to whether the ISBP should wait for the new board or that it should be prepared by the Board whose term had expired. The performance indicators related to the drawing up of the ISBP were thus not met.

Financial Performance

The end of year financials included in this document is for three consecutive financial years (2018/19 ; 2019/20; through 2020/21). The financials indicate that the company was able to meet its operational requirements, within the approved budget. The financials indicate that the company still relies on Shareholder subsidies, particularly when it comes to funding of preliminary exploration activities or general administration costs.

Asset Acquisition and Development

A pragmatic Mineral Resources Development strategy has been developed focusing on 14 EPLs. The company concentrated its effort in establishing joint exploration projects with private joint venture partners. Joint venture exploration was carried out on seven EPLs which are described in section (page 43 - 51) of this report.

Human Capital Development

The mining industry is a skills-intensive industry requiring knowledge of geology, metallurgy, engineering, finance and legal knowhow, to name but a few. A critical mass of skilled personnel is thus required to establish a successful mining business. The company has a complement of eleven employees specializing in the legal, geological, mining and financial professions. We believe that skills transfer and human capital development are essential for future sustainability of the organisation, given the fact that Epangelo is a knowledge- and skills-intensive organisation. However, for the period under review, we were not able to provide short term training opportunities to employees, due to budget constraints.

Appreciation

I would like to extend my appreciation to our Chairperson, Roger Gertze and all other Board members for their guidance, support and encouragement over the last two reporting periods. I have no doubt that the strategy we have put in place will facilitate our vision and mission to be a prosperous global mining company and to ensure local participation in the mining value chain.

Hawala

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Mr. Eliphas Hawala

Chief Executive Officer

Epangelo Mining Company

Board of Directors

Mr. Roger Gertze

Chairperson of the Board
Appointed - 30 October 2015

- Master's Degree in Business Leadership (MBL), University of South Africa Business School (SBL)
- Bachelor of Commerce (BCom), University of Namibia
- Executive Development Progamme, University of Stellenbosch Business School
- Development Programme for Middle Management, Maccauvlei Training Centre

Directorships and Experience

Mr. Gertze has over 18 years of professional experience, at various institutions and in various roles. He has served as Director and Board Member for various organisations including Director and Chairperson of Epangelo Mining (Proprietary) Limited, Director of Namfisa, Board Member at The University Centre for External Studies in Namibia (TUCSIN), Trustee of the Retirement Fund for Local Authorities in Namibia, and Trustee of the Retirement Fund for Local Authorities, Utilities in Namibia and Director of Telecom Namibia Limited. He is currently the Managing DIrector at MultiChoice Namibia.

Ms. Lelly Usiku

Chairperson, Audit and Risk Management Committee
Appointed - 30 October 2015

- Master of Commerce in Economics, University of the Western Cape
- Honours Degree in Commerce (Economics), University of the Western Cape
- Bachelor of Commerce (Economics), University of the Western Cape
- Senior Management Development Programme, University of Stellenbosch

Directorships and Experience

Ms Usiku is an economist and has extensive experience in economics, market research and macroeconomics forecasting. She is skilled in finance and investments, central banking and corporate governance. She previously served as the Deputy Director of Research at the Bank of Namibia, and has served on the Board of QKR Namibia Navachab Gold Mine as well as on the Advisory Board of the Economics Department at the Namibia University of Science and Technology. She is the General Manager of Sales and Marketing at Namib Desert Diamonds (Pty) Ltd.

Ms. Mandi Ellaine Samson

Chairperson, Remuneration Committee
Appointed - 30 October 2015

- Doctorate of Philosophy (PhD) (ongoing) Leiden University,
- Master of Business Administration (MBA), Commonwealth Open University
- Master of Laws (LLM) Cum Laude, Leiden University
- Bachelor of Laws (LLB) (Honours), University of Cape Town
- Baccalaureus Juris (B. Juris), University of Namibia
- Bachelor of Arts (BA), University of Namibia

Directorships and Experience

Advocate Samson is the Acting Managing Director of Air Namibia. She has previously served in the Office of The Attorney-General of Namibia, providing advisory services as a Member of the Committee negotiating the Bilateral Air Service Agreements. She later worked as General Manager: Corporate and Legal Services at Namibia Airports Company (NAC). She has also served as the Chairperson of the Board of Trustees of the Government Institutions Pensions Fund (GIPF). She was previously Commissioner of the Law Reform and Development Commission (LRDC), and has served as member of various teams and committees including the Cabinet appointed De Beers Sales Agreement Task Team, the Orange River and Maritime Boundaries Government Negotiating Team (GNT), and the Committee Evaluating Applications for Fishing Rights of Exploitation. Advocate Samson serves on the Board of Epangelo Mining Company (Pty) Ltd., Epangelo Husab (Pty) Ltd., and Epangelo Gold (Pty) Ltd. She also serves as Commissioner of the Minerals Ancillary Rights Commission (MARC).

Mr. Uaapi Utjavari

Chairperson of the Technical and Project Committee
Appointed - 30 October 2015

- Master's Degree in Exploration Geophysics, University of Leeds
- Honours Degree in Geophysics, University of the Witwatersrand
- Bachelor of Science (BSc) Degree, University of Namibia

Directorships and Experience

Uaapi Utjavari is the Director and Vice President Exploration for Africa Region at AziNam Limited, where he is responsible for business development, new ventures and representing the company at partner meetings. Mr. Utjavari has extensive experience in geology having worked at the National Petroleum Corporation of Namibia (NAMCOR), where he started as a Geoscientist and moved through the structure to become the Executive for Exploration and Production. Besides developing and implementation of E & P strategy, policies and operational budget, and representing NAMCOR's equity interest with all joint-venture partners, he was also responsible for the interpretation of seismic, potential field, and well data with the goal of discovering commercially exploitable oil and gas reserves and determining the risks involved with new prospects.

Executive Management

Executive Management

Contributing to global mining society by supplying mining solutions

Mr. Eliphas Hawala
Chief Executive Officer

Accountable and responsible for meeting company progress.

Ms. Sophia Haoses
Manager, Finance

Mr. Phillip Pendukeni
General Manager, Mineral Resources Extraction

Mr. Etuna Josua
Corporate Legal Advisor

Ms. Rebekka Shamaila
Company Secretary

Mr. Naftal Hamata
Acting General Manager, Mineral Resource Department

Corporate Governance Statement

Epangelo Mining Company (Proprietary) Limited strives to ensure that all of its decisions are ethically sound and *in compliance with the relevant regulations and industry guidelines.*

Epangelo Mining Company (Proprietary) Limited strives to ensure that all of its decisions are ethically sound and in compliance with the relevant regulations and industry guidelines.

The Board is the ultimate governing body of the Epangelo Mining Company, responsible for the long-term strategy of the organisation. It oversees the organisation's financial sustainability, and sets and monitors policies that govern the organisation's activities. The Board also ensures compliance with applicable legislation, documents and directives, and ensures accountability.

The Board is responsible for ensuring that the Company operates in accordance with its mandate, as defined in the Articles of Association. Epangelo has a unitary Board which is constituted with the appropriate mix of skills, experience and diversity to serve the interest of the company and its stakeholders.

The Board of Directors for Epangelo is appointed by the Minister of Public Enterprises. The current Board was appointed for the period 15 December 2019 to October 2021. The Board is comprised of four independent non-executive directors, including the Chairperson of the Board. The Board is guided by the Board Charter. The below table indicates the current directors of the Epangelo Mining Company.

Name	Position on board
Mr. Roger Gertze	Chairperson
Ms. Lelly Usiku	Director
Adv. Ellaine Samson	Director
Mr. Uaapi Utjavari	Directors

The Board is also responsible for corporate strategy, formulation of major plans and monitoring the overall corporate performance. This includes identifying and monitoring any risks that may affect the company's sustainability as well as ensuring that there are sufficient internal controls and compliance management systems. The Board is furthermore responsible for managing stakeholder relations. The Board meets quarterly, with additional meetings convened as required.

Sub-Committees of the Board

The Board has established the following Sub- committees: Audit and Risk Management Committee, Technical and Projects Committee, and Remuneration Committee.

Audit and Risk Management Committee

The mandate of this Committee is to assist the Board in discharging its duties related to the safeguarding of assets, the operation of adequate systems of internal controls and risk management. The Committee reviews all financial statements and all reports by external auditors, in compliance with applicable legal requirements and accounting standards.

Financial Statements

Epangelo's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) and in compliance with the Companies Act (28) of 2004, amended 2011.

Independence of External Auditors

The independent auditors appointed for the periods under review were Saunderson & Co.

Technical and Projects Committee

The purpose of this Committee is to ensure that the development of the Company's minerals resources is carried out in accordance with the Company's mine valuation standard and investment criteria. Furthermore, the Technical and Projects Committee is responsible for reviewing the technical aspects of all projects and proposals brought to the Board of Epangelo and makes appropriate recommendations.

Remuneration Committee

The primary objective of this Committee is to assist the Board in discharging its duties concerning human resources management and employee remuneration. In particular, the Committee reviews the remuneration policy of the company and recommends appropriate measures to the Board aimed at attracting, retaining and motivation of employees.

Board and Committee Attendance

The following Table reflects the attendance of the Board and Committee meetings during the review periods.

Board Attendance for 2018/2019 financial year

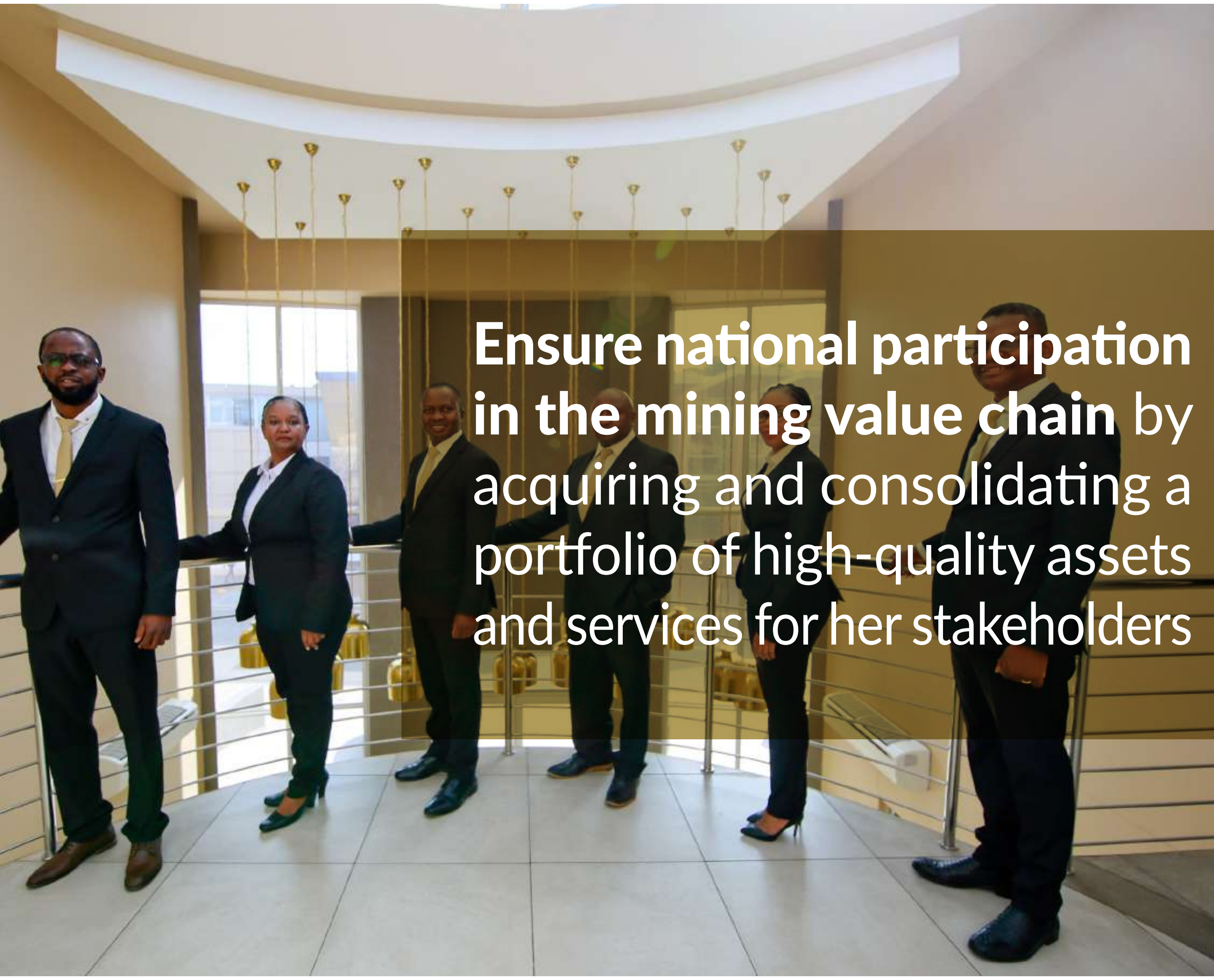
Member	Board (2 meetings)	Audit and Risk Management Committee (2 meetings)	Remuneration Committee (2 meetings)	Technical and Projects Committee (2 meetings)
Mr. Roger Gertze	2/2 (Chairperson)	N/A	N/A	N/A
Ms. Lelly Usiku	2/2	2/2 (Chairperson)	2/2	2/2
Adv. Ellaine Samson	1/2	2/2	2/2 (Chairperson)	2/2
Mr. Uaapi Utjavari	2/2	2/2	2/2	2/2 (Chairperson)

Board Attendance for 2019/2020 financial year

Member	Board (3 meetings	Audit and Risk Management Committee (2meetings)	Remuneration Committee (2 meetings)	Technical and Projects Committee (2 meetings)
Mr. Roger Gertze	3/3 (Chairperson)	N/A	N/A	N/A
Ms. Lelly Usiku	3/3	2/2 (Chairperson)	2/2	2/2
Adv. Ellaine Samson	2/3	2/2	2/2 (Chairperson)	2/2
Mr. Uaapi Utjavari	3/3	2/2	2/2	2/2 (Chairperson)

Board Attendance for 2020/2021 financial year

Member	Board (5 meetings)	Audit and Risk Management Committee (3 meetings)	Remuneration Committee (3 meetings)	Technical and Projects Committee (5 meetings)
Mr. Roger Gertze	5/5 (Chairperson)	N/A	N/A	N/A
Ms. Lelly Usiku	5/5	3/3 (Chairperson)	3/3	5/5
Adv. Ellaine Samson	5/5	3/3	3/3 (Chairperson)	5/5
Mr. Uaapi Utjavari	5/5	3/3	3/3	5/5 (Chairperson)



Ensure national participation in the mining value chain by acquiring and consolidating a portfolio of high-quality assets and services for her stakeholders

Staff
Epangelo Mining Company

Performance overview and activities

New Concessions and Joint Venture Partners

During the 2018/2019 financial year the company applied for and was granted two licenses (EPL xxxx and xxxx) for base, rare, and precious metals prospecting. During the 2019/2020 financial year the company applied for and was granted two licenses (EPL 6361 and 6362) for base, rare, and precious metals prospecting. The EPLs are located in the Opuwo District in the Kunene region (prospective for the exploration of base metals and precious metals) and one EPL located offshore in the Lüderitz district (for diamond exploration). Meanwhile, during the period 2018/2019 to 2019/2020 the company lost ten EPLs due to non-renewal of these EPLs by the Ministry of Mines and Energy.

Strategic Partnerships, Mergers and Acquisitions

As part of Epangelo's mandate the company has been engaging various mining entities that either have operating mines or are able to jointly explore Epangelo's EPLs. The rationale for seeking joint ventures is to establish access to investment finance.

Current Strategic Partnerships
Mines

Swakop Uranium (Husab Mine)

The Husab project was initially owned by Australian- and London-listed companies Extract Resources and Kalahari Minerals, respectively. When Extract announced that it was disposing 100% of its shares the Ministry of Mines wrote a letter to Extract, indicating that it should "reserve" 10% of the shares to be acquired by Epangelo Mining. The shares were eventually acquired by Epangelo through a vendor-financed commercial loan, initially amounting to USD 258 920 326. No Government inputs (or guarantees) were used to secure the loan, except the transaction costs, amounting to N$ 5 million. The loan is protected with Epangelo Husab Uranium's own shares through a Cession and Pledge agreement between Swakop Uranium and Epangelo Mining Company. Epangelo's shares are held by a wholly-owned subsidiary, Epangelo Husab Uranium (Proprietary) Limited, which has the same directors as those of the parent company.

Once the Husab Mine (ML 171) reaches nameplate capacity, it is billed to become the second largest uranium mine in the world, producing 15 million pounds of U3O8 per annum.

Given the sharp drop in the price of natural uranium and the volatility of the Namibia Dollar exchange rate, Epangelo Mining has not received any dividents.

QKR Namibia Navachab Gold Mine

Epangelo has signed a comprehensive set of agreements to acquire a 7.5 % stake in the Navachab Gold Mine (ML 31), through QKR Namibia, a Company partly owned by the Qatar Sovereign Fund. Epangelo's acquisition of the equity stake was vendor-financed through a notional loan from QKR, of which repayments are to be made from Epangelo's dividends. The agreement provides for a portion of Epangelo's dividends (10%) to be paid to Epangelo after two years of operation. Epangelo has one seat on the Board of directors of the company.

Epangelo's shares in Navachab are held by JGI Investment Two (Proprietary) Limited ("Epangelo Gold"), a wholly owned subsidiary of Epangelo. Unlike the fluctuating uranium prices, the price of gold has remained relatively stable.

During the period under review Navachab's gold production was below the planned production target of 70 000 ounces per annum, mainly due to delayed replacement of existing mining fleet. This situation presented a risk, prompting the company to apply for a revised work plan. The work plan called for a reduced production schedule until June 2020. The reduced work program was approved by the Minister.

Kombat Copper Mine (Manila Investments)

Epangelo owns 10% shares in Manila Investments, which owns the Kombat Copper Mine. The other shareholders are Sinco Investments Twenty-Nine (Namibian with 10%) and Trigon Metals (Canadian with 80%).

The mine has been flooded for many years and no production is currently taking place. Initial projections indicated that de-watering would start in 2014 together with exploration of the areas surrounding the Kombat Copper Mine. Exploration was conducted and an open pit mining plan presented to the Ministry of Mines and Energy. At the time of writing this report the majority shareholder, Trigon Metal, has completed a scoping study to commence an open pit mining venture at a new surface deposit situated in the license area. Surface mining was planned for early 2019 but no activities were undertaken. The main challenges experienced with the Kombat venture are related to lack of shareholder alignment.

Weatherly Resources

The Government of Namibia transferred its shares in Weatherly International Plc to Epangelo (a total of 27,264,896 shares). The main asset of Weatherly is the Tschudi Mine located a few kilometres north-west of Tsumeb. The Tschudi Mine was commissioned a few years ago but has been struggling to reach nameplate production. The challenges experienced by the mine include excessive water in the pit as well as low copper yield. The company put up a bid to sell the mine, which closed in November 2018.

Dundee Precious Metals

The Government of the Republic of Namibia transferred its shares in Weatherly International Plc to Epangelo resulting in Epangelo obtaining shares in Dundee Precious Metals. At the time of the transfer, these shares were worth USD 3.32 per share. At the end of this reporting period the shares were valued at N$ 6, 036, 840.

The main asset of Dundee Precious Metals in Namibia is the Tsumeb Smelter. This project is currently profitable and its share price has been improving over the years. Dundee Precious Metals thus represents a sound investment for Epangelo.

Mergers and Acquisitions

A framework agreement between Epangelo and Minexus Explorations (Proprietary) Limited was finalised and a Special Purpose Vehicle (SPV) was formed, whereby Epangelo holds 20% of the shares and Minexus 80%. The joint venture allows for joint development of six EPLs (4792, 4803, 5029, 6361 and 6362). Minexus will provide all funding for exploration.

Hebron Prospecting (Proprietary) Limited

A framework agreement between Epangelo Mining and Hebron Prospecting (Proprietary) Limited was entered into, whereby Epangelo was issued 10% shares in Hebron on a free carry basis. The joint venture allows for joint development of EPLs owned by Hebron. All funding for exploration will be provided by Hebron. At the end of the reporting period Hebron paid a dividend of N$ 50,000 to Epangelo Mining. The funds were part of an out of court settlement between Hebron and an Australian company.

Angra Fria Mineral Prospecting (Proprietary) Limited

A framework agreement between Epangelo and Angra Fria (Proprietary) Limited was entered into, whereby Epangelo was issued 10% shares in Angra Fria respectively, on a free carry basis. The joint venture allows for joint development of EPLs owned by Angra Fria. Angra Fria will provide all funding for exploration.

Exploration and Joint Ventures

New Joint venture partnerships

Epangelo during the financial years in question was in negotiation with Tanga Resources Limited as well as Resource 500V Limited. Tanga Resources showed interest in three (3) EPLs namely: 4818, 4833 & 7246 located in the Damaran Belt of Namibia targeting gold skarn deposits. The two parties agreed to collaborate on the above mention EPLs. On the other hand, a non-binding term sheet was signed between Epangelo and Resource 500V Limited. This term sheet sets out the terms and conditions pursuant to which Epangelo and Resources 500V agree to enter into a Joint Venture Agreement for exploration and development of areas covered by EPL 4793, EPL 5261, EPL 5262 and EPL 5264, all these EPLs belong to Epangelo.

The Development of our Mineral Resources

Epangelo and its joint venture partners carried out exploration work as set out in the proposed work programme submitted to the Ministry of Mines and Energy to sought for various mineral resources and to convert the mineral projects from resources to reserves. During the periods under review, work was carried out on EPL 4782, 4816, 4818, 4833, 4803 4926, 5029, 6877, 6878 and 7547.

Exploration Highlights

1. Drilling and Geochemical Survey on EPL 4782

The EPL is registered under JG Investment Fourteen (Pty) Ltd, which is a joint venture company consisting of Epangelo Mining Company Propriety Limited (EMC) and Coldstone Investments (Pty) Ltd as shareholders. In 2018 the Australian listed company, Tanga Resources Limited ("Tanga") acquired Coldstone Investments (Proprietary) Limited ("Coldstone") and ultimately invested in drilling followed by geochemical sampling surveys on this project. A drilling campaign kicked off in March 2018, funded by Coldstone. Seven diamond boreholes have been drilled and completed by mid-April 2018, totalling 886.70 m. The project has estimated ore reserves of about 4 million metric tons of zinc/lead/silver (at grades of 3.48% zinc, 2.47% Lead and 30g/t silver). This drilling aimed to evaluate the nature of mineralization and the potential size of the deposit. This result lead the company to conduct alternative exploration methods which involved collecting 100 samples that includes (soils and rock chips) on EPL and these samples were analysed for Zinc, Lead, Silver, Copper, Cobalt and Manganese in July-August 2018.

Soil sample results Interpretation

A few Silver (Ag), Manganese (Mn), Lead (Pb) and Zinc (Zn) anomalies were shown in the soil sample results. Most were small in extent and some cases were located at formerly prospected sites. These soil sample results are neither good nor bad, it was recommended that more soil samples need to be collected to generate more drilling targets. No further geochemical and drilling was done on this EPL during the 2019/20 financial year. Epangelo is awaiting the renewal of the EPL to commence drilling and to promote the EPL for further investment.

2. Geochemical soil sampling, rock chip sampling and geological mapping on EPL 4818

Epangelo signed a JV agreement with Damaran Exploration Namibia (Pty) Ltd. Since the inception of the JV between Epangelo and Damaran Exploration Namibia Pty Ltd (DEN) on the 4th of February 2019, DEN collected a total of 1,064 regional 500m by 500m soil samples, 172 rock samples and a second detailed soils grid of 100 by 25m (1,215 samples) followed by the year 2020 see figure 1. In addition, 14.28Km^2 of detailed geological mapping at 1: 10,000 scale has been completed and reconnaissance mapping.

Results interpretation

The analytical results proved that there is a cluster of soil anomalies from the regional 500m by 500m sampling which peaked at 308 ppb Au. In addition to these results, the rock chip sampling has returned a value of 1.268g/t 6Km to the SE of the soil anomaly and 0.34% Cu in the northern sector of the licence.

Figure 1: Locality plan for completed, planned and detailed soil samples by DEN.

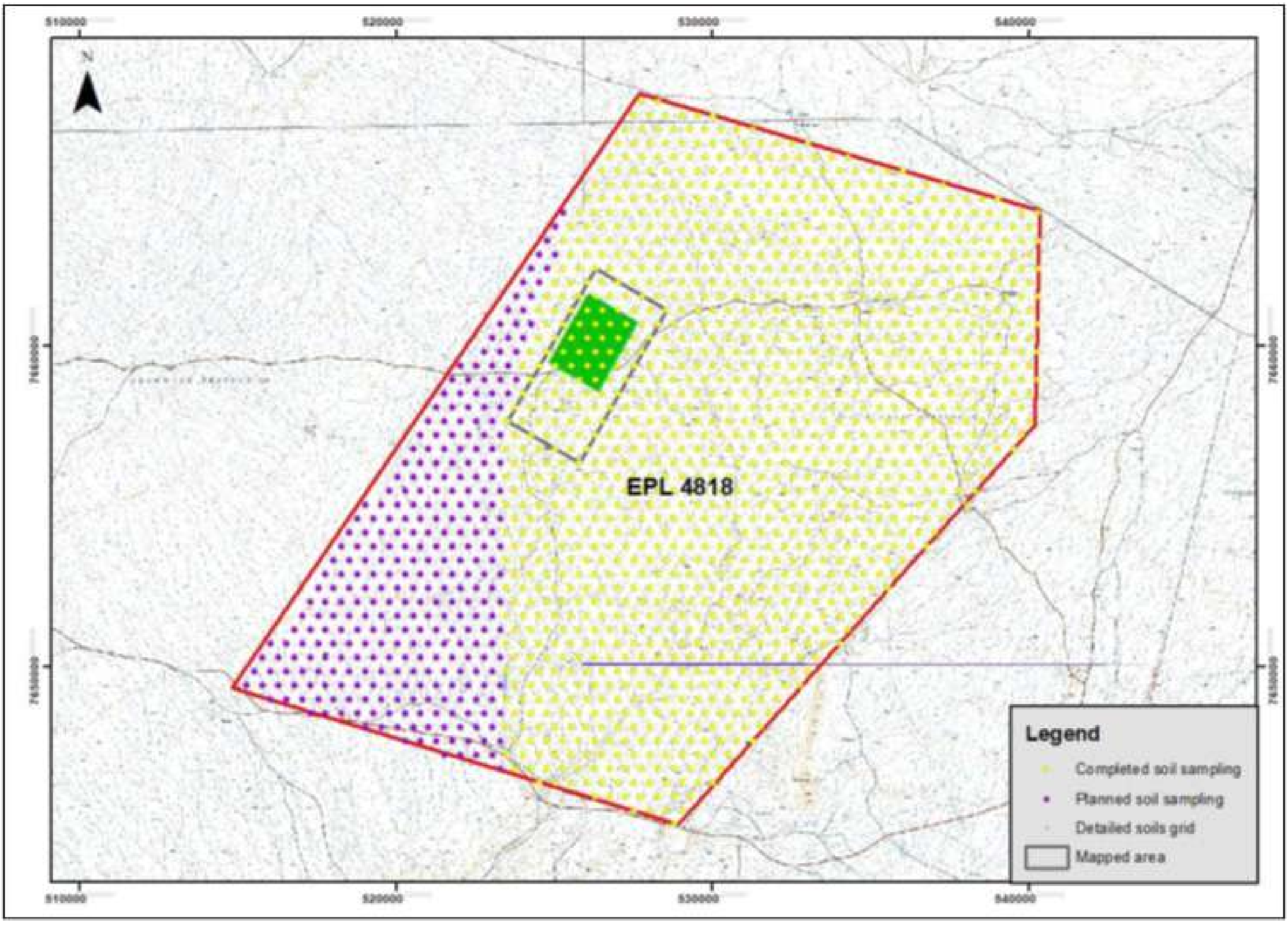
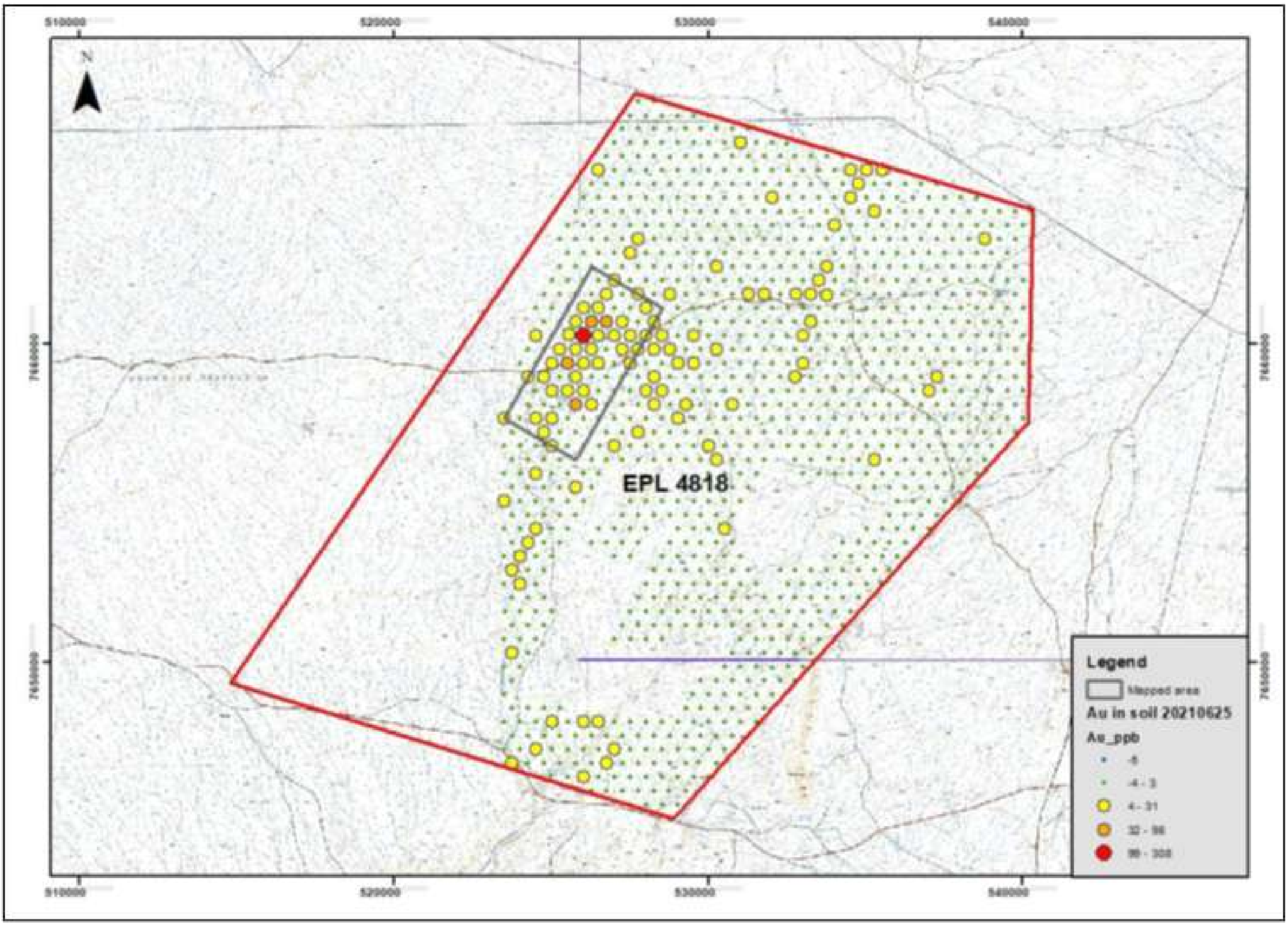


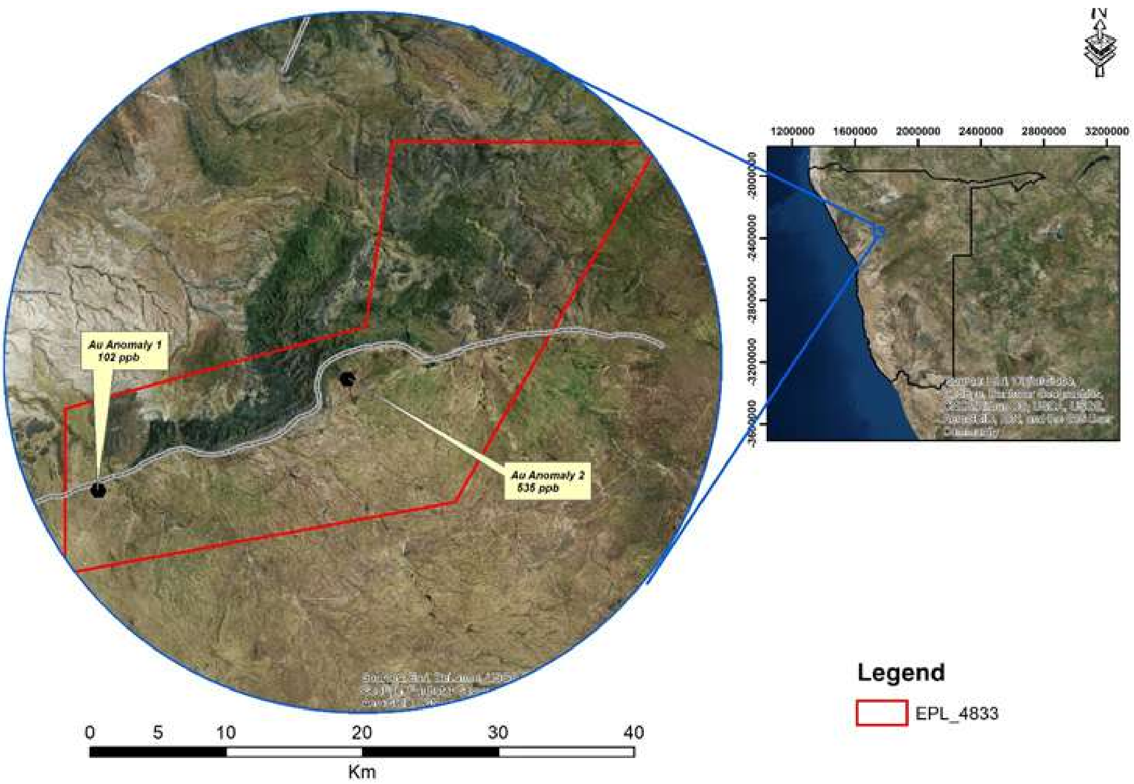
Figure 2: Au result of the first phase of the regional soils collected on EPL 4818.



3. Infill Geochemical soil sampling on EPL 4833

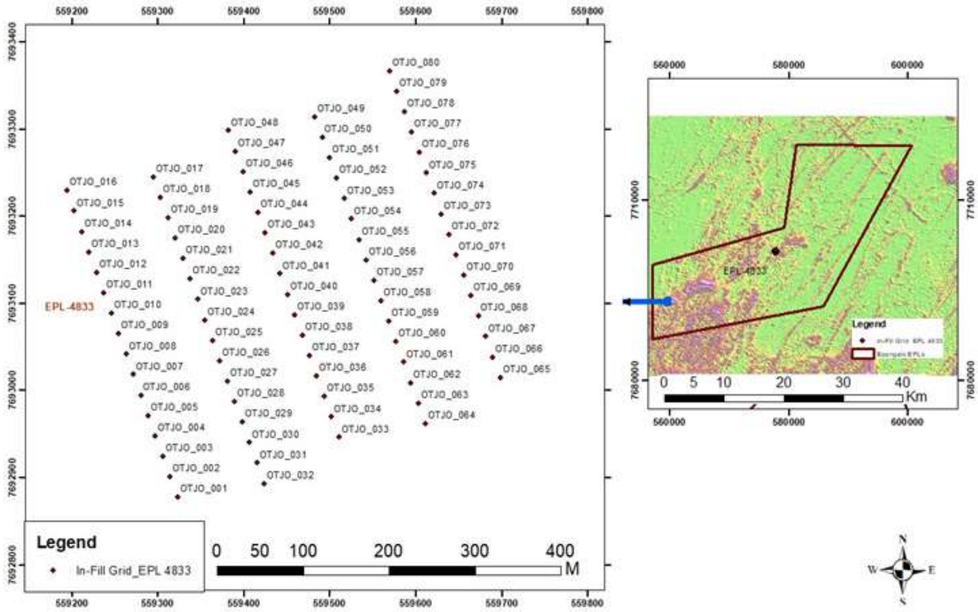
An initial blanket soil sampling survey done previously on EPL 4833 discovered two (2) sites with anomalous gold (Au) values, see Figure 4 and 5

Figure 3: EPL 4833 locality with Phase I soil sampling Au Anomalies



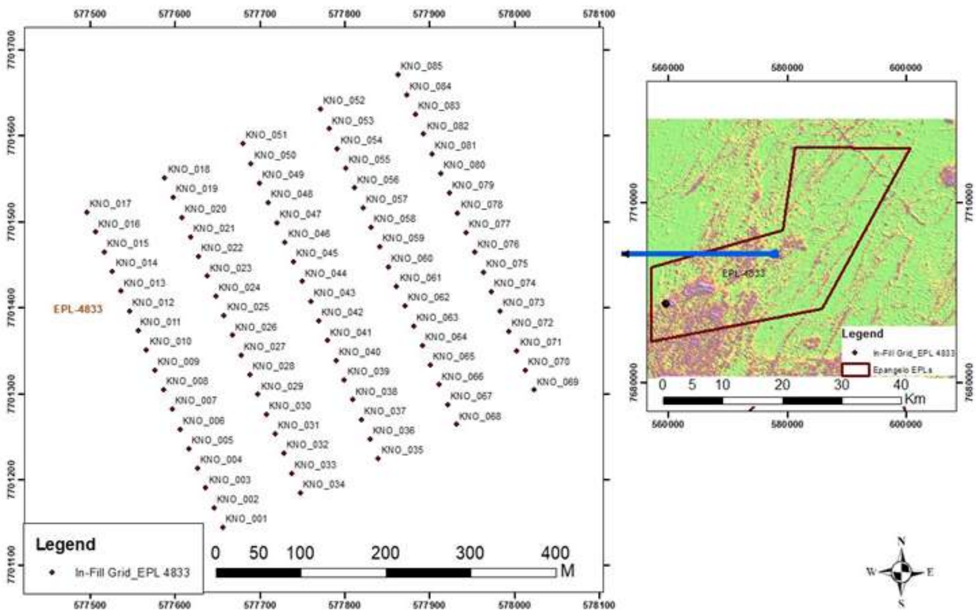
The Mineral Resource Department undertook an infill soil sampling grid which was planned around the two sites to test the extent of the Au anomalies observed in Phase I samples. A 200m x 50m grid, covering a radius of ±200m was planned and 225 samples were collected.

Figure 4: Au Anomaly 1 Infill grid



All the samples collected were sent to Intertek analytical Laboratories in Perth, Western Australia for Au assay (AR10/eMS) and Multi-Elements assay (4A/MS48).

Figure 5: Au Anomaly 2 Infill grid

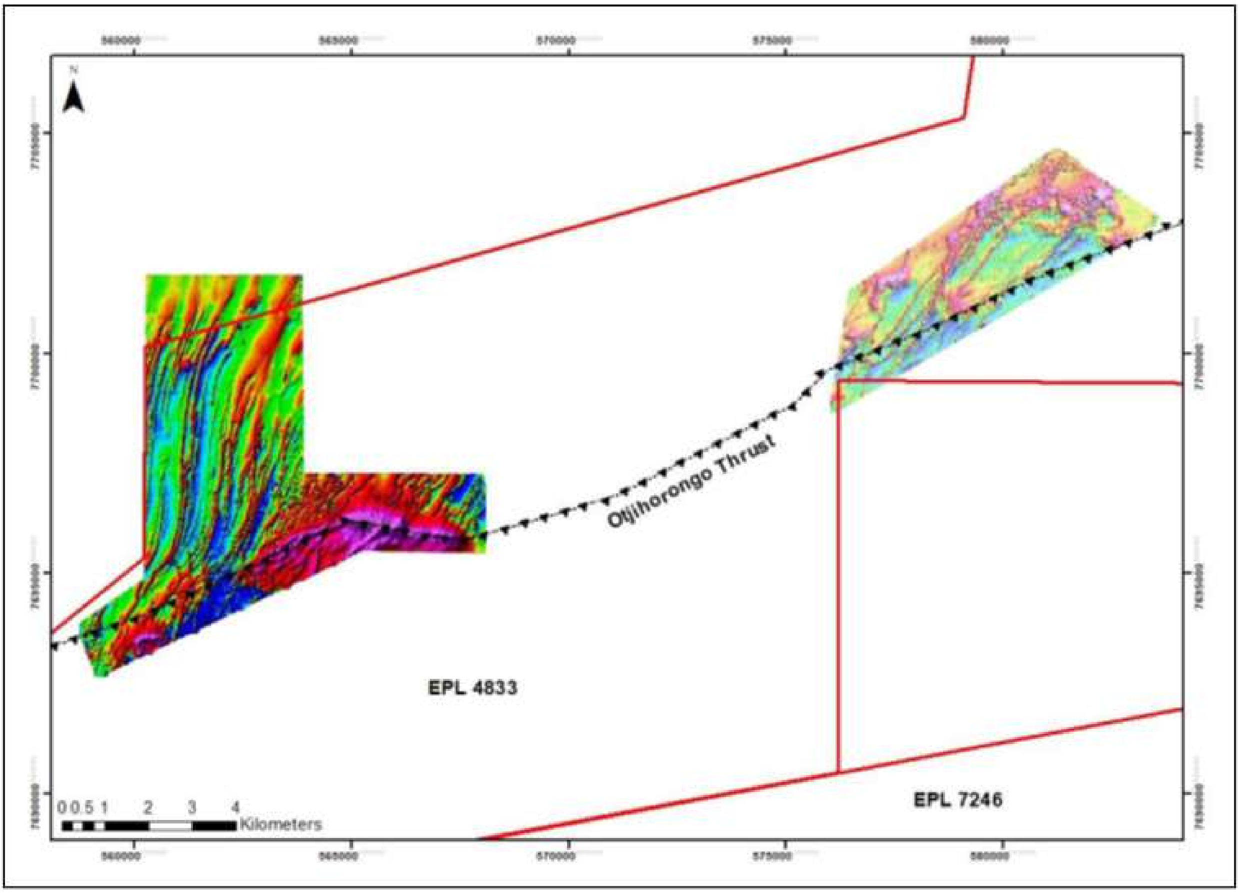


Result Interpretation

The results of Phase II sampling did not duplicate nor did they show any reinforcement of the initial Au anomalies obtained in Phase I sampling. The Au assay returns ranged between 0.1 – 1.5 ppb Au.

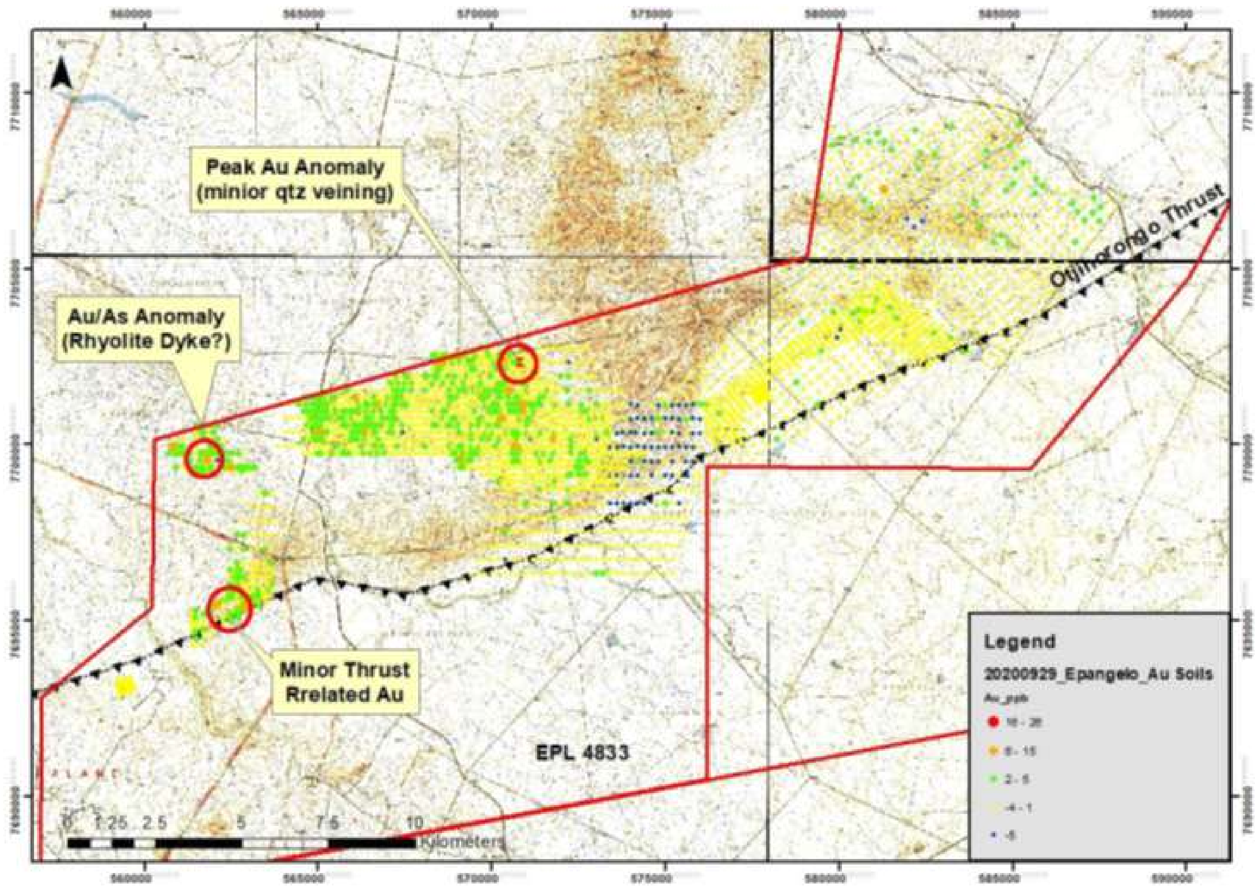
The results delineated that the initial Au anomalies observed could be within transported materials (soil) and not In-situ. This means the soil could be transported, reworked and hence not originally formed in its today's location. It was also observed that the area is overlain by a calcrete layer beneath the thin and relatively young soil cover. This calcrete acts as a geochemical shield that prevents most elements from penetrating through it to the overlaying materials, in this case, the soil.

Figure 6:a. Ground Magnetic locality plan EPL 4833 b. As magnetics for the Katerina ground magnetic gridc. Kat 6 magnetic interpretation with Cu soils



Following the infill geochemical soil sampling, DEN conducted work within EPL 4833 which entailed geological mapping, soil and rock sampling and ground magnetic surveys. The work was designed to focus on NNE trending, second-order fault structures splaying off from the main Otjihorongo thrust. A total of 3,742 soil samples have been collected within the bounds of EPL 4833. The peak value recorded for Au during this soil sampling program to date is 26 ppb and no real clusters are identified.

Figure 7: Locality map showing the collected Au soil sample results on EPL 4833.



4. Geological Mapping on EPL 4816

EPL 4816 is registered under JG Investments Sixteen owned by EMC and PAUA Investment holdings Pty Ltd (PAUA). The primary target is similar to the Kopermyn deposit located in the Kamanjab district, Kunene region, which was mined from the early 1940s up to the end of 1961 a deposit that yielded approximately 3000 t of copper ore averaging 7% copper and for the period 1953 to 1954, 620 t of hand-sorted concentrate assaying 25% copper was exported to Germany. Preliminary fieldwork was carried out on the farm Urumumbe area with work to date including reconnaissance mapping along the strike of the mineralized quartz vein. Few rock samples were also collected for analysis.

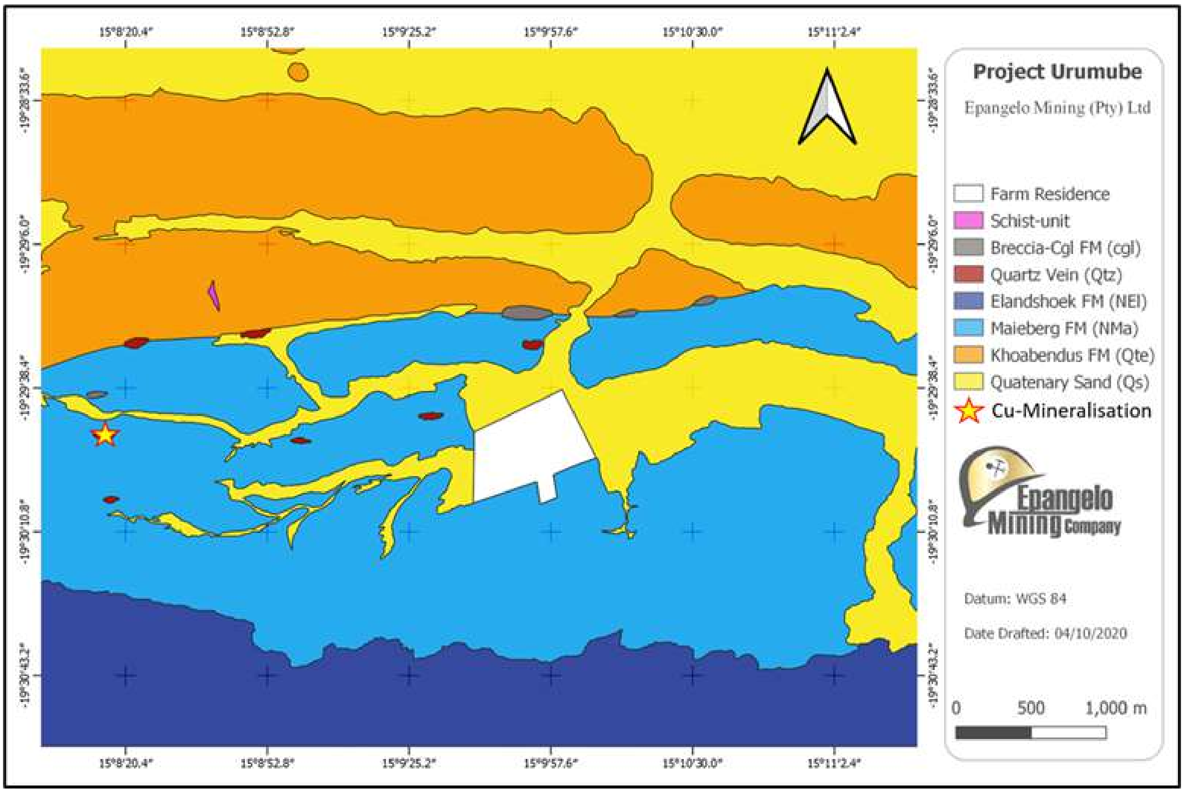
Portable Niton XRF Rock Sample Analysis Results_Urumumbe

Sample	Unit	Cu	Zn	Pb
URU001	%	0	0,021	0,028
URU002	%	0,533	0,132	0,111
URU003	%	8,549	9,555	8,794
URU004	%	0	0,008	27,84

Table 1 Urumumbe rock samples assays

A second detailed mapping exercise took place between July 2020 and August 2020 on-farm Urumube. The mapping exercise focused on the lower half of farm Urumube, particularly in the southwest corner. The dominant lithologies in the area mapped comprised the Elandshoek Fm carbonate (silica stratified grey dolostone) in the south, followed by a more centrally lying Maieberg Fm carbonate (calcareous-cherty grey dolostone). On the northern half of farm Urumube, lies the Khoabendus Fm quartzite, where schist rocks have been identified see fig 8

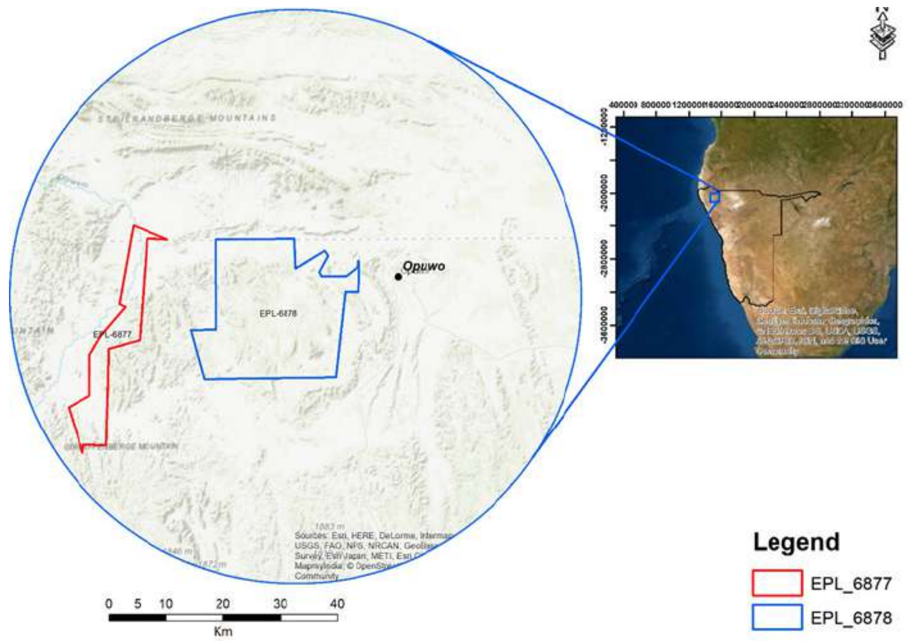
Figure 8: A detailed 1:5000 scale geological map of the southern half of farm Urumube.



5. Update on the existing and new mineral rights

During the period under review, Epangelo had a total of 29 active EPLs and two EPL applications. At the end of March 2021 Epangelo remained with only 12 EPLs. The company further acquired two more EPLs, namely EPL 7580 in the Aranos district. This tenement targets non-nuclear group of commodity which is coal, while EPL 7547 targets nuclear fuel group of commodities which is uranium.

Figure 9: Locality map of Opuwo EPLs



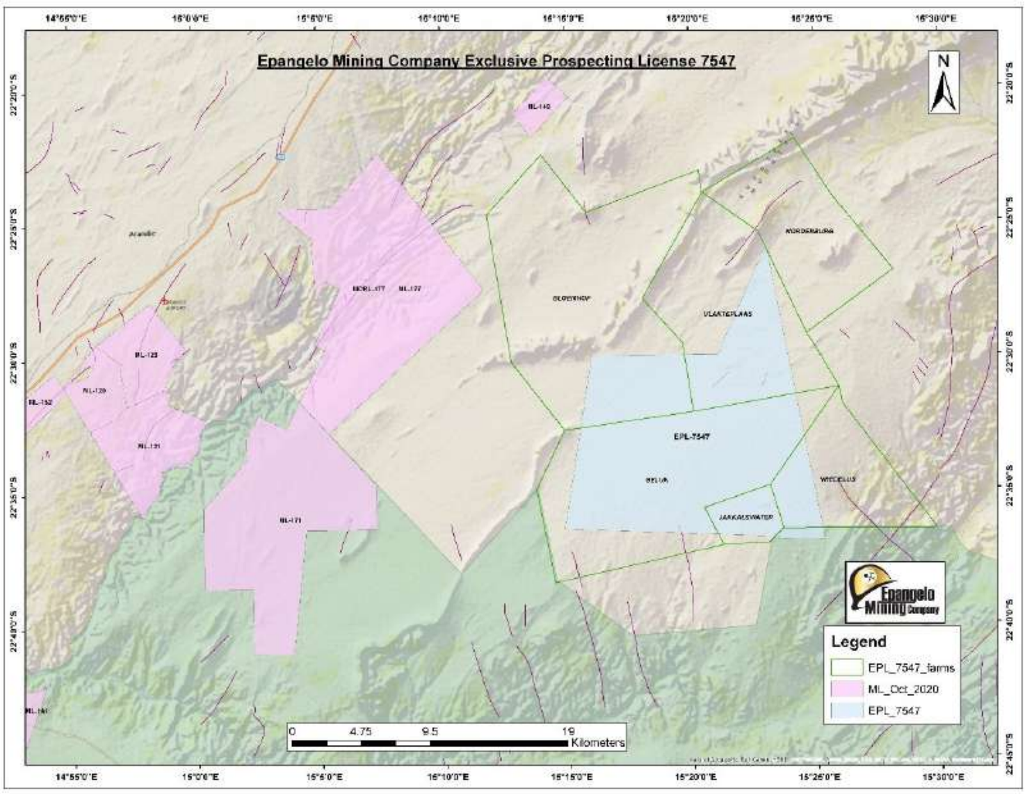


Figure 10: Location map of EPL 7547, located east of the active uranium mines Rossing and Husab mines.

State-to-State Co-operation

State-to-State Co-operation

RosGeologia (Russian Federation)

Epangelo and Russian state-owned entity RusGeology signed a Memorandum of understanding (MoU) in Moscow in October 2016. The MoU provides for cooperation in the areas of geological study, mining development and mineral exploration within Namibia.

Ferrangol (Angola)

Epangelo and an Angolan state-owned entity known as Ferrangol have concluded a Memorandum of Understanding in Luanda in April 2014. The MoU provides for establishment of specific joint ventures for the purpose of carrying out particular projects either within Namibia or Angola.

GeoMinera SA (Cuba)

Discussions were concluded through the relevant diplomatic offices for finalisation of a Memorandum of Understanding between Epangelo and a Cuban state owned entity, GeoMinera. The MoU contemplates establishment of specific joint ventures for the purpose of carrying out particular mining related projects within Namibia.

SUSTAINABILITY REPORT

Sustainable Development

We recognise that mining can be a source of positive economic impact However, it can also lead negative externalities if not properly managed. We are thus committed to minimizing the negative social and ecological impacts (including cumulative impacts) in the areas where we operate. Epangelo is committed to the sustainable development of the country's resources based on an integrated approach that ensures economic, social and environmental sustainability.

Economic Sustainability

- Ensure financial viability of all projects and joint ventures
- Fair, equitable distribution of value for shareholders and other stakeholders

Social sustainability

- Ensure safety and health of employees
- Reduce negative social externalities and enhance local participation in decision making
- Ensure Corporate Social Responsibility that include engagement with communities, infrastructure development and philanthropy
- Training and skills transfer to ensure human capital development for both current and future generations
- Ensure good Corporate citizenship through good governance practices and ethical business practices

Ecological Sustainability

- The protection of our environment
- Reduce negative environmental externalities and cumulative effects of mining

In striving to achieve this, Epangelo will provide timeous, quarterly accountability reports to the Portfolio Ministry, detailing how the Company is meeting its environmental, social and economic goals. Furthermore, it will strive to ensure that implementation of business activities is conducted in an ethical manner and in line with the State-owned Enterprises' corporate governance frameworks. In the same vein, the company strives to ensure stewardship of the earth's natural resources through efficient use of energy and water resources.

The company has demonstrated its commitment to open communication through community engagement in areas where we operate. Further, Epangelo has adopted international best practice frameworks such as the International Council of Metals and Minerals (ICMM) 10 Principle for Sustainability. These Principles call for support for labour and human rights, cultural diversity, inclusiveness and empowerment of previously local communities, especially those living near mining operations. We are thus committed to complying with relevant legal instruments aimed at enhancing social, economic and ecological wellbeing.

To that effect, we have identified Sustainability Reporting is an important aspect of closing the loop, namely through:

1. **Integrated Annual Reporting.**

- Financial Performance Reporting
- Non-financial Performance Reportin
- Risk Management Framework.
- Direct benefits (employment) and indirect benefits (human and social capital development)

Human Capital Development

The mining industry is characterised by highly degree of skilled management personnel as well as low paid contractual employees. This characteristic may have evolved due to the volatile nature of commodities, which has a knock-on effect on mining. Further, the industry is highly unionized. It is thus imperative that for Epangelo's human resources strategy to respond to this construct, while aiming to find a balance between competitive remuneration and sustaining the business financially.

One key feature of Epangelo is its flat company organogram, comprising of eleven employees. The company provides training to employees while also allowing those wishing to enrol in higher education to do so on a part time basis.

The Company's long-term incentives program is not yet fully developed, and this poses a major retention risk for the Company. Performance-related incentives targets were introduced in Chapter Two of the Company's long term strategy. However, these have not fully been implemented and are undergoing refinement. At the same time, the continual underfunding of the company has led to several positions not being filled while salaries could be described as comparatively not at par with their peers in the private sector. Nevertheless, the company is committed to human capital development as a way of ensuring that mining continues to benefit society even after operational activities have seized.

The following methods of financial assistance were provided to employees for furthering their studies:

- Study loans.
- Bursaries.
- Covering the attendance costs of courses, seminars, conference and workshops.

The following training and development methods, which are all relevant for the development of individual competencies, were provided:

- In-house structured and on-the-job training (for both permanent and fixed term employees).
- Self-study (self-directed study) up to Master's level.
- Mentoring / coaching.
- Sponsored training at accredited educational institutions.

In order to ensure that the Company receives the full benefit of increasing the skill level of the staff, employees are required to sign work-back agreements. These are usually agreements requiring the employee to work for the Company for a period equivalent to his/her year of study.

Time off to attend training interventions and study leave for examination purposes is also provided by the Company.

Change Management

The footprints of current and future mining operations are expected to change from both a spatial and business expansion perspective. It is thus anticipated that as the intensity of exploration and related activities increases it could lead to changes in employee perceptions and expectations.

The Company has introduced a Performance and Change Management Strategy that is linked to the company's strategy. This programme, currently coordinated through the Office of the Chief Executive Officer, thus require filling of the Human Resources portfolio in the not too distant future.

Employee Learning and Growth Strategy

The other aspects of the Company's employee Learning and Growth Strategy include the following:

- Enforcement of health, safety and employee wellbeing policies;
- Establishment of a conducive working environment;
- Striving for improved communication; and
- Attracting and retaining youthful professionals.

Financial Statements

2018/19; 2019/20; 2020/21

Annual Financial Statements for the year ended 31 March 2019

General Information

Country of incorporation and domicile	:	Namibia
Nature of business and principal activities	:	Exploration, mining, mineral processing, trading of minerals and investing in businesses.
Directors	:	R.M. Gertze (Chairperson) Adv. E.P. Samson L. Usiku U. Utjavari
Registered office	:	No 7 Feld Street Private Bag 13369, Windhoek, Namibia
Bankers	:	Bankers Standard Bank Namibia Limited Bank Windhoek Limited
Auditors	:	Auditors Saunderson & Co Registered Accountants and Auditors Chartered Accountants (Namibia)
Company registration number	:	2008/0556

Contents

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2020 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page s 6 to 7.

The annual financial statements set out on pages 8 to 45, which have been prepared on the going concern basis, were approved by the board of directors on 5 March 2020 and were signed on their behalf by:

____

Director

Date: 29 October 2022
Place: Windhoek

____

Director

Date: 29 October 2022
Place: Windhoek

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Epangelo Mining Company (Proprietary) Limited and its associates for the year ended 31 March 2019.

1. Nature of business

Epangelo Mining Company (Pty) Ltd is wholly owned by the Government of the Republic of Namibia (GRN) and is incorporated and domiciled in Namibia. The group and company receive unconditional financial support from the GRN to finance operating activities. There have been no material changes to the nature of the company's business from the prior year.

2.Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act. The accounting policies have been applied consistently compared to the prior year. Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

The board of directors do not recommend the declaration of a dividend for the year.

5. Directorate

The directors in office at the date of this report are as follows:

Directors	Designation	Nationality
R.M. Gertze (Chairperson)	Non-executive	Namibian
Adv. E.P. Samson	Non-executive	Namibian
L. Usiku	Non-executive	Namibian
U. Utjavari	Non-executive	Namibian

There have been no changes to the directorate for the year under review.

6. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

7. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to budgeted funds from the shareholder to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

8. Secretary

The company secretary is Ms R.N.L Shamaila.

9. Terms of appointment of the auditors

Saunderson & Co were appointed as the company's auditors for the 3 years ended 2019, 2020 and 2021.

Independent Auditor's Report

To the Shareholder of Epangelo Mining Company (Proprietary) Limited Opinion

We have audited the annual financial statements of Epangelo Mining Company (Proprietary) Limited (the company) set out on pages 8 to 43, which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Epangelo Mining Company (Proprietary) Limited as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Epangelo Mining Company (Proprietary) Limited annual financial statements for the year ended 31 March 2019", which includes the Directors' Report as required by the Companies Act and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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.

Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual 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 Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

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

Saunderson & Co

Registered Accountants and Auditors Chartered Accountants (Namibia)

Per: Edingtone Tafirenyika
Partner

5 March 2022
Windhoek

Statement of Financial Position as at 31 March 2019

	Note(s)	2019 N$	2018 N$
Assets			
Non-Current Assets			
Property, plant and equipment	4	30,996,329	30,912,257
Intangible assets	5	1,394,309	2,100,039
Investments in subsidiaries	6	92,155	92,155
Investments in associates	7	290,288	290,268
Other/Available for sale financial assets	9	250,000	250,000
		33,023,081	**33,644,719**
Current Assets			
Loans to group companies	8	378,742	44,109
Trade and other receivables	10	1,024,550	563,504
Cash and cash equivalents	11	4,363,919	2,410,876
		5,767,211	**3,018,489**
Total Assets		**38,790,292**	**36,663,208**
Equity and Liabilities			
Equity			
Share capital	12	4,000	4,000
Other capital contribution		27,155,000	27,155,000
Retained income		10,285,571	6,137,480
		37,444,571	**33,296,480**
Liabilities			
Current Liabilities			
Trade and other payables	14	1,343,932	3,364,477
Bank overdraft	11	1,789	2,251
		1,345,721	**3,366,728**
Total Equity and Liabilities		**38,790,292**	**36,663,208**

Statement of Profit or Loss and Other Comprehensive Income

		2019	2018
	Note(s)	N$	N$
Other operating income	15	401,289	244,695
Other operating gains (losses)	16	2,278,300	-
Other operating expenses		(10,640,730)	(10,129,263)
Operating loss	17	**(7,961,141)**	**(9,884,568)**
Investment income	18	109,747	114,003
Finance costs	19	(515)	(2,950)
Other non-operating gains (losses)		-	134,900
Loss for the year		**(7,851,909)**	**(9,638,615)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(7,851,909)**	**(9,638,615)**

Statement of Changes in Equity

	Share capital	Other Capital Contribution	Retained income	Total equity
	N$	N$	N$	N$
Balance at 1 April 2017	**4,000**	**27,155,000**	4,276,095	**31,435,095**
Loss for the year	-	-	**(9,638,615)**	**(9,638,615)**
Other comprehensive income	-	-	-	-
Total comprehensive Loss for the year	-	-	(9,638,615)	**(9,638,615)**
Government contribution received	-	-	**11,500,000**	**11,500,000**
Total contributions by and distributions to owners of company recognised directly in equity	-	-	11,500,000	**11,500,000**
Balance at 1 April 2018	**4,000**	**27,155,000**	6,137,480	**33,296,480**
Loss for the year	-	-	**(7,851,909)**	**(7,851,909)**
Other comprehensive income	-	-	-	-
Total comprehensive Loss for the year	-	-	(7,851,909)	**(7,851,909)**
Government contribution received	-	-	**12,000,000**	**12,000,000**
Total contributions by and distributions to owners of company recognised directly in equity	-	-	12,000,000	**12,000,000**
Balance at 31 March 2019	**4,000**	**27,155,000**	10,285,571	**37,444,571**
Note(s)	12	13		

The accounting policies on pages 12 to 23 and the notes on pages 24 to 43 form an integral part of the annual financial statements.

* The translation deficit represents the cumulative position of translation gains and losses arising from the conversion of the net assets of the foreign subsidiary companies, and also the long term loan to a subsidiary company, to the reporting currency.

Statement of Cash Flows

	Note(s)	2019 N$	2018 N$
Cash flows from operating activities			
Cash used in operations	21	(8,954,896)	(8,610,940)
Interest income		109,747	114,003
Finance costs		(515)	(2,950)
Net cash from operating activities		(8,845,664)	(8,499,887)
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(859,232)	(2,451,276)
Purchase of other intangible assets	5	(6,965)	(399,990)
Loans advanced to group companies		(334,633)	(44,100)
Investments in subsidiaries		-	(7,155)
Investments in associates		-	(4,900)
Net cash from investing activities		(1,200,830)	(2,907,421)
Cash flows from financing activities			
Capital contribution received		12,000,000	11,500,000
Total cash movement for the year		1,953,506	92,692
Cash at the beginning of the year		2,408,624	2,315,933
Total cash at end of the year	11	4,362,130	2,408,625

Accounting **Policies**

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1. Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars, which is the company's functional currency.

These accounting policies are consistent with the previous period, except for the changes set out in note 2.

1.2. Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Exploration and evaluation expenditure

The accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely, from either future exploitation or sale or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

The determination of a resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e measured, indicated or inferred). The estimates directly impact when the company defers exploration and evaluation expenditure. Estimation and assumptions may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in profit or loss in the period when the new information becomes available. Refer to note 3 for the carrying amounts of Exploration and evaluation expenditure.

Significant judgements relating to deferred taxes

A deferred tax asset is recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with the future tax planning strategies.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	40 years and 10% residual value
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6 years
IT equipment	Straight line	3 years
Field equipment	Straight line	3 years

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

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

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

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Intangible assets

Mineral exploration, evaluation and development expenditure

Pre-licence costs

Pre-licence costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditure

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

- Researching and analysing historical exploration data
- Gathering exploration data through geophysical studies
- Exploratory drilling and sampling
- Determining and examining the volume and grade of the resource
- Surveying transportation and infrastructure requirements
- Conducting marketing and finance studies

Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and are considered to be evaluation and exploration assets which are not subject to amortisation. Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to profit or loss as incurred, unless the directors conclude that a future economic benefit is more likely than not to be realised. These costs include materials and fuel used, surveying costs, drilling costs and payments made to contractors.

The exploration assets are capitalised on acquisition provided they meet the criteria to be capitalised. In evaluating whether the expenditures meet the criteria to be capitalised, several different sources of information are used. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed. No amortisation is charged during the exploration and evaluation phase.

The exploration and evaluation assets are tested for impairment if there are impairment indicators such as:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed:
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned:
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Other Intangible Assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost and have a finite useful life.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years

1.5 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

1.6 Investments in associates

Investments in associates are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

1.7 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the company ,as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 25 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Loans receivable at amortised cost

Classification

Loans to group companies (note 7) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable,

VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 10).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Investments in equity instruments

Classification

Investments in equity instruments are presented in note 7. They are classified as mandatorily at fair value through profit or loss. As an exception to this classification, the company may make an irrevocable election, on an instrument by instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

The designation as at fair value through other comprehensive income is never made on investments which are either held for trading or contingent consideration in a business combination.

Recognition and measurement

Investments in equity instruments are recognised when the company becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised either in profit or loss or in other comprehensive income (and accumulated in equity in the reserve for valuation of investments) , depending on their classification. Details of the valuation policies and processes are presented in note 7.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other non-operating gains (losses).

Dividends received on equity investments are recognised in profit or loss when the company's right to received the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in investment income (note 18).

Trade and other payables

Classification

Trade and other payables (note 14), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 19).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 25 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.8 Financial instruments: IAS 39 comparatives

Classification

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

- Financial assets at fair value through profit or loss - held for trading
- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

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

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

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss. Regular way purchases of financial assets are accounted for at trade date.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss include dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the company's right to receive payment is established.

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

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the company's right to receive payment is established.

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation differences on monetary items are recognised in profit or loss, while translation differences on non-monetary items are recognised in other comprehensive income and accumulated in equity.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Cash and cash equivalents

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

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

1.9 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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

Tax expenses

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

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

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

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

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.11 Impairment of assets

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

Irrespective of whether there is any indication of impairment, the company also:

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

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

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

If the recoverable amount of an asset is less than its carrying leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases arc accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

1.12 Share capital and equity

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

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.13 Employee benefits

Short-term employee benefits

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

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

1.14 Government grants

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

1.15 Other income

Other income comprises of sales of aggregate to customers. Aggregate is stated at the invoice amount and is exclusive of value added taxation.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Notes to the Annual Financial Statements

Notes to the Annual Financial Statements

2. Changes in accounting policy

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Application of IFRS 9 Financial Instruments

In the current year, the company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRSs. IFRS 9 replaces IAS 39 Financial Instruments and introduces new requirements for 1) the classificat ion and measurement of financial assets and financial liabilities, 2) impairment for financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the company's financial statements are described below.

The company has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

Classification and measurement of financial assets

The date of initial application (i.e. the date on which the company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 April 2018. Accordingly, the company has applied the requirements of IFRS 9 to instruments that have not been derecognised as at 1 April 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. Comparatives in relation to instruments that have not been derecognised as at 1 April 2018 have not been restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at 1 April 2018.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The measurement requirements are summarised below:

Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost.

Debt investments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income.

All other debt investments and equity investments are subsequently measured at fair value through profit or loss, unless specifically designated otherwise.

The company may, on initial recognition, irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies in other comprehensive income.

The company may irrevocably designate a debt investment that meets the amortised cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

When a debt investment measured at fair value through other comprehensive income is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. In contrast, for an equity investment designated as measured at fair value through other comprehensive income, the cumulative gain or loss previously recognised in other comprehensive income is not subsequently reclassified to profit or loss.

Debt instruments that are subsequently measured at amortised cost or at fair value through other comprehensive income are subject to new impairment provisions using an expected loss model. This contrasts the incurred loss model of IAS 39.

The directors reviewed and assessed the company's existing financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the company's financial assets as regards to their classification and measurement:

Investments in equity instruments

The company's investments in equity instruments (neither held for trading nor a contingent consideration arising from a business combination) that were previously classified as available-for-sale financial assets and were measured at fair value at each reporting date under IAS 39 have been designated as at fair value through other comprehensive income. The change in fair value on these equity instruments continues to be accumulated in equity. However, the cumulative amount in equity is no longer reclassified to profit or loss on derecognition of the equity investments.

Debt instruments

Debt instruments classified as loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the company to recognise a loss allowance for expected credit losses on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets and loan commitments and financial guarantee contracts to which the impairment requirements of IFRS 9 apply. In particular, IFRS 9 requires the company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit- impaired financial asset), the company is required to measure the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses. IFRS 9 also provides a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables, contract assets and lease receivables in certain circumstances.

As at 1 April 2018, the directors reviewed and assessed the company's existing financial assets, amounts due from customers and for impairment using reasonable and supportable information that was available without undue cost or effort in accordance with the requirements of IFRS 9 to determine the credit risk of the respective items at the date they were initially recognised, and compared that to the credit risk as at 1 April 2017 and 1 April 2018.The result of the assessment showed no significant changes.

Classification and measurement of financial liabilities

One major change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the company's financial liabilities.

Application of IFRS 15 Revenue from contracts with customers

In the current year, the company has applied IFRS 15 Revenue from Contracts with Customers (as revised in April 2016) and the related consequential amendments to other IFRSs.

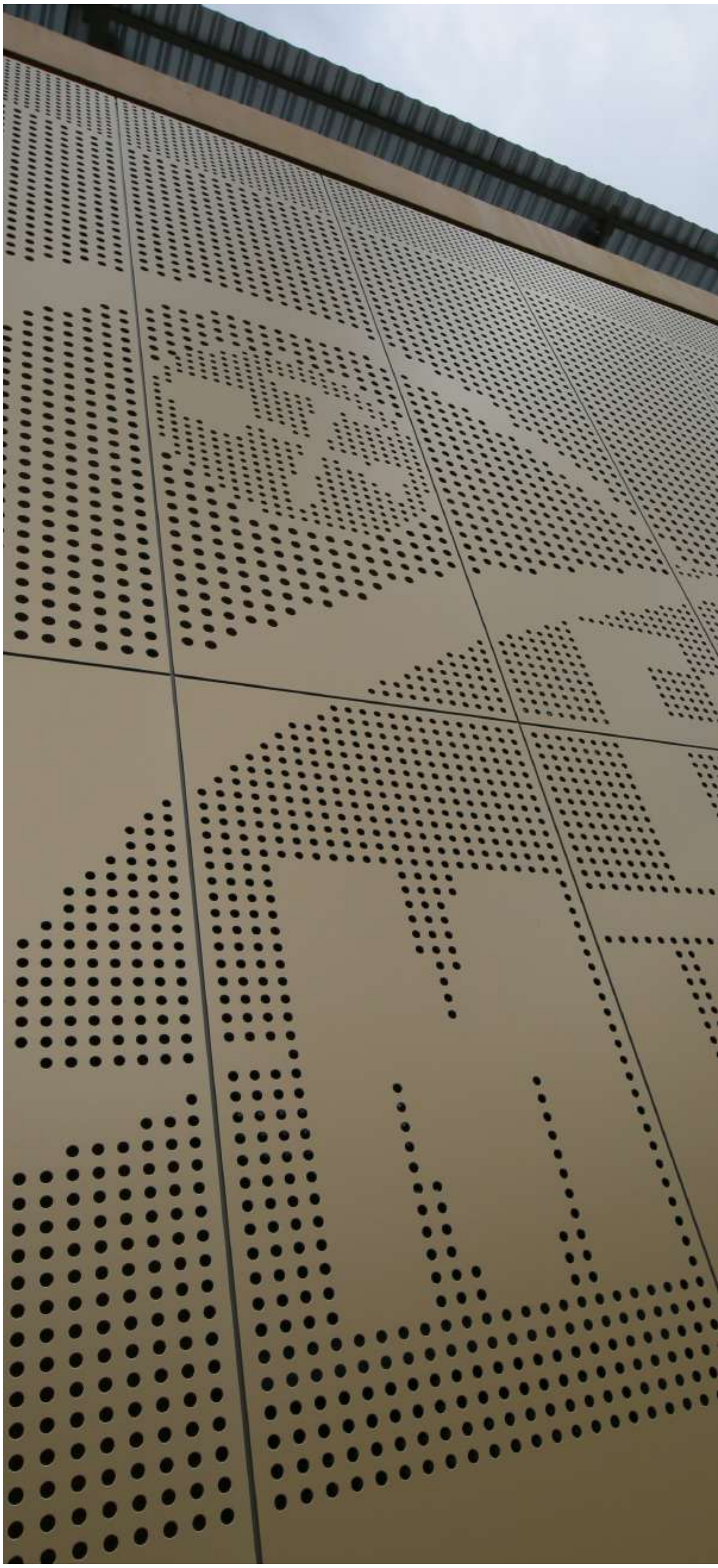
IFRS 15 replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue - Barter Transactions Involving Advertising Services.

IFRS 15 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Details of these new requirements as well as their impact on the company financial statements are described below. Refer to the revenue accounting policy for additional details.

The company has applied IFRS 15 with an initial date of application of 1 April 2018 in accordance with the cumulative effect method, by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at 1 April 2018. The comparative information has therefore not been restated.

The implementation of IFRS 15 did not result in any changes to the financial results and financial position of the company.:

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 31 March 2018 has not been significant



3. New Standards and Interpretations

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
IFRS 9 Financial Instruments	1 January 2018	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements
IFRS 15 Revenue from Contracts with Customers	1 January 2018	The impact of the standard is not material.
Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	1 January 2018	The impact of the standard is not material.
Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018	The impact of the standard is not material.
Amendments to IAS 28: Annual Improvements to IFRS 2014 - 2016 cycle	1 January 2018	Unlikely there will be a material impact
Amendments to IFRS 1: Annual Improvements to IFRS 2014 - 2016 cycle	1 January 2018	Unlikely there will be a material impact
Amendments to IAS 40: Transfers of Investment Property	1 January 2018	The impact of the standard is not material.
Foreign Currency Transactions and Advance Consideration	1 January 2018	The impact of the standard is not material.
Amendments to IFRS 4: Insurance Contracts	1 January 2018	The impact of the standard is not material.
Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1 January 2018	The impact of the standard is not material.

3.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 April 2019 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Plan Amendment, Curtailment or Settlement - Amendments to IAS 19	1 January 2019	Unlikely there will be a material impact
Long-term Interests in Joint Ventures and Associates - Amendments to IAS 28	1 January 2019	Impact is currently being assessed
Prepayment Features with Negative Compensation - Amendment to IFRS 9	1 January 2019	Unlikely there will be a material impact
Amendments to IFRS 11 Joint Arrangements: Annual Improvements to IFRS 2015 - 2017 cycle	1 January 2019	Unlikely there will be a material impact
Amendments to IAS 12 Income Taxes: Annual Improvements to IFRS 2015 - 2017 cycle	1 January 2019	Impact is currently being assessed
Amendments to IAS 23 Borrowing Costs: Annual Improvements to IFRS 2015 - 2017 cycle	1 January 2019	Unlikely there will be a material impact
Uncertainty over Income Tax Treatments	1 January 2019	Impact is currently being assessed
IFRS 16 Leases	1 January 2019	Impact is currently being assessed

4. Property, plant and equipment

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	6,155,000	-	6,155,000	6,155,000	-	6,155,000
Buildings	24,454,470	(998,679)	23,455,791	23,714,944	(452,787)	23,262,157
Furniture and fixtures	420,618	(210,326)	210,292	337,707	(155,349)	182,358
Motor vehicles	1,000,225	(918,534)	81,691	1,000,225	(918,534)	81,691
Office equipment	128,467	(93,148)	35,319	118,111	(84,219)	33,892
IT equipment	684,543	(661,513)	23,030	658,104	(581,488)	76,616
Field equipment	570,401	(553,702)	16,699	570,399	(468,363)	102,036
Fencing	1,018,507	-	1,018,507	1,018,507	-	1,018,507
Total	34,432,231	(3,435,902)	30,996,329	33,572,997	(2,660,740)	30,912,257

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Other changes, movements	Depreciation	Total
land	6,155,000	-	-	-	6,155,000
Buildings	23,262,157	739,526	-	(545,892)	23,455,791
Furniture and fixtures	182,358	82,910	-	(54,976)	210,292
Motor vehicles	81,691	-	-	-	81,691
Office equipment	33,892	10,357	-	(8,930)	35,319
IT equipment	76,616	26,439	-	(80,025)	23,030
Field equipment	102,036	-	2	(85,339)	16,699
Fencing	1,018,507	-	-	-	1,018,507
	30,912,257	859,232	2	(775,162)	30,996,329

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Transfers	Depreciation	Total
Land	6,155,000	-	-	-	6,155,000
Buildings	-	2,229,761	21,485,182	(452,786)	23,262,157
Furniture and fixtures	29,026	173,882	-	(20,550)	182,358
Motor vehicles	90,291	-	-	(8,600)	81,691
Office equipment	39,444	6,275	-	(11,827)	33,892
IT equipment	188,759	2,066	-	(114,209)	76,616
Field equipment	228,490	39,292	-	(165,746)	102,036
Asset under construction	22,503,689	-	(21,485,182)	-	1,018,507
	29,234,699	2,451,276	-	(773,718)	30,912,257

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

5. Intangible assets

	2019			2018		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valu-ation	Accumulated amortisation	Carrying value
Computer software	99,190	(86,376)	12,814	99,190	(65,803)	33,387
Exploration and evaluation assets	1,851,917	(470,422)	1,381,495	2,066,652	-	2,066,652
Total	1,951,107	(556,798)	1,394,309	2,165,842	(65,803)	2,100,039

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Disposals	Amortisation	Impairment loss	Total
Computer software	33,387	-	-	(20,573)	-	12,814
Exploration and evaluation assets	2,066,652	6,965	(221,700)	-	(470,422)	1,381,495
	2,100,039	6,965	(221,700)	(20,573)	(470,422)	1,394,309

Reconciliation of intangible assets - 2018

	Opening balance	Additions	Amortisation	Total
Computer software	23,461	42,990	(33,064)	33,387
Exploration and evaluation assets	1,709,652	357,000	-	2,066,652
	1,733,113	399,990	(33,064)	2,100,039

Other information

Exploration and evaluation expenditure relating to annual fees for EPLs that was immediately expensed to other expenses in profit and loss amounted to: N$92 628 (2018: N$227 527).

Exploration expenditure capitlised are not subject to amortisation until the costs are included in the life-of- mine plan and production has commenced.

The exploration and evaluation assets are tested annually for impairment. The impairment indicators noted were due to the expiry in the current year of exploration licences (4802, 4804, 4793, 4817, 4818, 5261, 5262 and 5264.) valued at N$470,422 as noted above.

6. Interests in subsidiaries

Name of company	Held by	% holding	% holding	Carrying amount	Carrying amount
		2019	2018	2019	2018
Epangelo Offshore Mining (Pty) Ltd		100.00 %	100.00 %	92,155	92,155

The company has 100% interest in Epangelo Offshore Mining (Pty) Ltd, an entity yet to commence operations as at the reporting date. The company's interest in Epangelo Offshore Mining (Pty) Ltd is accounted for at cost less any accumulated impairment

7. Investments in associates

The following table lists all of the associates in the company:

Name of company	Held by	% ownership interest	% ownership interest	Carrying amount	Carrying amount
		2019	2018	2019	2018
Rockmen Investment (Pty) Ltd		20.00 %	20.00 %	20	-
JG Investment Sixteen		40.00 %	40.00 %	138,000	138,000
JG Investment Fourteen (Pty) Ltd		90.00 %	90.00 %	147,368	147,368
EVS Contractors Mining (Pty) Ltd		49.00 %	49.00 %	4,900	4,900
				290,288	290,268

Investment in JG investment Sixteen (Pty) Ltd - material associate

The company has a 40% interest in JG Investments Sixteen (Pty) Ltd. JG Investments Sixteen (Pty) Ltd is a mining company of which the company owned 100% up to the 31 March 2016 when it sold 60% to Paua Mining (Pty) Ltd. JG Investments Sixteen (Pty) Ltd's principal place of business is in Windhoek and the company is incorporated in Namibia. The year end of the associate is the same as the company's year end.

Investment in JG Investment Fourteen (Pty) Ltd - material associate

The company has a 90% interest in JG Investments Fourteen (Pty) Ltd. JG Investments Fourteen (Pty) Ltd is a mining company of which the company owned 100% up to the 31 March 2016 when it sold 10% to Coldstone Investments (Pty) Ltd. Coldstone Investments (Pty) Ltd exercises control over JG Investments Fourteen (Pty) Ltd through the right to appoint the majority of the board members of the entity granted to it through a contractual agreement between the company and Coldstone Investments (Pty) Ltd. JG Investments Fourteen (Pty) Ltd's principal place of business is in Windhoek and the company is incorporated in Namibia. The year end of the associate is the same as the company's year end.

EVS Contractors Mining (Pty) Ltd - material associate

The company has a 49% interest in EVS Contractors Mining (Pty) Ltd. EVS Contratctors Mining (Pty) Ltd is a mining entity of which the company became a shareholder in the 2018 Financial year.

Rockmen Investments (Pty) Ltd - material associate

The company has a 20% interest in Rockmen Investments (Pty) Ltd. Rockmen Investments (Pty) Ltd is a mining entity of which the company became a shareholder in the 2018 Financial year.

The Company's interest in all associates is accounted for at cost less accumulated impairment in the company financial statements.

8. Loans to group companies

Subsidiaries		
Epangelo Husab Uranium (Pty) Ltd	9	9

There are no terms and conditions attached.

Associates		
EVS Contractors Mining (Pty) Ltd	378,733	44,100

The loan earns interest at 12.5% per annum and has no fixed repayment period.

9. Other/Available for sale financial assets

	2019	2018
	N$	N$
At fair value through profit or loss 5% Investment in Yellow Dune Uranium Resourses (Pty) Ltd The above investment is currently carried at cost. The fair value has not been disclosed as the fair value could not be reasonably determined. There is no active market for the investments as they are unlisted. At reporting date, management did not have intentions of disposing off any of the investments.	250,000	-
Available-for-sale Listed shares Terms and conditions	-	250,000
Total other financial assets	**250,000**	**250,000**
Non-current assets Fair value through profit or loss	250,000	-
Available-for-sale	-	250,000
	250,000	**250,000**

The below named investments were received for no consideration and are also carried at zero cost, these entities are still dormant hence there is no fair value yet, and therefore in line with IFRS 9, the cost of the investments are zero. These are:

10% Manila Investments (Pty) Ltd
10% Angria Fria Mineral Prospecting (Pty) Ltd
10% Hebron Prospecting Company (Pty) Ltd

10. Trade and other receivables

	2019	2018
	N$	N$
Financial instruments:		
Trade receivables	123,735	-
Deposits	21,511	13,405
Non-financial instruments:		
VAT	822,660	406,938
Prepayments	56,644	143,161
Total trade and other receivables	1,024,550	563,504
Categorisation of trade and other receivables **Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:**		
At amortised cost	145,246	13,405
Non-financial instruments	879,304	550,099
	1,024,550	563,504

11. Cash and cash equivalents

	2019	2018
	N$	N$
Cash and cash equivalents consist of:		
Cash on hand	2,418	3,951
Bank balances	323,016	355,376
Short-term deposits	4,038,485	2,051,549
Credit card	(1,789)	(2,251)
	4,362,130	**2,408,625**
Current assets	4,363,919	2,410,876
Current liabilities	(1,789)	(2,251)
	4,362,130	**2,408,625**

Short-term deposits have a maturity of three months or less, which is subject to an insgnificant risk of changes in value.

The increase in cash and cash equivalents is due to receipts of government subsidies of approximately N$5 000 000 towards the last two months of the year.

The company has a credit card facility of N$100 000 (2018: N$ 160 000) and a fleet management facility of N$30 000 (2018: N$30 000) with Standard Bank Namibia Limited.

Fleet facility Un-utilised as at year-end	30,000	30,000
Credit card facility Un-utilised as at year-end	98,211	160,000

12. Share capital

	2019	2018
	N$	N$
Authorised		
4000 Ordinary shares of N$ 1	4,000	4,000
Issued		
Ordinary	4,000	4,000

13. Other Capital Contribution

	2019	2018
	N$	N$
Government contribution for construction of main office builing (Refer note 3)	27,155,000	27,155,000

14. Trade and other payables

	2019	2018
	N$	N$
Financial instruments:		
Trade payables	328,877	595,745
Leave pay provision	296,789	263,799
Accrued expenses	18,266	4,933
Non-financial instruments:		
Other payables*	-	2,500,000
Rent received in advance	700,000	-
	1,343,932	**3,364,477**

Trade and other payables are non-interest bearing and are normally settled between 60 and 90 days.

***Other payable**

On 10 July 2013 the company entered into a framework Agreement with Minexus Exploration (Pty) Ltd whereby Minexus Exploration (Pty) Ltd would acquire up to 80% interest in Exclusive Prospecting Licenses (namely: EPL 4792, EPL 4803, EPL 5029, EPL 6361 and EPL 6362 respectively).

During August 2013, Minexus Exploration (Pty) Ltd made a cash payment of N$2 500 000 to Epangelo Mining Company (Pty) Ltd as consideration for the acquisition of 80% interest in the above EPLs pending finalisation of the Framework Agreement. As at prior year-end (31 March 2018), the EPLs had not yet been transferred to the SPV (Rockmen Investments (Pty) Ltd in line with the Framework agreement of the 20th of September 2017 therefore the amount was still recognised as a liability.

On 25 May 2018 the respective five EPLs were all transfered to the SPV (Rockmen Investments (Pty) Ltd) in line with Framework agreement, agreed on the 20th of September 2017, hence the amount was derecognised as a liability as at year end.

The other payable is non-interest bearing.

15. Other operating income

	2019	2018
	N$	N$
Discount received	3,989	2,095
Other income	397,300	242,600
	401,289	**244,695**

16. Other operating gains (losses)

		2019	2018
		N$	N$
Gains (losses) on disposals			
Intangible assets	5	2,278,300	-

Gains relate to the disposal of licences and their related desk top study costs to an SPV (Rockmen Investments (Pty) Ltd). More details on the transaction refer to Note 14.

17. Operating profit (loss)

	2019	2018
	N$	N$
Operating loss for the year is stated after charging (crediting) the following, amongst others:		
Auditor's remuneration - external	332,770	304,850
Remuneration, other than to employees		
Consulting and accounting services	203,840	193,090
Other	-	4,326
	203,840	**197,416**
Employee costs		
Salaries, wages, bonuses and other benefits	5,887,576	5,722,898
Leases		
Operating lease charges Premises	-	387,808
Depreciation and amortisation		
Depreciation of property, plant and equipment	775,162	773,718

18. Investment income

	2019	2018
	N$	N$
Interest income		
Investments in financial assets:		
Bank and other cash	109,747	114,003

19. Finance costs

	2021	2020
	N$	N$
Trade and other payables	515	2,950

20. Taxation

No provision has been made for 2019 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is N$79 381 000 - (2018: N$ 70 246 980-).

21. Cash used in operations

	2019	2018
	N$	N$
Loss before taxation	(7,851,909)	(9,638,615)
Adjustments for:		
Depreciation and amortisation	775,162	773,718
Gains on disposals of intangible assets	(2,278,300)	-
Interest income	(109,747)	(114,003)
Finance costs	515	2,950
Net impairments and movements in credit loss allowances	470,422	1,000
Amortisation	20,572	33,064
Amortisation	28,326	14,972
Changes in working capital:		
Trade and other receivables	(461,046)	1,857,037
Trade and other payables	479,435	(1,526,091)
	(8,954,896)	(8,610,940)

22. Commitments

Operating leases – as lessee (expense) (IAS 17)

	2021	2020
	N$	N$
Minimum lease payments due		
- within one year	-	21,562
- in second to fifth year inclusive	17,738	45,607
	44,344	**68,411**

Operating lease payments represent rentals payable by the company for certain of its office equipment. Leases are negotiated for an average term of 3 years and rentals are fixed for the three years. No contingent rent is payable.

23. Related parties

Related Parties	Relationship	Shareholding %	Operational Status	Members of key management
Government of the Republic of Namibia	Shareholder	100%		Elipha Hawala Chief Executive Officer
Epangelo Husab Mining (Pty) Ltd	Subsidiaries	100%		
JG Investments Two (Pty) Ltd	Subsidiaries	100%		
JG Investment Three (Pty) ltd	Subsidiaries	100%	Dormant	
JG Investments Five	Subsidiaries	100%	Dormant	
Epangelo Offshore Minining (Pty) Ltd	Subsidiaries	100%	Dormant	
JG Investments Fourteen (Pty) Ltd	Associates	90%	Dormant	
EVS Mining Company Contractors (Pty) Ltd	Associates	49%		
JG Investments Sixteen (Pty) Ltd	Associates	40%		
Rockmen Investments (Pty) Ltd	Associates	20%		

Related party balances

	2019	2018
	N$	N$
Loan accounts - Owing (to) by related parties		
EVS Mining Contractors (Pty) Ltd	378,733	44,100
Epangelo Husab Mining (Pty) Ltd	9	9
Amounts included in Trade receivable (Trade Payable) regarding related parties		
EVS Mining Contractors (Pty) Ltd (rent received in advance)	(700,000)	-
Related party transactions		
Compensation to directors and other key management		
Director's fees	428,259	500,144
Management personnel (Short-term employee benefits)	1,336,598	1,049,608

24. Directors' emoluments

Non-executive

	2019	
	Directors' fees	Total
Board fees	428,259	428,259

Non-executive

	2018	
	Directors' fees	Total
Board fees	500,144	500,144

25. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2019

	Note(s)	Fair value through other comprehen- sive income - equity instruments	Amortised cost	Total	Fair value
Loans to group companies	8	-	378,742	378,742	-
Trade and other receivables	10	-	145,246	145,246	145,246
Cash and cash equivalents	11	-	4,363,919	4,363,919	-
Other financial assets		250,000	-	250,000	-
		250,000	**4,887,907**	**5,137,907**	**145,246**

2018

	Note(s)	Available for sale	Loans and receivables	Total	Fair value
Loans to group companies	8	-	44,109	44,109	-
Trade and other receivables	10	-	13,405	13,405	13,405
Cash and cash equivalents	11	-	2,410,876	2,410,876	-
Available -for-sale financial assets		250,000	-	250,000	-
		250,000	**2,468,390**	**2,718,390**	**13,405**

Categories of financial liabilities

2019

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	14	643,932	643,932	-

2018

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	14	864,477	864,477	-

25. Financial instruments and risk management (continued)

Pre tax gains and losses on financial instruments

Gains and losses on financial assets

2019

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	18	109,747	109,747

2018

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	18	114,003	114,003

Gains and losses on financial liabilities

2019

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Finance costs	19	(515)	(515)

2018

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Finance costs	19	(2,950)	(2,950)

25. Financial instruments and risk management (continued)

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The capital structure and gearing ratio of the company at the reporting date was as follows:

	Note(s)	Amortised cost	Total
Trade and other payables	14	1,343,932	3,364,477
Cash and cash equivalents	11	(4,362,129)	(2,408,624)
Net borrowings		(3,018,197)	955,853

	Note(s)	Amortised cost	Total
Equity		37,444,571	33,296,478
Gearing ratio		(8)%	3 %

25. Financial instruments and risk management (continued) Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (interest rate risk).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The company audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by the Chief excecutive officer (CEO) as currently the organisation does not have an internal audit department.

The CEO undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the board.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on loans receivable, trade and other receivables, lease receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the company through dealing with well-established financial institutions with high credit ratings.

With respect to trade and other receivables that are neither past due nor impared, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

The maximum exposure to credit risk is presented in the table below:

		2019			2018		
	Note(s)	Gross carrying amount	Credit loss allowance	Amortised cost fair value	Gross carrying amount	Credit loss allowance	Amortised cost fair value
Loans to group companies	8	378,742	-	378,742	44,109	-	44,109
Trade and other receivables	10	145,246	-	145,246	13,405	-	13,405
Cash and cash equivalents	11	4,363,919	-	4,363,919	2,410,876	-	2,410,876
		4,887,907	**-**	**4,887,907**	**2,468,390**	**-**	**2,468,390**

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and shareholder contributions.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2019	Note(s)	Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables		3,843,932	3,843,932	643,932
Bank overdraft	11	1,789	1,789	1,789

2018	Note(s)	Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	14	3,364,477	3,364,477	864,477
Bank overdraft	11	2,251	2,251	2,251

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The company policy with regards to financial assets, is to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders. Loans receivable are mantained at fixed rates and hence not subject to significant interest rate risks.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Note(s)	Average effective interest rate		Carrying amount	
		2019	2018	2019	2018
Fixed rate instruments: Assets					
Loans to group companies	8	12.50 %	- %	378,733	44,100
Fixed rate financial assets as a percentage of total interest bearing financial assets				100.00 %	100.00 %

Detailed Income Statement

		2019	2018
	Note(s)	N$	N$
Other operating income			
Discount received		3,989	2,095
Other income		397,300	242,600
	15	**292,026**	**535,406**
Other operating gains (losses)			
Gains on disposal of assets or settlement of liabilities		2,278,300	-
Expenses (Refer to page 45)		**(10,640,730)**	**(10,129,263)**
Operating loss	17	(7,961,141)	(9,884,568)
Investment income	18	109,747	114,003
Finance costs	19	(515)	(2,950)
Other non-operating gains (losses)			
Profit on disposal of subsidiary		-	134,900
Loss for the year		(7,851,909)	(9,638,615)

Detailed Income Statement

	Note(s)	2019	2018
		N$	N$
Other operating expenses			
Accounting fees		99,377	91,758
Advertising		202,987	95,636
Amortisation		20,574	30,308
Auditors remuneration	17	332,770	304,850
Bank charges		17,990	13,501
Books and Geo information		9,034	-
Cleaning		5,920	18,569
Computer expenses		244,220	272,944
Consulting fees		104,463	101,332
Depreciation		775,162	773,718
Directors - board fees		428,259	500,144
Donations		-	1,483
EPL annual fees		156,250	226,527
EPL applications		8,050	16,000
Electricity & Water		227,012	155,736
Employee costs		5,887,576	5,722,898
Entertainment		8,394	1,845
Field expenses		14,758	69,926
Impairment		470,422	1,000
Insurance		121,872	98,344
Lease rentals on operating lease		-	387,808
Legal fees		55,872	28,219
Levies		3,042	2,213
Membership fees		55,654	33,899
Motor vehicle expenses		92,358	109,226
Office expenses		33,586	38,725
Postage		1,737	2,033
Printing and stationery		38,105	42,854
Rates & taxes		37,927	69,759
Refreshments		3,922	10,103
Rent - Photocopier		22,804	4,148
Repairs and maintenance		111,733	46,571
Royalties and license fees		137,688	-
Safety equipment		-	9,959
Security		139,410	116,949
Soft Furnishings & small tools		-	4,326
Software licenses		2,042	904
Subscriptions		199,970	108,469
Subsistence & travel allowance - board		2,597	14,942
Subsistence and travel allowance - other		104,237	147,998
Telephone and fax		160,093	98,688
Training		76,108	83,312
Transfer appl cost of EPLs		250	1,250
Travel - local		226,505	270,389
		10,640,730	**10,129,263**

Annual Report 2018/19; 2019/20; 2020/21

Annual Financial Statements for the year ended 31 March 2020

General Information

Country of incorporation and domicile	:	Namibia
Nature of business and principal activities	:	Exploration, mining, mineral processing, trading of minerals and investing in businesses.
Directors	:	R.M. Gertze (Chairperson) Adv. E.P. Samson L. Usiku U. Utjavari
Registered office	:	No 7 Feld Street Private Bag 13369, Windhoek, Namibia
Bankers	:	Bankers Standard Bank Namibia Limited Bank Windhoek Limited
Auditors	:	Auditors Saunderson & Co Registered Accountants and Auditors Chartered Accountants (Namibia)
Company registration number	:	2008/0556

Contents

Directors' Responsibilities and Approval

The directo rs arc required in terms of the Companies Act 28 of 2004, as amended 2007 to maintain adequate account ing records and arc responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended , in confo rmity with Internat io nal Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in acco rdance with International Financial Reporting Standards and are based upon appropriate accounting policies cons istently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they arc ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directo rs sets standards for internal control aimed at reducing the risk of e1TOr or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective account ing procedures and adequate segregation of duties to ensure an acceptable level of risk. These co ntrols are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the compa ny is on id e ntify ing, assessing, managing and monitoring all known fom1s of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure , contro ls , systems and ethical behaviour arc applied and managed within predetermined procedures and constraints.

The directors are of the opinio n, based on the informat ion and exp lanatio ns given by management, that the system of internal cont rol provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of inte rnal financial control can provide only reasonable, and not abso lute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2021 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page s 6 to 7.

The annual financial statements set out on pages 8 to 46, which have been prepared on the going concern basis, were approved by the board of directors 15 March 2021 and were signed on their behalf by:

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Director

Date: 29 October 2022
Place: Windhoek

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Director

Date: 29 October 2022
Place: Windhoek

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Epangelo Mining Company (Proprietary) Limited and its associates for the year ended 31 March 2021.

1. Nature of business

Epangelo Mining Company (Pty) Ltd is wholly owned by the Government of the Republic of Namibia (GRN) and is incorporated and domiciled in Namibia. The group and company receive unconditional financial support from the GRN to finance operating activities. There have been no material changes to the nature of the company's business from the prior year.

2.Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 28 of 2004, as amended 2007. The accounting policies have been applied consistently compared to the prior year. Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

The board of directors do not recommend the declaration of a dividend for the year.

5. Directorate

The directors in office at the date of this report are as follows:

Directors	Designation	Nationality
R.M. Gertze (Chairperson)	Non-executive	Namibian
Adv. E.P. Samson	Non-executive	Namibian
L. Usiku	Non-executive	Namibian
U. Utjavari	Non-executive	Namibian

6. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

7. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to budgeted funds from the shareholder to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

8. Secretary

The company secretary is Ms R.N.L Shamaila.

9. Terms of appointment of the auditors

Saunderson & Co were appointed as the company's auditors for the 3 years ended 2019, 2020 and 2021.

Independent Auditor's Report

To the Shareholder of Epangelo Mining Company (Proprietary) Limited Opinion

We have audited the annual financial statements of Epangelo Mining Company (Proprietary) Limited (the company) set out on pages 8 to 39, which comprise the statement of financial position as at 31 March 2021, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Epangelo Mining Company (Proprietary) Limited as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 28 of 2004, as amended 2007.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information.

The other information comprises the information included in the document titled "Epangelo Mining Company (Proprietary) Limited annual financial statements for the year ended 31 March 2021", which includes the Directors' Report as required by the Companies Act 28 of 2004, as amended 2007 and the supplementary information as set out on pages 40 to 41. The other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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.

Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 28 of 2004, as amended 2007, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual 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 Responsibi1ities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

Registered Accountants, Auditors and Business Consultants Saunderson & Co

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Saunderson & Co

Registered Accountants and Auditors Chartered Accountants (Namibia)

Per: Edingtone Tafirenyika
Partner

15 March 2021 , Windhoek

Statement of Financial Position as at 31 March 2020

		2020	2019
	Note(s)	N$	N$
Assets			
Non-Current Assets			
Property, plant and equipment	3	30,462,479	30,996,329
Intangible assets	4	692,208	1,394,309
Investments in subsidiaries	5	57,155	92,155
Investments in associates	6	290,288	290,288
Investments at fair value	10	6,036,840	3,263,162
Other financial assets	8	250,000	250,000
		37,788,970	**36,286,243**
Current Assets			
Loans to group companies	7	429,037	378,742
Trade and other receivables	9	357,140	1,024,550
Cash and cash equivalents	11	3,471,369	4,363,919
		4,257,546	**5,767,211**
Total Assets		**42,046,516**	**42,053,454**
Equity and Liabilities			
Equity			
Share capital	12	4,000	4,000
Reserves	13	30,4 18 , 16 2	30,418, 162
Retained income		10 ,986,889	10,285,57 1
		4 1,409, 0 5 1	**40 ,707, 733**
Liabilities			
Current Liabilities			
Trade and other payables	14	633,630	1,343,932
Bank overdraft	11	3 ,83 5	1, 789
		637,465	**1,345,721**
Total Equity and Liabilities		**42,046 ,516**	**42,053,454**

Statement of Profit or Loss and Other Comprehensive Income

		2020	2019
	Note(s}	N$	N$
Revenue	15	736,488	–
Other operating income	16	535,406	401,2 8 9
Other operating gains (losses)	17	2,773,678	2,278,300
Other operating expenses		(I I, I I O, I 96)	(10 ,640 ,730)
Operating loss	18	**(7,064,624)**	**(7,961, 14 1)**
Investment income	19	267,080	109,747
Finance costs	20	(I, 137)	(515)
Loss for the year		**(6,798,681)**	**(7,851,909)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(6,798,681)**	**(7,851,909)**

Statement of Changes in Equity

	Share capital	Other Capital Contribution	Retained income	Total equity
	N$	N$	N$	N$
Balance at 1 April 2018	**4,000**	**27,155,000**	**6,137,480**	**33,296,480**
Loss for the year	-	-	(7,851,909)	(7,851,909)
Other comprehensive income	-	-	-	-
Total comprehensive Loss for the year	**-**	**-**	**(7,851,909)**	**(7,851,909)**
Government contribution for Dundee shares in 2016 not previoulsy recognised	-	3,263,162	-	3,263,162
Government contribution received	-	-	12,000,000	12,000,000
Total contributions by and distributions to owners of company recognised directly in equity		**3,263,162**	**12,000,000**	**15,263,162**
Balance at 1 April 2019	**4,000**	**30,418,162**	**10,285,570**	**40,707,732**
Loss for the year	-	--	(6,798,681)	(6,798,681)
Other comprehensive income	-	-	-	-
Total comprehensive Loss for the year	**-**	**-**	**(6,798,681)**	**(6,798,681)**
Government contribution received	-	-	7,500,000	7,500,000
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**7,500,000**	**7,500,000**
Balance at 31 March 2020	**4,000**	**30,418,162**	**10,986,889**	**41,409,051**
Note(s)	12	13		

The accounting policies on pages 12 to 26 and the notes on pages 27 to 44 form an integral part of the annual financial statements.

Statement of Cash Flows

	Note(s)	2021 N$	2020 N$
Cash flows from operating activities			
Cash used in operations	22	(8,467,318)	(8,954,896)
Interest income		267,080	109,747
Finance costs		(1,137)	(515)
Net cash from operating activities		**(8,201,375)**	**(8,845,664)**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(114,809)	(859,232)
Purchase of other intangible assets	4	(28,116)	(6,965)
loans advanced to group companies		(50,295)	(334,633)
Net cash from investing activities		**(193,220)**	**(1,200,830)**
Cash flows from financing activities			
Capital contribution received		7,500,000	12,000,000
Total cash movement for the year		(894,595)	1,953,506
Cash at the beginning of the year		4,362,129	2,408,624
Total cash at end of the year	**11**	**3,467,534**	**4,362,130**

Accounting **Policies**

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1. Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars, which is the company's functional currency.

These accounting policies are consistent with the previous period, except for the changes set out in note 2.

1.2. Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Exploration and evaluation expenditure

The accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely, from either future exploitation or sale or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

The determination of a resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e measured, indicated or inferred). The estimates directly impact when the company defers exploration and evaluation expenditure. Estimation and assumptions may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in profit or loss in the period when the new information becomes available. Refer to note 3 for the carrying amounts of Exploration and evaluation expenditure.

Significant judgements relating to deferred taxes

A deferred tax asset is recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with the future tax planning strategies.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	40 years and 10% residual value
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6 years
IT equipment	Straight line	3 years
Field equipment	Straight line	3 years

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

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

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

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Intangible assets

Mineral exploration, evaluation and development expenditure.

Pre-licence costs

Pre-licence costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditure

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

- Researching and analysing historical exploration data
- Gathering exploration data through geophysical studies
- Exploratory drilling and sampling
- Determining and examining the volume and grade of the resource
- Surveying transportation and infrastructure requirements
- Conducting marketing and finance studies

Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and are considered to be evaluation and exploration assets which are not subject to amortisation. Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to profit or loss as incurred, unless the directors conclude that a future economic benefit is more likely than not to be realised. These costs include materials and fuel used, surveying costs, drilling costs and payments made to contractors.

The exploration assets are capitalised on acquisition provided they meet the criteria to be capitalised. In evaluating whether the expenditures meet the criteria to be capitalised, several different sources of information are used. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed. No amortisation is charged during the exploration and evaluation phase.

The exploration and evaluation assets are tested for impairment if there are impairment indicators such as:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed:
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned:
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Other Intangible Assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost and have a finite useful life.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years

1.5 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

1.6 Investments in associates

Investments in associates are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

1.7 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the company ,as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 27 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Loans receivable at amortised cost

Classification

Loans to group companies (note 7) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other receivables

Classification

VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 10).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Investments in equity instruments

Classification

Investments in equity instruments are presented in note 7. They are classified as mandatorily at fair value through profit or loss. As an exception to this classification, the company may make an irrevocable election, on an instrument by instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

The designation as at fair value through other comprehensive income is never made on investments which are either held for trading or contingent consideration in a business combination.

Recognition and measurement

Investments in equity instruments are recognised when the company becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised either in profit or loss or in other comprehensive income (and accumulated in equity in the reserve for valuation of investments) , depending on their classification. Details of the valuation policies and processes are presented in note 7.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other non-operating gains (losses).

Dividends received on equity investments are recognised in profit or loss when the company's right to received the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in investment income (note 18).

Trade and other payables

Classification

Trade and other payables (note 14), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 19).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 25 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.8 Financial instruments: IAS 39 comparatives

Classification

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

- Financial assets at fair value through profit or loss - held for trading
- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

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

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

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss. Regular way purchases of financial assets are accounted for at trade date.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss include dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the company's right to receive payment is established.

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

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the company's right to receive payment is established.

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation differences on monetary items are recognised in profit or loss, while translation differences on non-monetary items are recognised in other comprehensive income and accumulated in equity.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Cash and cash equivalents

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

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

1.9 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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

Tax expenses

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

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

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

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

1.10 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for sho11-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense (note 18) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Company as lessor

Leases for which the company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases arc accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

1.11 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.12 Impairment of assets

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

Irrespective of whether there is any indication of impairment, the company also:

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

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

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

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

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

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

1.13 Share capital and equity

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

Ordinary shares are recognised at par value and classified as ‘share capital’ in equity. Any amounts received from the issue of shares in excess of par value is classified as ‘share premium’ in equity. Dividends are recognised as a liability in the company in which they are declared.

1.14 Employee benefits

Short-term employee benefits

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

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

1.15 Government grants

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

1.16 Revenue from contracts with customers

The company's main activity is the exploration, mining, mineral processing, trading of minerals and investing in businesses which earns dividends. The company also lease property and provide labour services to its related party company.

To determine whether to recognise revenue, the entity follows a 5- Step Process:

1	Identify contract with customer;
2	Identify separate performance obligations in the contract;
3	Determine the transaction price;
4	Allocation of the transaction price to the separate performance obligations;
5	Recognise the revenue when or as the entity satisfies performance obligation

The entity is involved in the lease of its properties to related parties, from which it derives rental income. Contained in the service level agreement, the entity is also contracted to provide labour services being legal, company secretarial, accounting, financial services and others.The entity also earns dividend income from investment in subsidiaries, as well as interest income from fixed deposits.

IFRS 15- Applicable to current period figures

Revenue derived from the entity by providing labour services falls within the scope of IFRS 15.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

Revenue is earned from the provision of labour services. The performance obligation is settled over time as labour services are provided to the customer. The customer must pay the fees in arrears, i.e 30 days after supply of invoice.

The transaction price refers to the price charged as per the contract for the provision of labour services. No significant financing component exist for the service provided

Under IAS 18, the company used a percentage of completion method to account for the rendering of services. Revenue was recorded on a monthly basis in line with the charge as stipulated in the contract for providing labour services. There is no change when compared to IAS 18 as Revenue is still recognised once the ownership of the goods or services is transferred and measured at the transaction price identified in the contract.

1.17 Other income

Other income comprises of sales of aggregate to customers. Aggregate is stated at the invoice amount and is exclusive of value added taxation.

Notes to the Annual Financial Statements

Notes to the Annual Financial Statements

2. Changes in accounting policy

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Application of IFRS 16 Leases

In the current year, the company has adopted IFRS 16 Leases (as issued by the IASB in Janualy 2016) with the date of initial application being I April 2019. IFRS 16 replaces IAS 17 Leases, IFRTC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC 27 - Evaluating the Substance of Transactions Involving the Legal Form ofa Lease.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in the accounting policy for leases. There has been no significant impact of the adoption of IFRS 16 on the company's annual financial statements as the only lease agreement entered into for a photocopier machine where the company is a lessee, is sho1i term and no material.

Application of IFRS 9 Financial Instruments

In the current year, the company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRSs. IFRS 9 replaces IAS 39 Financial Instruments and introduces new requirements for 1) the classificat ion and measurement of financial assets and financial liabilities, 2) impairment for financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the company's financial statements are described below.

The company has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

Classification and measurement of financial assets

The date of initial application (i.e. the date on which the company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 April 2018. Accordingly, the company has applied the requirements of IFRS 9 to instruments that have not been derecognised as at 1 April 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. Comparatives in relation to instruments that have not been derecognised as at 1 April 2018 have not been restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at 1 April 2019.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The measurement requirements are summarised below:

Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost.

Debt investments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income.

All other debt investments and equity investments are subsequently measured at fair value through profit or loss, unless specifically designated otherwise.

The company may, on initial recognition, irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies in other comprehensive income.

The company may irrevocably designate a debt investment that meets the amortised cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

When a debt investment measured at fair value through other comprehensive income is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. In contrast, for an equity investment designated as measured at fair value through other comprehensive income, the cumulative gain or loss previously recognised in other comprehensive income is not subsequently reclassified to profit or loss.

Debt instruments that are subsequently measured at amortised cost or at fair value through other comprehensive income are subject to new impairment provisions using an expected loss model. This contrasts the incurred loss model of IAS 39.

The directors reviewed and assessed the company's existing financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the company's financial assets as regards to their classification and measurement:

Tnvestments in equity instruments

The company's investments in equity instruments (neither held for trading nor a contingent consideration arising from a business combination) that were previously classified as available-for-sale financial assets and were measured at fair value at each reporting date under IAS 39 have been designated as at fair value through other comprehensive income. The change in fair value on these equity instruments continues to be accumulated in equity. However, the cumulative amount in equity is no longer reclassified to profit or loss on derecognition of the equity investments.

Debt instruments

Debt instruments classified as loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the company to recognise a loss allowance for expected credit losses on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets and loan commitments and financial guarantee contracts to which the impairment requirements of IFRS 9 apply. In particular, IFRS 9 requires the company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit- impaired financial asset), the company is required to measure the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses. IFRS 9 also provides a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables, contract assets and lease receivables in certain circumstances.

As at 1 April 2018, the directors reviewed and assessed the company's existing financial assets, amounts due from customers and for impairment using reasonable and supportable information that was available without undue cost or effort in accordance with the requirements of IFRS 9 to determine the credit risk of the respective items at the date they were initially recognised, and compared that to the credit risk as at 1 April 2017 and 1 April 2018.The result of the assessment showed no significant changes.

Classification and measurement of financial liabilities

One major change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the company's financial liabilities.

Application of IFRS 15 Revenue from contracts with customers

In the current year, the company has applied IFRS 15 Revenue from Contracts with Customers (as revised in April 2016) and the related consequential amendments to other IFRSs.. **IFRS 15 replaces IAS 11 Construction IFRS 15 replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Constrnction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue - Barter Transactions Involving Advertising Services.**

IFRS 15 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Details of these new requirements as well as their impact on the company financial statements are described below. Refer to the revenue accounting policy for additional details.

The company has applied IFRS 15 with an initial date of application of 1 April 2019 in accordance with the cumulative effect method, by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at 1 April 2019. The comparative information has therefore not been restated.

The implementation of IFRS 15 did not result in any changes to the financial results and financial position of the company.

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 31 March 2020 has not been significant.

3. Property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	6,155,000	-	6,155,000	6,155,000	-	6,155,000
Buildings	24,509,470	(1,550,039)	22,959,431	24,454,470	(998,679)	23,455,79 I
Furniture and fixtures	422,917	(270,157)	152,760	420,618	(210,326)	210,292
Motor vehicles	1,000,225	(918,534)	81,691	1,000,225	(918,534)	81,691
Office equipment	133,510	(I02,875)	30,635	128,467	(93,148)	35,319
IT equipment	737,010	(676,156)	60,854	684,543	(661,513)	23,030
Field equipment	570,401	(566,800)	3,601	570,401	(553,702)	16,699
Fencing	1,018,507	-	1,018,507	1,018,507	-	1,018,507
Total	34,547,040	(4,084,561)	30,462,479	34,432,231	(3,435,902)	30,996,329

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Total
land	6,155,000	-	-	6,155,000
Buildings	23,455,791	55,000	(551,360)	22,959,431
Furniture and fixtures	210,292	2,299	(59,831)	152,760
Motor vehicles	81,691	-	-	81,691
Office equipment	35,319	5,043	(9,727)	30,635
IT equipment	23,030	52,467	(14,643)	60,854
Field equipment	16,699	-	(13,098)	3,601
Fencing	1,018,507	-	-	1,018,507
	30,996,329	114,809	(648,659)	30,462,479

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Other changes, movements	Depreciation	Total
land	6,155,000		-	-	6,155,000
Buildings	23,262,157	739,526	-	(545,892)	23,455,791
Furniture and fixtures	182,358	82,910	-	(54,976)	210,292
Motor vehicles	81,691	-	-	-	81,691
Office equipment	33,892	I 0,357	-	(8,930)	35,319
IT equipment	76,616	26,439	-	(80,025)	23,030
Field equipment	102,036	-	2	(85,339)	16,699
Asset under construction	1,018,507	-	-	-	1,018,507
	30,912,257	859,232	-	(775,162)	30,996,329

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

4. Intangible assets

	2020			2019		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	122,306	(101,348)	20,958	99,190	(86,376)	12,814
Exploration and evaluation assets	1,853,917	(1,182,667)	671,250	1,851,917	(470,422)	1,381,495
Total	1,976,223	(1,284,015)	692,208	1,951,107	(556,798)	1,394,309

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Impairment loss	Impairment reversal	Total
Computer software	12,814	23,116	(14,972)	-	-	20,958
Exploration and evaluation assets	1,381,495	5,000	-	(795,187)	79,942	671,250
	1,394,309	28,116	(14,972)	(795,187)	79,942	692,208

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Transfers	Amortisation	Impairment loss	Total
Computer software	33,387	-	-	(20,573)	-	12,814
Exploration and evaluation assets	2,066,652	6,965	(221,700)	-	(470,422)	1,381,495
	2,100,039	6,965	(221,700)	(20,573)	(470,422)	1,394,309

Other information

Exploration and evaluation expenditure relating to annual fees for EPLs that was immediately expensed to other expenses in profit and loss amounted to: N$ - (2019: N$92 628).

Exploration expenditure eapitlised are not subject to amortisation until the costs are included in the life-of- mine plan and production has commenced.

The exploration and evaluation assets are tested annually for impairment. The impairment indicators noted were due to the expiry in the current year of exploration licences (4880, 4923, 4924, 5028, 5030.) valued at N$ 792,187 and a reduction in size for licence 4833 of N$ 3,000 as noted above. There was a impairment reversal for licence 4818 which was previously impaired in pior year valued at N$ 79,942.

5. Interests in subsidiaries

Name of company	Held by	% holding	% holding	Carrying amount	Carrying amount
		2020	2019	2020	2019
Epangelo Offshore Mining (Pty) Ltd		100.00 %	100.00 %	57,155	92,155

The company has I 00% interest in Epangelo Offshore Mining (Pty) Ltd. The company's interest in Epangelo Offshore Mining (Pty) Ltd is accounted for at cost less any accumulated impairments. Epangelo Offshore Mining (Pty) Ltd held exploration licences 4785, 4786, 4479 and 4780 which expired during the year hence resulting in the impairment of the investment by N$35,000 which is equivalent to the cost of the licences.

6. Investments in associates

The following table lists all of the associates in the company:

Name of company	Held by	% ownership interest	% ownership interest	Carrying amount	Carrying amount
		2020	2019	2020	2019
Rockmen Investment (Pty) Ltd		20.00 %	20.00 %	20	20
JG Investment Sixteen		40.00 %	40.00 %	138,000	138,000
JG Investment Fourteen (Pty) Ltd		90.00 %	90.00 %	147,368	147,368
EVS Contractors Mining (Pty) Ltd		49.00 %	49.00 %	4,900	4,900
				290,288	290,288

Investment in JG investment Sixteen (Pty) Ltd - material associate

The company has a 40% interest in JG Investments Sixteen (Pty) Ltd. JG Investments Sixteen (Pty) Ltd is a mining company of which the company owned I00% up to the 31 March 2016 when it sold 60% to Paua Mining (Pty) Ltd. JG Investments Sixteen (Pty) Ltd's principal place of business is in Windhoek and the company is incorporated in Namibia. The year end of the associate is the same as the company's year end.

Investment in JG Investment Fourteen (Pty) Ltd - material associate

The company has a 90% interest in JG Investments Fourteen (Pty) Ltd. JG Investments Fourteen (Ply) Ltd is a mining company of which the company owned I 00% up to the 31 March 2016 when it sold I0% to Coldstone Investments (Pty) Ltd. Coldstone Investments (Pty) Ltd exercises control over JG Investments Fowieen (Pty) Ltd through the right to appoint the majority of the board members of the entity granted to it through a contractual agreement between the company and Coldstone Investments (Pty) Ltd. JG Investments Fourteen (Pty) Ltd's principal place of business is in Windhoek and the company is incorporated in Namibia. The year end of the associate is the same as the company's year end.

EVS Contractors Mining (Pty) Ltd - material associate

The company has a 49% interest in EVS Contractors Mining (Pty) Ltd. EVS Contratctors Mining (Pty) Ltd is a mining entity of which the company became a shareholder in the 2018 Financial year.

Rockmen Investments (Pty) Ltd - material associate

The company has a 20% interest in Rockmen Investments (Pty) Ltd. Rockmen Investments (Pty) Ltd is a mining entity of which the company became a shareholder in the 2018 Financial year.

Company's interest in all associates is accounted for at cost less accumulated impairment in the company financial statements.

7. Loans to group companies

Subsidiaries		
Epangelo Husab Uranium (Pty) Ltd	9	9

There are no terms and conditions attached.

Associates		
EVS Contractors Mining (Pty) Ltd	429,028	378,733

The loan earns interest at 12.5% per annum and has no fixed repayment period.

8. Other/Available for sale financial assets

	2020	2019
	N$	N$
At fair value through profit or loss - held for trading 5% Investment in Yellow Dune Uranium Resourses (Pty) Ltd The above investment is currently carried at cost. The fair value has not been disclosed as the fair value could not be reasonably determined. There is no active market for the investments as they are unlisted. At reporting date, management did not have intentions of disposing off any of the investments.	250,000	250,000
Non-current assets Fair value through profit or loss	250,000	250,000

The below named investments were received for no consideration and are also carried at zero cost, these entities are still dormant hence there is no fair value yet, and therefore in line with IFRS 9, the cost of the investments are zero. These are:

10% Manila Investments (Pty) Ltd
10% Angria Fria Mineral Prospecting (Pty) Ltd
10% Hebron Prospecting Company (Pty) Ltd

9. Trade and other receivables

	2020	2019
	N$	N$
Financial instruments:		
Trade receivables	56,635	123,735
Deposits	12,817	21,511
Non-financial instruments:		
VAT	227,799	822,660
Employee costs in advance	15,097	-
Prepayments	44,792	56,644
Total trade and other receivables	**357,140**	**1,024,550**
Categorisation of trade and other receivables **Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:**		
At amortised cost	69,452	145,246
Non-financial instruments	287,688	879,304
	357,140	**1,024,550**

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. Currently the company's only customer is a related party who has a good creditworthiness and is easy to monitor in line with the service level agreement entered.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities. No loss allowance was recognised in current year as amounts due were paid consistently throughout the year and subsequent to year end.

10. Investments at fair value

Investments held by the company which are measured at fair value, are as follows:

	2020	2019
	N$	N$
Equity investments at fair value through profit or loss	6,036,840	3,263,162
Mandatorily at fair value through profit or loss:		
Listed shares	6,036,840	3,263,162
108,364 share in Dundee Precious Metals Inc		
	6,036,840	**3,263,162**

11. Cash and cash equivalents

	2021	**2020**
	N$	**N$**
Cash and cash equivalents consist of:		
Cash on hand	830	2,418
Bank balances	1,283,455	323,016
Short-term deposits	2,187,084	4,038,485
Credit card	(3,835)	(1,789)
	3,467,534	**4,362,130**
Current assets	3,471,369	4,363,919
Current liabilities	(3,835)	(1,789)
	3,467,534	**4,362,130**
The total amount of undrawn facilities available for future operating activities and commitments	30,000	30,000

12. Share capital

	2020	2019
	N$	N$
Authorised		
4000 Ordinary shares of N$ 1	4,000	4,000
Issued		
Ordinary	4,000	4,000

13. Other Capital Contribution

	2020	2019
	N$	N$
Government contribution for construction of main office builing (Refer note 3)	27,155,000	27,155,000
Government contribution for transfering of Dundee shares (Refer note 10)	3,263,162	3,263,162
	30,418,162	30,418,162

14. Trade and other payables

	2020	2019
	N$	N$
Financial instruments:		
Trade payables	249,048	328,877
Leave pay provision	383,457	296,789
Accrued expenses	1,125	18,266
Non-financial instruments:		
Rent received in advance	-	700,000
	633,630	**1,343,932**

Trade and other payables are non-interest bearing and are normally settled between 60 and 90 days.

15. Revenue

	2020	2019
	N$	N$
Revenue from contracts with customers		
Rendering of services	736,488	-
Disaggregation of revenue from contracts with customers		
The company disaggregates revenue from customers as follows:		
Rendering of services		
Labour services revenue	736,488	-
Timing of revenue recognition		
At a point in time		
Rendering of services	736,488	-

16. Other operating income

	2020	2019
	N$	N$
Other rental income	532,200	-
Discount received	3,206	3,989
Other income	-	397,300
	535,406	**401,289**

17. Other operating gains (losses)

	2020	2019
	N$	N$
Gains (losses) on disposals, scrappings and settlements		
Intangible assets	-	2,278,300
Fair value gains (losses)		
Financial assets mandatorily at fair value through profit or loss	2,773,678	-
Total other operating gains (losses)	**2,773,678**	**2,278,300**

18. Operating profit (loss) (continued)

Operating loss for the year is stated after charging (crediting) the following, amongst others:

	2020	2019
	N$	N$
Auditor's remuneration - external	264,400	332,770
Remuneration, other than to employees		
Consulting and accounting services	47,783	203,840
Employee costs		
Salaries, wages, bonuses and other benefits	7,017,219	5,887,576
Depreciation and amortisation		
Depreciation of property, plant and equipment	648,659	775,162

19. Investment income

	2020	2019
	N$	N$
Interest income		
Investments in financial assets:		
Bank and other cash	267,080	109,747

20. Finance costs

	2020	2019
	N$	N$
Trade and other payables	1,137	515

21. Taxation

o provision has been made for 2020 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is N$ 68,671,781 (20I9: N$ 79,831,000).

22. Cash used in operations

	2020	2019
	N$	N$
Loss before taxation	(6,798,681)	(7,851,909)
Adjustments for:		
Depreciation and amortisation	648,659	775,162
Gains on disposals of intangible assets		(2,278,300)
Interest income	(267,080)	(109,747)
Finance costs	I,137	515
Fair value gains	(2,773,678)	
Net impairments and movements in credit loss allowances	750,245	470,422
Amortisation	14,972	20,572
Changes in working capital:		
Trade and other receivables	667,410	(461,046)
Trade and other payables	(710,302)	479,435
	(8,467,318)	**(8,954,896)**

23. Commitments

Operating leases – as lessee (expense) (IAS 17)

	2020	2019
	N$	N$
Minimum lease payments due		
- within one year	21,562	26,606
- in second to fifth year inclusive	-	17,738
	21,562	**44,344**

Operating lease payments represent rentals payable by the company for certain of its office equipment. Leases are negotiated for an average term of 3 years and rentals are fixed for the three years. No contingent rent is payable.

24. Related parties

Related Parties	Relationship	Shareholding %	Operational Status	Members of key management
Government of the Republic of Namibia	Shareholder	100%		Elipha Hawala Chief Executive Officer
Epangelo Husab Mining (Pty) Ltd	Subsidiaries	100%		
JG Investments Two (Pty) Ltd	Subsidiaries	100%		
JG Investment Three (Pty) ltd	Subsidiaries	100%	Dormant	
JG Investments Five	Subsidiaries	100%	Dormant	
Epangelo Offshore Minining (Pty) Ltd	Subsidiaries	100%	Dormant	
JG Investments Fourteen (Pty) Ltd	Associates	90%	Dormant	
EVS Mining Company Contractors (Pty) Ltd	Associates	49%		
JG Investments Sixteen (Pty) Ltd	Associates	40%		
Rockmen Investments (Pty) Ltd	Associates	20%		

Related party balances

	2020	2019
	N$	N$
Loan accounts - Owing (to) by related parties		
EVS Mining Contractors (Pty) Ltd	429,028	378,733
Epangelo Husab Mining (Pty) Ltd	9	9
Amounts included in Trade receivable (Trade Payable) regarding related parties		
EVS Mining Contractors (Pty) Ltd (rent received in advance)		(700,000)
Related party transactions		
Compensation to directors and other key management		
Director's fees	416,759	428,259
Management personnel (Short-term employee benefits)	1,341,081	1,336,598

25. Directors' emoluments

Non-executive		
	2020	
	Directors' fees	Total
Board fees	416,759	416,759

Non-executive		
	2019	
	Directors' fees	Total
Board fees	428,259	428,259

26. Prior period errors

The shares in Dundee Precious Metals Inc transfered by Government in 2016 had not been previously accounted for. The correction of the error(s) results in adjustments as follows:

	2020	2019
	N$	N$
Statement of Financial Position		
Investments at fair value (Cost price at date of transfer in 20 I 6)	-	3,263,162
Profit or Loss		
Other operating gains (losses) (Being increase in value of shares from 2016)	2,773,678	-

27. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2020

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Loans to group companies	7	-	429,037	429,037	-
Investments at fair value	10	6,036,840	-	6,036,840	6,036,840
Trade and other receivables	9	-	69,452	69,452	69,452
Cash and cash equivalents	11	-	3,471,369	3,471,369	3,471,369
		6,036,840	**3,969,858**	**10,006,698**	**9,577,661**

2019

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Loans to group companies	7	-	378,742	378,742	-
Investments at fair value	10	3,263,162	-	3,263,162	3,263,162
Trade and other receivables	9	-	145,246	145,246	145,246
Cash and cash equivalents	11	-	4,363,919	4,363,919	4,363,919
		3,263,162	**4,887,907**	**8,151,069**	**7,772,327**

Categories of financial liabilities

2020

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	14	633,628	633,628	-

2019

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	14	643,932	643,932	-

27. Financial instruments and risk management (continued)

Pre tax gains and losses on financial instruments

Gains and losses on financial assets

2020

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total
Recognised in profit or loss:				
Interest income	19	-	267,080	267,080
Gains (losses) on valuation adjustments	17	2,773,678	-	2,773,678
Net gains (losses)		**2,773,678**	**267,080**	**3,040,758**

2019

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total
Recognised in profit or loss:				
Interest income	19	-	109,747	I 09,747

Gains and losses on financial liabilities

2020

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Finance costs	20	(I, 137)	(1,137)

2019

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Finance costs	20	(515)	(515)

27. Financial instruments and risk management (continued)

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The capital structure and gearing ratio of the company at the reporting date was as follows:

	Note(s)	Amortised cost	Total
Trade and other payables	14	633,628	1,343,932
Cash and cash equivalents	11	(3,467,533)	(4,362,129)
Net borrowings		**(2,833,905)**	**(3,018, 197)**

	Note(s)	Amortised cost	Total
Equity		41,409,052	40,707,733
Gearing ratio		(7)%	(8)%

27. Financial instruments and risk management (continued)

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (interest rate risk).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The company audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by the Chief excecutive officer (CEO) as currently the organisation does not have an internal audit department.

The CEO undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the board.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on loans receivable, trade and other receivables, lease receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the company through dealing with well-established financial institutions with high credit ratings.

With respect to trade and other receivables that are neither past due nor impared, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

The maximum exposure to credit risk is presented in the table below:

		2020			2019		
	Note(s)	Gross carrying amount	Credit loss allowance	Amortised cost fair value	Gross carrying amount	Credit loss allowance	Amortised cost fair value
Loans to group companies	7	429,037	-	429,037	378,742	-	378,742
Trade and other receivables	9	69,452	-	69,452	145,246	-	145,246
Cash and cash equivalents	11	3,471,369	-	3,471,369	4,363,919	-	4,363,919
		3,969,858	**-**	**3,969,858**	**4,887,907**	**-**	**4,887,907**

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties m meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and shareholder contributions.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2020

	Note(s)	Carrying amount
Current liabilities		
Trade and other payables		633,628
Bank overdraft	11	3,835

2019

	Note(s)	Carrying amount
Current liabilities		
Trade and other payables	14	643,932
Bank overdraft	11	1,789

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The company policy with regards to financial assets, is to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders. Loans receivable are maintained at fixed rates and hence not subject to significant interest rate risks.

	Note(s)	2020 N$	2019 N$
Revenue			
Rendering of services		736,488	-
Other operating income			
Other rental income		532,200	-
Discount received		3,206	3,989
Other income		-	397,300
	16	**535,406**	**401,289**
Other operating gains (losses)			
Gains on disposal of assets or settlement of liabilities		-	2,278,300
Fair value gains	26	2,773,678	-
	17	**2,773,678**	**2,278,300**
Expenses (Refer to page 46)		**(11,110,196)**	**(I0,640,730)**
Operating loss	18	(7,064,624)	(7,961,141)
Investment income	19	267,080	109,747
Finance costs	20	(1,137)	(515)
Loss for the year		**(6,798,68 I)**	**(7,851,909)**

Detailed Income Statement

	Note(s)	2020	2019
		N$	N$
Other operating expenses			
Accounting fees		47,698	99,377
Advertising		202,827	202,987
Amortisation		14,972	20,574
Auditors remuneration	18	264,400	332,770
Bank charges		21,609	17,990
Books and Geo information		11,567	9,034
Cleaning		7,577	5,920
Computer expenses		238,969	244,220
Consulting fees		85	104,463
Depreciation		648,659	775,162
Directors - board fees		416,759	428,259
EPL annual fees		57,785	156,250
EPL applications			8,050
Electricity & Water		200,984	227,012
Employee costs		7,017,219	5,887,576
Entertainment		19,267	8,394
Field expenses		6,707	14,758
Impairment		750,245	470,422
Insurance		96,631	121,872
Legal fees		69,825	55,872
Levies		1,053	3,042
Membership fees		53,614	55,654
Motor vehicle expenses		102,440	92,358
Office expenses		13,937	33,586
Postage		250	I, 737
Printing and statione1y		44,510	38, I 05
Rates & taxes		39,806	37,927
Refreshments		5,839	3,922
Rent - Photocopier		22,782	22,804
Repairs and maintenance		102,211	111,733
Royalties and license fees		(578)	137,688
Safety equipment		9,047	
Security		140,256	139,410
Soft furnishing & Small Tools		1,775	
Software licenses		4,676	2,042
Subscriptions		71,997	199,970
Subsistence & travel allowance - board		10,980	2,597
Subsistence and travel allowance - other		140,422	104,237
Telephone and fax		179,869	160,093
Training		6,990	76,108
Transfer appl cost of EPLs			250
Travel - local		47,258	226,505
Workshop and conferences		17,277	
		11,110,196	**10,640,730**

Annual Financial Statements for the year ended 31 March 2021

General Information

Country of incorporation and domicile	:	Namibia
Nature of business and principal activities	:	Exploration, mining, mineral processing, trading of minerals and investing in businesses.
Directors	:	R.M. Gertze (Chairperson) Adv. E.P. Samson L. Usiku U. Utjavari
Registered office	:	No 7 Feld Street Private Bag 13369, Windhoek, Namibia
Bankers	:	Bankers Standard Bank Namibia Limited Bank Windhoek Limited
Auditors	:	Auditors Saunderson & Co Registered Accountants and Auditors Chartered Accountants (Namibia)
Company registration number	:	Company registration number 2008/0556

Contents

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 28 of 2004, as amended 2007 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the

financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page s 6 to 7.

The annual financial statements set out on pages 8 to 41, which have been prepared on the going concern basis, were approved by the board of directors on 4 August 2022 and were signed on their behalf by:

Director

Date: 29 October 2022
Place: Windhoek

Director

Date: 29 October 2022
Place: Windhoek

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Epangelo Mining Company (Proprietary) Limited and its associates for the year ended 31 March 2021.

1. Nature of business

Epangelo Mining Company (Pty) Ltd is wholly owned by the Government of the Republic of Namibia (GRN) and is incorporated and domiciled in Namibia. The group and company receive unconditional financial support from the GRN to finance operating activities. There have been no material changes to the nature of the company's business from the prior year.

2.Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 28 of 2004, as amended 2007. The accounting policies have been applied consistently compared to the prior year. Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

The board of directors do not recommend the declaration of a dividend for the year.

5. Directorate

The directors in office at the date of this report are as follows:

Directors	Designation	Nationality
R.M. Gertze (Chairperson)	Non-executive	Namibian
Adv. E.P. Samson	Non-executive	Namibian
L. Usiku	Non-executive	Namibian
U. Utjavari	Non-executive	Namibian

6. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

7. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to budgeted funds from the shareholder to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

8. Secretary

The company secretary is Ms R.N.L Shamaila.

9. Terms of appointment of the auditors

Saunderson & Co were appointed as the company's auditors for the 3 years ended 2019, 2020 and 2021.

Independent Auditor's Report

To the Shareholder of Epangelo Mining Company (Proprietary) Limited Opinion

We have audited the annual financial statements of Epangelo Mining Company (Proprietary) Limited (the company) set out on pages 8 to 39, which comprise the statement of financial position as at 31 March 2021, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Epangelo Mining Company (Proprietary) Limited as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 28 of 2004, as amended 2007.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information.

The other information comprises the information included in the document titled "Epangelo Mining Company (Proprietary) Limited annual financial statements for the year ended 31 March 2021", which includes the Directors' Report as required by the Companies Act 28 of 2004, as amended 2007 and the supplementary information as set out on pages 40 to 41. The other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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.

Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 28 of 2004, as amended 2007, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual 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 Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

Registered Accountants, Auditors and Business Consultants Saunderson & Co

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Saunderson & Co

Registered Accountants and Auditors Chartered Accountants (Namibia)

Per: Edingtone Tafirenyika
Partner

25 October 2022
Windhoek

Statement of Financial Position as at 31 March 2021

	Note(s)	2021 N$	2020 N$
Assets			
Non-Current Assets			
Property, plant and equipment	3	29,945,772	30,462,479
Intangible assets	4	979,094	692,208
Investments in subsidiaries	5	-	57,155
Investments in associates	6	290,288	290,288
Investments at fair value	10	9,903,127	6,036,840
Other financial assets	8	250,000	250,000
		41,368,281	**37,788,970**
Current Assets			
Loans to group companies	7	472,204	429,037
Trade and other receivables	9	680,085	357,140
Cash and cash equivalents	11	4,679,030	3,471,369
		5,831,319	**4,257,546**
Total Assets		**47,199,600**	**42,046,516**
Equity and Liabilities			
Equity			
Share capital	12	4,000	4,000
Reserves	13	30,418,162	30,418,162
Retained income		15,957,521	10,986,889
		46,379,683	**41,409,051**
Liabilities			
Current Liabilities			
Trade and other payables	14	817,232	633,630
Bank overdraft	11	2,685	3,835
		819,917	**637,465**
Total Equity and Liabilities		**47,199,600**	**42,046,516**

Statement of Profit or Loss and Other Comprehensive Income

		2021	2020
	Note(s)	N$	N$
Revenue	15	215,520	736,488
Other operating income	16	292,026	535,406
Other operating gains (losses)	17	3,866,287	2,773,678
Other operating expenses		(10,100,668)	(11,110,196)
Operating loss	18	**(5,726,835)**	**(7,064,624)**
Investment income	19	197,809	267,080
Finance costs	20	(342)	(1,137)
Loss for the year		**(5,529,368)**	**(6,798,681)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(5,529,368)**	**(6,798,681)**

Statement of Changes in Equity

	Share capital	Other Capital Contribution	Retained income	Total equity
	N$	N$	N$	N$
Balance at 1 April 2019	**4,000**	**30,418,162**	**10,285,570**	**40,707,732**
Loss for the year	-	-	(6,798,681)	(6,798,681)
Other comprehensive income	-	-	-	-
Total comprehensive Loss for the year	**-**	**-**	**(6,798,681)**	**(6,798,681)**
Government contribution received	-	-	7,500,000	7,500,000
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**7,500,000**	**7,500,000**
Balance at 1 April 2020	**4,000**	**30,418,162**	**10,986,889**	**41,409,051**
Loss for the year	-	-	(5,529,368)	(5,529,368)
Other comprehensive income	-	-	-	-
Total comprehensive Loss for the year	**-**	**-**	**(5,529,368)**	**(5,529,368)**
Government contribution received	-	-	10,500,000	10,500,000
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**10,500,000**	**10,500,000**
Balance at 31 March 2021	**4,000**	**30,418,162**	**15,957,521**	**46,379,683**
Note(s)	12	13		

The accounting policies on pages 12 to 23 and the notes on pages 24 to 39 form an integral part of the annual financial statements

Statement of Cash Flows

	Note(s)	2021 N$	2020 N$
Cash flows from operating activities			
Cash used in operations	22	(8,953,924)	(8,467,318)
Interest income		146,388	267,080
Dividends received		51,421	-
Finance costs		(342)	(1,137)
Net cash from operating activities		**(8,756,457)**	**(8,201,375)**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(170,354)	(114,809)
Purchase of other intangible assets	4	(321,211)	(28,116)
Loans advanced to group companies		(43,167)	(50,295)
Net cash from investing activities		**(534,732)**	**(193,220)**
Cash flows from financing activities			
Capital contribution received		10,500,000	7,500,000
Total cash movement for the year		1,208,811	(894,595)
Cash at the beginning of the year		3,467,534	4,362,129
Total cash at end of the year	**11**	**4,676,345**	**3,467,534**

Accounting **Policies**

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1. Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars, which is the company's functional currency.

These accounting policies are consistent with the previous period, except for the changes set out in note 2.

1.2. Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Exploration and evaluation expenditure

The accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely, from either future exploitation or sale or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

The determination of a resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e measured, indicated or inferred). The estimates directly impact when the company defers exploration and evaluation expenditure. Estimation and assumptions may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in profit or loss in the period when the new information becomes available. Refer to note 3 for the carrying amounts of Exploration and evaluation expenditure.

Significant judgements relating to deferred taxes

A deferred tax asset is recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with the future tax planning strategies.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	40 years and 10% residual value
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6 years
IT equipment	Straight line	3 years
Field equipment	Straight line	3 years

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

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

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

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Intangible assets

Mineral exploration, evaluation and development expenditure

Pre-licence costs

Pre-licence costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditure

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

- Researching and analysing historical exploration data
- Gathering exploration data through geophysical studies
- Exploratory drilling and sampling
- Determining and examining the volume and grade of the resource
- Surveying transportation and infrastructure requirements
- Conducting marketing and finance studies

Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and are considered to be evaluation and exploration assets which are not subject to amortisation. Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to profit or loss as incurred, unless the directors conclude that a future economic benefit is more likely than not to be realised. These costs include materials and fuel used, surveying costs, drilling costs and payments made to contractors.

The exploration assets are capitalised on acquisition provided they meet the criteria to be capitalised. In evaluating whether the expenditures meet the criteria to be capitalised, several different sources of information are used. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed. No amortisation is charged during the exploration and evaluation phase.

The exploration and evaluation assets are tested for impairment if there are impairment indicators such as:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed:
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned:
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Other Intangible Assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost and have a finite useful life.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years

1.5 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

1.6 Investments in associates

Investments in associates are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

1.7 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the company ,as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortised cost; or Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 27 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Loans receivable at amortised cost

Classification

Loans to group companies (note 7) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable,

VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 9).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables.

They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Investments in equity instruments

Classification

Investments in equity instruments are presented in note 8. They are classified as mandatorily at fair value through profit or loss. As an exception to this classification, the company may make an irrevocable election, on an instrument by instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

The designation as at fair value through other comprehensive income is never made on investments which are either held for trading or contingent consideration in a business combination.

Recognition and measurement

Investments in equity instruments are recognised when the company becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial canying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are ecognised in profit or loss.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised either in profit or loss or in other comprehensive income (and accumulated in equity in the reserve for valuation of investments) , depending on their classification. Details of the valuation policies and processes are presented in note 8.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other non-operating gains (losses).

Dividends received on equity investments are recognised in profit or loss when the company's right to received the dividends is established, w1less the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in investment income (note 19).

Trade and other payables

Classification

Trade and other payables (note 14), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any. ·

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a fmancial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a fmancial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 20).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 26 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using tl1e effective interest rate method.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither traosfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks aod rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises fmancial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The company only reclassifies affected financial assets if there is a change in the business model for managing fmancial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.8 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognitioll of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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

Tax expenses

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

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

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

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

1.9 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense (note 18) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Company as lessor

Leases for which the company is a lessor are classified as fmance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed ifthere is a lease modification.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

1.10 Impairment of assets

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

Irrespective of whether there is any indication of impairment, the company also:

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

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

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

If the recoverable aroount of an asset is less than its carrying amount, the carrying aroount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

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

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable aroounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

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

1.11 Share capital and equity

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

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.12 Employee benefits

Short-term employee benefits

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

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

1.13 Government grants

Government grants are recognised when there is reasonable assurance that

- the company will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.14 Revenue from contracts with cnstomers

The company's main activity is the exploration, mining, mineral processing, trading of minerals and investing in businesses which earns dividends. The company also lease property and provide labour services to its related party company.

To determine whether to recognise revenue, the entity follows a 5- Step Process:

1	Identify contract with customer;
2	Identify separate performance obligations in the contract;
3	Determine the transaction price;
4	Allocation of the transaction price to the separate performance obligations;
5	Recognise the revenue when or as the entity satisfies performance obligation

The entity is involved in the lease of its properties to related parties, from which it derives rental income. Contained in the service level agreement, the entity is also contracted to provide labour services being legal, company secretarial, accounting, financial services and others.The entity also earns dividend income from investment in subsidiaries, as well as interest income from fixed deposits.

IFRS 15- Applicable to current period figures

Revenue derived from the entity by providing labour services falls within the scope of IFRS 15.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

Revenue is earned from the provision of labour services. The performance obligation is settled over time as labour services are provided to the customer. The customer must pay the fees in arrears, i.e 30 days after supply of invoice.

The transaction price refers to the price charged as per the contract for the provision of labour services. No significant financing component exist for the service provided

Under IAS 18, the company used a percentage of completion method to account for the rendering of services. Revenue was recorded on a monthly basis in line with the charge as stipulated in the contract for providing labour services. There is no change when compared to IAS 18 as Revenue is still recognised once the ownership of the goods or services is transferred and measured at the transaction price identified in the contract.

1.17 Other income

Other income comprises of sales of aggregate to customers. Aggregate is stated at the invoice amount and is exclusive of value added taxation.

Notes to the Annual Financial Statements

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 April 2021 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Ventnre

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors interest in the associate or joint venture. The remaining gain or loss is eliminated against the canying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12

The amendment adds an additional requirement for transactions which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognised on tbe initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit or loss. The additional requirement provides that the transaction, at the time of the transaction must not give rise to equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after 1 January 2023.

It is unlikely that the amendment will have a material impact on the company's amrnal fmancial statements.

Disclosnre of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the annual fmm1cial statements. The amendment will not result in changes to measurement or recognition of fmancial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after I January 2023.

It is unlikely that the amendment will have a material impact on the company's armual financial statements.

Classification of Liabilities as Current or Non-Cnrrent-Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity bas the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after I January 2023.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

3. Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	6,155,000	-	6,155,000	6,155,000	-	6,155,000
Buildings	24,509,470	(2,101,502)	22,407,968	24,509,470	(1,550,039)	22,959,431
Furniture and fixtures	446,444	(326,869)	119,575	422,917	(270,157)	152,760
Motor vehicles	1,000,225	(918,534)	81,691	1,000,225	(918,534)	81,691
Office equipment	104,745	(80,837)	23,908	133,510	(102,875)	30,635
IT equipment	814,189	(676,483)	137,706	737,010	(676,156)	60,854
Field equipment	519,417	(518,000)	1,417	570,401	(566,800)	3,601
Fencing	1,018,507	-	1,018,507	1,018,507	-	1,018,507
Total	34,567,997	(4,622,225)	29,945,772	34,547,040	(4,084,561)	30,462,479

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Total
land	6,155,000	-	-	6,155,000
Buildings	22,959,431	-	(551,463)	22,407,968
Furniture and fixtures	152,760	23,527	(56,712)	119,575
Motor vehicles	81,691	-	-	81,691
Office equipment	30,635	3,800	(10,527)	23,908
IT equipment	60,854	143,027	(66,175)	137,706
Field equipment	3,601	-	(2,184)	1,417
Fencing	1,018,507	-	-	1,018,507
	30,462,479	170,354	(687,061)	29,945,772

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Total
land	6,155,000	-	-	6,155,000
Buildings	23,455,791	55,000	(551,360)	22,959,431
Furniture and fixtures	210,292	2,299	(59,831)	152,760
Motor vehicles	81,691	-	-	81,691
Office equipment	35,319	5,043	(9,727)	30,635
IT equipment	23,030	52,467	(14,643)	60,854
Field equipment	16,699	-	(13,098)	3,601
Asset under construction	1,018,507	-	-	1,018,507
	30,996,329	114,809	(648,659)	30,462,479

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

4. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software, other	213,124	(129,674)	83,450	122,306	(101,348)	20,958
Intangible assets under development	2,084,311	(1,188,667)	895,644	1,853,917	(1,182,667)	671,250
Total	**2,297,435**	**(1,318,341)**	**979,094**	**1,976,223**	**(1,284,015)**	**692,208**

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Impairment loss	Total
Computer software, other	20,958	90,817	(28,325)	-	83,450
Intangible assets under development	671,250	230,394	-	(6,000)	895,644
	692,208	321,211	(28,325)	(63,155)	979,094

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Impairment loss	Impairment reversal	Total
Computer software, other	12,814	23,116	(14,972)	-	-	20,958
Intangible assets under development	1,381,495	5,000	-	(795,187)	79,942	671,250
	1,486,464	28,116	(14,972)	(795,187)	79,942	692,208

Other information

Exploration and evaluation expenditure relating to annual fees for EPLs that was immediately expensed to other expenses in profit and loss amounted to: N$ 27,600 (2020: N$57,785).

Exploration expenditure capitalised are not subject to amortisation nntil the costs are included in the life-of- mine plan and production has commenced.

The exploration and evaluation assets are tested annually for impairment. The impairment indicators noted were due to the expiry in the current year of exploration licence (4925 & 4785) valued at N$ 16,000.

5.Interests in subsidiaries

Name of company	Held by	% holding	% holding	Carrying amount	Carrying amount
		2021	2020	2021	2020
Epangelo Offshore Mining (Pty) Ltd		100.00 %	100.00 %	-	57,155

The company has 100% interest in Epangelo Offshore Mining (Pty) Ltd. The company's interest in Epangelo Offshore Mining (Pty) Ltd is accounted for at cost less any accumulated impairments. Epangelo Offshore Mining (Ply) Ltd held exploration licences 4780, 4786, 4784, 4779 that expired in 2020 financial year and 4785 which expired during the current year. Since all the the EPL's in the subsidiary were lost, the investment was impaired to zero.

6. Investments in associates

The following table lists all of the associates in the group:

Name of company	Held by	% ownership interest	% ownership interest	Carrying amount	Carrying amount
		2021	2020	2021	2020
Rockmen Investment (Pty) Ltd		20.00 %	20.00 %	20	20
JG Investment Sixteen		40.00 %	40.00 %	138,000	138,000
JG Investment Fourteen (Pty) Ltd		90.00 %	90.00 %	147,368	147,368
EVS Contractors Mining (Pty) Ltd		49.00 %	49.00 %	-	4,900
				285,388	290,268

Investment in JG investment Sixteen (Pty) Ltd - material associate

The company has a 40% interest in JG Investments Sixteen (Pty) Ltd. JG Investments Sixteen (Pty) Ltd is a mining company of which the company owned 100% up to the 31 March 2016 when it sold 60% to Paua Mining (Pty) Ltd. JG Investments Sixteen (Pty) Ltd's principal place of business is in Windhoek and the company is incorporated in Namibia. The year end of the associate is the same as the company's year end.

Investment in JG Investment Fourteen (Pty) Ltd - material associate

The company has a 90% interest in JG Investments Fourteen (Pty) Ltd. JG Investments Fourteen (Pty) Ltd is a mining company of which the company owned 100% up to the 31 March 2016 when it sold 10% to Coldstone Investments (Pty) Ltd. Coldstone Investments (Pty) Ltd exercises control over JG Investments Fourteen (Pty) Ltd through the right to appoint the majority of the board members of the entity granted to it through a contractual agreement between the company and Coldstone Investments (Pty) Ltd. JG Investments Fourteen (Pty) Ltd's principal place of business is in Windhoek and the company is incorporated in Namibia. The year end of the associate is the same as the company's year end.

EVS Contractors Mining (Pty) Ltd - material associate

The company has a 49% interest in EVS Contractors Mining (Pty) Ltd. EVS Contratctors Mining (Pty) Ltd is a mining entity of which the company became a shareholder in the 2018 Financial year.

Rockmen Investments (Pty) Ltd - material associate

The company has a 20% interest in Rockmen Investments (Pty) Ltd. Rockmen Investments (Pty) Ltd is a mining entity of which the company became a shareholder in the 2018 financial year.

Company's interest in all associates is accounted for at cost less accumulated impairment in the company financial statements.

7. Loans to group companies

	2021	2020
Subsidiaries		
Epangelo Husab Uranium (Pty) Ltd	9	9

There are no terms and conditions attached.

Associates		
EVS Contractors Mining (Pty) Ltd	472,195	429,028

The loan earns interest at 12.5% per annum and has no fixed repayment period.

8. Other/Available for sale financial assets

	2021	2020
	N$	N$
At fair value through profit or loss - held for trading		
5% Investment in Yellow Dune Uranium Resourses (Pty) Ltd The above investment is currently carried at cost. The fair value has not been disclosed as the fair value could not be reasonably determined. There is no active market for the investments as they are unlisted. At reporting date, management did not have intentions of disposing off any of the investments.	250,000	250,000
Non-current assets Fair value through profit or loss	250,000	250,000

The below named investments were received for no consideration and are also carried at zero cost, these entities are still dormant hence there is no fair value yet, and therefore in line with IFRS 9, the cost of the investments are zero. These are:

10% Manila Investments (Pty) Ltd
10% Angria Fria Mineral Prospecting (Pty) Ltd
10% Hebron Prospecting Company (Pty) Ltd

9. Trade and other receivables

	2021	2020
	N$	N$
Financial instruments:		
Trade receivables	177,319	56,635
Deposits	12,817	12,817
Non-financial instruments:		
VAT	446,618	227,799
Employee costs in advance	9,097	15,097
Prepayments	34,234	44,792
Total trade and other receivables	680,085	357,140
Categorisation of trade and other receivables **Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:**		
At amortised cost	190,136	69,452
Non-financial instruments	489,949	287,688
	680,085	357,140

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. Currently the company's only customer is a related party who has a good creditworthiness and is easy to monitor in line with the service level agreement entered.

9. Trade and other receivables (continued)

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities. No loss allowance was recognised in current year as amounts due were paid consistently throughout the year and subsequent to year end.

10. Investments at fair value

Investments held by the company which are measured at fair value, are as follows:

	2021	2020
	N$	N$
Equity investments at fair value through profit or loss	9,903,127	6,036,840
Mandatorily at fair value through profit or loss:		
Listed shares	9,903,127	6,036,840
108,364 share in Dundee Precious Metals Inc		
	9,903,127	**6,036,840**

11. Cash and cash equivalents

	2021	2020
	N$	N$
Cash and cash equivalents consist of:		
Cash on hand	830	830
Bank balances	649,478	1,283,455
Short-term deposits	4,028,722	2,187,084
Credit card	(2,685)	(3,835)
	4,676,345	3,467,534
Current assets	4,679,030	3,471,369
Current liabilities	(2,685)	(3,835)
	4,676,345	3,467,534
The total amount of undrawn facilities available for future operating activities and commitments	30,000	30,000

12. Share capital

	2021	2020
	N$	N$
Authorised		
4000 Ordinary shares of N$ 1	4,000	4,000
Issued		
Ordinary	4,000	4,000

13. Other Capital Contribution

	2021	2020
	N$	N$
Government contribution for construction of main office builing (Refer note 3)	27,155,000	27,155,000
Government contribution for transfering of Dundee shares (Refer note 10)	3,263,162	3,263,162
	30,418,162	30,418,162

14. Trade and other payables

	2021	2020
	N$	N$
Financial instruments:		
Trade payables	269,813	249,048
Leave pay provision	545,971	383,457
Accrued expenses	1,448	1,125
	817,232	633,630

Trade and other payables are non-interest bearing and are normally settled between 60 and 90 days.

15. Revenue

	2021	2020
	N$	N$
Revenue from contracts with customers		
Rendering of services	215,520	736,488
Disaggregation of revenue from contracts with customers		
The company disaggregates revenue from customers as follows:		
Rendering of services		
Labour services revenue	215,520	736,488
Timing of revenue recognition		
At a point in time		
Rendering of services	215,520	736,488

16. Other operating income

	2021	2020
	N$	N$
Other rental income	274,615	532,200
Discount received	6,976	3,206
Other income	10,435	-
	292,026	535,406

17. Other operating gains (losses)

	2021	2020
	N$	N$
Fair value gains (losses)		
Financial assets mandatorily at fair value through profit or loss	3,866,287	2,773,678

18. Operating profit (loss)

	2021	2020
	N$	N$
Operating loss for the year is stated after charging (crediting) the following, amongst others:		
Auditor's remuneration - external	277,370	264,400

18. Operating profit (loss) (continued)

	2021	2020
	N$	N$
Remuneration, other than to employees		
Consulting and accounting services	48,591	47,783
Employee costs		
Salaries, wages, bonuses and other benefits	6,892,498	7,017,219
Depreciation and amortisation		
Depreciation of property, plant and equipment	687,060	648,659

19. Investment income

	2021	2020
	N$	N$
Dividend income		
Group entities:		
Other financial assets - Local	51,421	-
Interest income		
Investments in financial assets:		
Bank and other cash	103,221	267,080
Loans to group companies:		
Associates	43,167	-
Total interest income	146,388	267,080
Total investment income	197,809	267,080

20. Finance costs

	2021	2020
	N$	N$
Trade and other payables	342	1,137

21. Taxation

No provision has been made for 2021 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is N$ 74,581,869 (2020: N$ 68,671,781).

22. Cash used in operations

	2021	2020
	N$	N$
Loss before taxation	(5,529,368)	(6,798,681)
Adjustments for:		
Depreciation and amortisation	687,060	648,659
Dividend income	(51,421)	-
Interest income	(146,388)	(267,080)
Finance costs	342	1,137
Fair value gains	(3,866,287)	(2,773,678)
Net impairments and movements in credit loss allowances	63,155	750,245
Amortisation	28,326	14,972
Changes in working capital:		
Trade and other receivables	(322,945)	667,410
Trade and other payables	183,602	(710,302)
	(8,953,924)	(8,467,318)

23. Commitments

Operating leases – as lessee (expense) (IAS 17)

	2021	2020
	N$	N$
Minimum lease payments due		
- within one year	-	21,562

Operating lease payments represent rentals payable by the company for certain of its office equipment. Leases are negotiated for an average term of 3 years and rentals are fixed for the three years. No contingent rent is payable.

24. Related parties

Related Parties	Relationship	Shareholding %	Operational Status	Members of key management
Government of the Republic of Namibia	Shareholder	100%		Elipha Hawala Chief Executive Officer
Epangelo Husab Mining (Pty) Ltd	Subsidiaries	100%		
JG Investments Two (Pty) Ltd	Subsidiaries	100%		
JG Investment Three (Pty) ltd	Subsidiaries	100%	Dormant	
JG Investments Five	Subsidiaries	100%	Dormant	
Epangelo Offshore Minining (Pty) Ltd	Subsidiaries	100%	Dormant	
JG Investments Fourteen (Pty) Ltd	Associates	90%	Dormant	
EVS Mining Company Contractors (Pty) Ltd	Associates	49%		
JG Investments Sixteen (Pty) Ltd	Associates	40%		
Rockmen Investments (Pty) Ltd	Associates	20%		

Related party balances

	2021	2020
	N$	N$
Loan accounts - Owing (to) by related parties		
EVS Mining Contractors (Pty) Ltd	427,195	429,028
Epangelo Husab Mining (Pty) Ltd	9	9
Related party transactions		
Compensation to directors and other key management		
Director's fees	434,960	416,759
Management personnel (Short-term employee benefits)	1,029,247	1,341,081

25. Directors' emoluments

Non-executive		
	2021	
	Directors' fees	Total
Board fees	434,960	434,960

Non-executive		
	2020	
	Directors' fees	Total
Board fees	416,759	416,759

26. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2021

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Loans to group companies	7	-	472,204	472,204	-
Investments at fair value	10	9,903,127	-	9,903,127	9,903,127
Trade and other receivables	9	-	190,136	190,136	190,136
Cash and cash equivalents	11	-	4,679,030	4,679,030	4,679,030
		9,903,127	5,341,370	15,244,497	14,772,293

2020

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Loans to group companies	7	-	429,037	429,037	-
Investments at fair value	10	6,036,840	-	6,036,840	6,036,840
Trade and other receivables	9	-	69,452	69,452	69,452
Cash and cash equivalents	11	-	3,471,369	3,471,369	3,471,369
		6,036,840	3,969,858	10,006,698	9,577,661

Categories of financial liabilities

2021

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	14	817,229	817,229	-

2020

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	14	633,628	633,628	-

26. Financial instruments and risk management (continued)

Pre tax gains and losses on financial instruments

Gains and losses on financial assets

2021

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total
Recognised in profit or loss:				
Interest income	19	-	146,388	146,388
Gains (losses) on valuation adjustments	17	3,866,287	-	3,866,287
Net gains (losses)		3,866,287	146,388	4,012,675

2020

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total
Recognised in profit or loss:				
Interest income	19	-	267,080	267,080
Gains (losses) on valuation adjustments	17	2,773,678	-	2,773,678
Net gains (losses)		2,773,678	267,080	3,040,758

Gains and losses on financial liabilities

2021

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Finance costs	20	(342)	(342)

2020

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Finance costs	20	(1,137)	(1,137)

26. Financial instruments and risk management (continued)

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The capital structure and gearing ratio of the company at the reporting date was as follows:

	Note(s)	Amortised cost	Total
Trade and other payables	14	817,229	633,628
Cash and cash equivalents	11	(4,676,345)	(3,467,534)
Net borrowings		(3,859,116)	(2,833,906)

	Note(s)	Amortised cost	Total
Equity		46,379,685	(1,137)
Gearing ratio		(8)%	(7)%

26. Financial instruments and risk management (continued) Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (interest rate risk).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The company audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by the Chief excecutive officer (CEO) as currently the organisation does not have an internal audit department.

The CEO undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the board.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on loans receivable, trade and other receivables, lease receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the company through dealing with well-established financial institutions with high credit ratings.

With respect to trade and other receivables that are neither past due nor impared, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

The maximum exposure to credit risk is presented in the table below:

	2021				2020		
	Note(s)	Gross carrying amount	Credit loss allowance	Amortised cost fair value	Gross carrying amount	Credit loss allowance	Amortised cost fair value
Loans to group companies	7	472,204	-	472,204	429,037	-	429,037
Trade and other receivables	9	190,136	-	190,136	69,452	-	69,452
Cash and cash equivalents	11	4,679,030	-	4,679,030	3,471,369	-	3,471,369
		5,341,370	-	**5,341,370**	**3,969,858**	-	**3,969,858**

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and shareholder contributions.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2021

	Note(s)	Carrying amount
Current liabilities		
Trade and other payables		817,229
Bank overdraft	11	2,685

2020

	Note(s)	Carrying amount
Current liabilities		
Trade and other payables	14	633,628
Bank overdraft	11	3,835

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The company policy with regards to financial assets, is to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders. Loans receivable are mantained at fixed rates and hence not subject to significant interest rate risks.

Detailed Income Statement

		Group		Company	
		2021	2020	2021	2020
	Note(s)	N$	N$	N$	N$
Revenue					
Rendering of services		215,520	736,488	215,520	736,488
Other operating income					
Other rental income		274,615	532,200	274,615	532,200
Discount received		6,976	3,206	6,976	3,206
Other income		10,435	-	10,435	-
	16	292,026	535,406	292,026	535,406
Other operating gains (losses)					
Fair value gains		3,866,287	2,773,678	3,866,287	2,773,678
Expenses (Refer to page 41)		(10,100,668)	(11,110,196)	(10,100,668)	(11,110,196)
Operating loss	18	(5,726,835)	(7,064,624)	(5,726,835)	(7,064,624)
Investment income	19	197,809	267,080	197,809	267,080
Finance costs	20	(342)	(1,137)	(342)	(1,137)
Share of loss in associates		(4,900)	-	(4,900)	-
Loss for the year		**(5,534,,268)**	**(6,798,681)**	(5,534,268)	(6,798,681)

Detailed Income Statement

	Note(s)	2021	2020
		N$	N$
Other operating expenses			
Accounting fees		48,036	47,698
Advertising		58,750	202,827
Amortisation		28,326	14,972
Auditor's remuneration - internal audit	18	277,370	264,400
Bank charges		15,242	21,609
Books and Geo information		16,304	11,567
Cleaning		45,962	7,577
Computer expenses		245,705	238,969
Consulting fees		555	85
Depreciation		687,060	648,659
Directors - board fees		434,960	416,759
Rates & taxes		40,231	39,806
EPL annual fees		27,600	57,785
EPL applications		2,000	-
Electricity & Water		236,805	200,984
Employee costs		6,892,498	7,017,219
Entertainment		-	19,267
Field expenses		-	6,707
Impairment		63,155	750,245
Insurance		73,219	96,631
Legal fees		-	69,825
Levies		1,855	1,053
Membership fees		31,136	53,614
Motor vehicle expenses		35,751	102,440
Office expenses		8,290	13,937
Postage		554	250
Printing and stationery		62,814	44,510
Refreshments		4,729	5,839
Rent - Photocopier		16,938	22,782
Repairs and maintenance		89,917	102,211
Royalties and license fees		-	(578)
Safety equipment		13,511	9,047
Security		140,019	140,256
Soft Furnishing & Small Tools		12,817	1,775
Software licenses		160,596	4,676
Subscriptions		35,536	71,997
Subsistence & travel allowance - board		-	10,980
Subsistence and travel allowance - other		140,019	140,256
Subsistence and travel allowance - other		10,842	140,422
Telephone and fax		270,606	179,869
Training		10,979	6,990
Workshop and conferences		-	47,258
Workshop and conferences		-	17,277
		10,100,668	**11,110,196**

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