Registered number: 05292528

EDENVILLE ENERGY PLC

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2020

COMPANY INFORMATION

EDENVILLE ENERGY PLC
COMPANY INFORMATION

Directors	Alistair Muir– Chief Executive Officer Jeffrey Malaihollo – Non-Executive Chairman Nicolas Von Schirnding – Non -Executive Director
Company Secretary	Bernard Sumner
Registered Office	Aston House Cornwall Avenue London N3 1LF
Nominated Adviser	Strand Hanson Limited 26 Mount Row Mayfair London, W1K 3SQ
Broker	Brandon Hill Capital Limited 1 Tudor Street London, EC4Y 0AH
Bankers	Barclays Bank Plc 9 High Street Stony Stratford Milton Keynes MK11 1HR
Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
Solicitors	Womble Bond Dickinson (UK) LLP 4 More London Riverside London SE1 2AU
Registrars	Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

EDENVILLE ENERGY PLC

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Covid-19 pandemic dominated 2020 across the globe and unsurprisingly impacted the Company's expected operations at Rukwa . Despite this strong headwind the Company was still able to make progress, albeit not as fast as we would have liked.

During the year the Company took major steps in restructuring the business by signing three related agreements with a strategic partner, designed to address mining, sales and the Company's capital position. We also renegotiated our debts and appointed Nick von Schirnding as an Independent Non-Executive Director. Nick has 25 years of experience in coal mining and natural resources including strategic development, M&A and driving operational change.

Currently the business environment in Tanzania is improving and we are seeing inquiries from former and new customers for our coal again. We believe that as business conditions improve further the Company is well placed to take a major step forward through the adoption of this new operational structure that will ensure Edenville draws revenue from every tonne of washed coal sold.

Post Period

During the first half of 2021, the Company reached an agreement with Lind regarding its outstanding debt and in January and May 2021 we raised an aggregate £3.4 million which enabled us to pay off the full amount outstanding to Lind and move the Company forward in a stronger financial position.

Our existing major shareholders supported us throughout these fund raises, and in addition we have gained new major shareholders including RAB Capital and Mr. Anthony (Tony) Buckingham.

With a clear plan in place to deliver on operational success at Rukwa and with an improved cash position, the Company has commenced a review of additional asset acquisition opportunities, leveraging the natural resources and capital markets expertise of its Board, and significant shareholders.

I would like to thank all our stakeholders, including you the shareholders, our partners, the local authorities and local communities, my fellow directors, our employees and contractors who have collectively supported the Company throughout this difficult period.

We look forward to reporting on the Company's progress in the coming months
Yours sincerely

Dr Jeffrey Malaihollo

EDENVILLE ENERGY PLC

CHIEF EXECUTIVE OFFICER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Period Review

The period has been characterised by:

- A restructuring of the operation of the Company's Rukwa Project and closing of three agreements with a strategic partner;
- The impact of the Covid-19 pandemic on Rukwa and Tanzania as a whole; and
- Adverse weather events that impacted production in the early part of the year.

In order to appropriately progress the Company's Rukwa Project three contracts were put in place during the year. These agreements were reached with two different companies, although both have the same principal shareholder, a Dubai-based Tanzanian with extensive experience in logistics in east Africa. The three contracts comprise a coal mining agreement and a US$1million loan agreement with Infrastructure and Logistics Tanzania Ltd ("ILTL"), and a sales and marketing agreement with MarTek Ltd. The expected handover of operations under these contracts has been delayed due to the Covid-19 pandemic.

It has been difficult to quantify the overall impact of the Covid-19 pandemic on Tanzania as the country has not implemented widespread testing or reported details on cases in the country. The Company understands that the virus peaked at the same time as Europe with some lockdown and social distancing practices in place. Although the Tanzanian President announced a return to "business as usual" in mid-May 2020, logistically the movement of people in and out of Tanzania remained very difficult throughout the year.

Rukwa and the complete Western Highlands region experienced an extended weather event during the 2019-20 wet season with extensive rains from December 2019 to April 2020. This again impacted production in the first quarter of 2020, before the temporary closure of the mine due to the Covid-19 pandemic. Some production was taken from the southern pit during the first half of the year, but access to the northern pit became problematic due to road conditions. These were resolved post the Covid-19 lockdown as advised in the Company's announcement of 20 August 2020.

With the assistance of two rounds of funding during 2020, together with further funds raised post year end, the Company is in a much improved financial position with its existing legacy debt also settled post period end. The equity funding rounds during 2020 were as follows:

- £700,000 was raised in January 2020 and was subscribed for by existing major shareholders and one new major investor.

- £500,000 was raised in June 2020 all the funds coming from the same existing major shareholders.

Lind Partners LLC

In November 2018, Edenville entered into a loan facility with Lind Partners LLC ("Lind") for a principal of US$750,000. Repayment of the loan commenced in September 2019 with cash payments of approximately US$51,000 per month, though Edenville had the option of payment through shares. Payments were made on a regular basis to Lind between September 2019 to March 2020 inclusive, before a payment holiday was agreed with Lind as a result of the disruption related to the Covid-19 pandemic.

The Company announced on 6 October 2020 that Lind had initially requested that Edenville repay the total outstanding balance of the Funding Agreement by 30 November 2020. The Company subsequently entered into discussions with Lind regarding the repayment terms of the Funding Agreement and this matter was resolved in January 2021.

Post period end on 22 June 2021 the Company announced that it had now repaid in cash the full outstanding amount owing to Lind under the Funding Agreement and the Company has no further outstanding obligations to Lind.

Corporate Social Responsibility

The Company has continued to take its corporate and social responsibility very seriously. We understand that Edenville must meet the social requirements of an operator in Tanzania. The construction of a mining operation at Rukwa has already provided several opportunities to improve infrastructure for the local community, the most visible being the construction of the road from Kipandi, past Mkomolo village and beyond, to the mine. This has opened-up a major artery in the area which services farmers and the local population, as well as the mine itself.

At Rukwa, wherever possible, we have sought to employ local people from the surrounding villages. Many of the operators and management are local and are proving to be highly competent and skilled employees. The positive social benefits also overflow into the general community where enterprising individuals are providing services such as food supply for workers.

Summary

2020, as with 2019, was a difficult year, primarily given adverse weather events, liquidity constraints and the impact of the Covid-19 pandemic.

However, following the closing of the three agreements with the strategic partner over the 2020 summer, we believe the Company ended the year much better placed with regard to its Rukwa project. However, their implementation has been hampered by the impact of the Covid-19 pandemic. The Company has, to date, not attempted to draw down on the loan arrangement with ILTL.

As business conditions improve we believe the Company is well placed to take a major step forward through the adoption of this new operational structure that is designed to ensure Edenville draws revenue from every tonne of washed coal sold from Rukwa.

Post Period

Post period has seen a major positive change in prospects for the Company.

On 15 January 2021, the Company announced that it had raised £900,000 by way of a placing of 3,600,000 new ordinary shares of 1p each in the Company ("Ordinary Shares") at a placing price of 25p per ordinary share with new and existing shareholders (the "January Placing").

Further, it announced that it had reached agreement with Lind regarding its outstanding funding agreement in that the Company were to pay Lind US$116,000 in cashby 31 January 2021 with the remainder, being US$464,000, to be repaid in monthly instalments of US$50,000 starting from the end of April 2021.

On 5 May 2021, the Company conditionally raised £2,475,000 (before expenses) by way of a placing of 9,900,000 new Ordinary Shares at a placing price of 25p per Ordinary Share (the "May Placing").

Investors also received one warrant for every Placing Share. If these warrants are exercised in full the Company will receive a further £2,475,000 for the development of the Company's business.

As part of the May Placing a new strategic investor, Anthony (Tony) Buckingham, took an 18.5% stake in the Company through an investment of £1million, with the majority of the balance coming from the Company's substantial shareholders. Mr Buckingham is well known in the natural resources market, particularly in Africa, having been CEO and major shareholder of Heritage Oil Limited from 2006 until its acquisition by a wholly-owned subsidiary of Qatari investment fund, Al Mirqab Capital SPC, in 2014 for a consideration of US$1.6 billion. His wealth of experience and broad network of relationships is expected to prove highly beneficial as Edenville looks to add additional assets into the Company.

With an improved cash position, the Company will continue to target additional asset acquisitions, leveraging the natural resources and capital markets expertise of its Board, and significant shareholders

On 22 June 2021, the Company announced that it had repaid in cash the full outstanding amount of US$373,625 owed to Lind under the Funding Agreement dated 6 November 2018.

Although the Company has faced a difficult environment over the last two years, the business' outlook is looking more positive for the remainder of 2021 and beyond, supported by the following recent developments:

- As announced on 24 June 2021, the Company has commenced the sale of coal fines and has 2 trial shipments in place which, subject to the trial, could lead to significant contracts.
- As announced 24 June 2021, the Company has recommenced discussions with the Tanzanian Government and recently been invited to submit an unsolicited proposal for the supply of coal to an on-site power station owned and operated by the Tanzanian Government. The Tanzanian Government power planning program shows the need for a base load plant by 2026.
- The overall business environment in Tanzania is increasingly positive following the appointment of a new President and subsequent demonstrated intent to support investment in the country. As a further sign of improving conditions, in recent weeks the Company has had several enquiries regarding coal supply to neighbouring East African countries.

Alistair Muir

Alistair Muir
Chief Executive Officer

The directors present their strategic report for the year ended 31 December 2020.

Principal activity

The principal activity of the Group is the production of energy commodities, predominantly coal, in Africa.

Business Review and future developments

The purpose of this review is to show how the Group assesses and manages risk and uncertainty and adopts appropriate policy targets. Further details of the Group's business and expected future developments and a review of operations are also set out in the Chief Executive Officer's Report on pages 3 to 5.

Development Approach

The Group's principal operation is the mining of coal. Its operations are subject to all of the hazards and risks normally encountered in mining and processing coal.

The Group follows all necessary laws and regulations and believes it has adopted world best practice standards and is not aware of any present material issues in this regard. As is common with all mining operations, there is uncertainty and therefore risk associated with the Group's operating parameters and costs. These can be difficult to predict and are often affected by factors outside the Group's control.
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Financial and performance review

The results of the Group for the year ended 31 December 2020 are set out on page 32.

Principal risks and uncertainties and risk management

The principal risks facing the Group are those relating to the nature of the resources, risk of new entrants, those inherent and associated with mining, reliance on the expertise of key Group personnel, risks connected with uncertainties of Tanzanian political, fiscal and legal systems, including taxation and currency fluctuations, as well as those regimes in which the Group has direct or indirect interests.

The Board and senior management regularly monitor all areas of risk, through regular meeting. reporting on a monthly basis as well as through ad hoc communications. Senior management regularly visits operations to understand site-specific risks as well as to assess local political, fiscal and legal risks. In this regard, the Group maintains a strict policy of compliance with local laws and regulations, and community issues (including health and safety, community development, and environmental responsibility) are at the forefront of strategic and operational decision-making.

The following are the key risks that face the Group:

Operational risks
Mineral extraction operations generally involve a degree of physical risk. The Group's operations are and will be subject to all the hazards and risks normally encountered in the production and extraction of minerals. These include climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and security and health risks associated with work in developing countries.

The exploration and mining activities of the Group are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Although the Group's mining and exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail future production or development. Amendments to current laws and regulations governing operations and activities of exploration, or future mining and milling, or more stringent implementation thereof, could have a material adverse effect on the value of the Group's assets. We should note that to date, no substantial adverse changes to our operations, legal, or financial status has materialised due to recent documented changes in Tanzanian mining legislation. We continue to have regular dialogue with the authorities on how the law is applied and will report any material areas as they occur.

The operational risks are mitigated, where possible, as follows:

- the executive director and managements visit the operation regularly, when these key risks are reviewed and actions taken as necessary;
- control procedures have been communicated to operations' management who review local procedures for Group compliance;
- the in-country operations team submit monthly reports to head office which cover operational progress and analysis of technical data. Results obtained from testing of mineral samples by independent laboratories are sent to the operational team and copied directly to the UK head office. A strict quality assurance/quality control procedure, designed by a leading independent consultancy group, is in place covering all aspects of mining and exploration and sample collection with local staff trained to standards set by the UK head office;
- the executive director and management visit each operation regularly to review local operational and technical procedures and controls and compliance with Group procedures and report to the Board; and
- the head office finance function regularly reviews local financial controls and compliance with Group procedures and report to the board.

Production risks

The Rukwa Project is now in production supplying coal to various customers in Tanzania and the region as a whole. Any mining operation which is producing it has all of the hazards and risks normally encountered in mining and processing coal. These include unusual and unexpected geological formations, flooding and other conditions involved in the extraction of material, any of which could result in damage to the mine and other producing facilities, damage to life or property.

Key considerations include geological risk, mining risk, processing risk, employee risk and governance risk. Customer risk also exists in relation to the ability of the customer to collect the product and to pay for it. All these areas are managed on a daily basis by qualified professionals experienced in their particular fields. In broad terms geological risk is covered by having well drilled out and the coal resource professionally reviewed. Mining risk is covered by having mine plan and appropriate equipment available to mine it supervised by mining engineers. Processing risk is covered by having a proven method of processing the coal through a system that is controlled and monitored by process plant professionals. Employee risk is managed by having an adequately trained staff whilst governance risk is managed by following government procedures and rules on all aspects of the operation.

Environment, health and safety

The Groups operations in these areas are Government regulated by a range of legislative, regulation and policy requirements alongside Group reporting requirements and regular official and spot mine visits. Compliance to the set of rules and regulations underpins our approach to risk management. In support the Group adopts best practice with on-site and corporate level policies and procedures. It has specific personnel on site to manage this area, employee focused handbooks and daily toolbox meetings.

In regard to environmental management, it engages third party consulting services that have an intimate knowledge of the regulatory framework to advise on mining activities.

Despite all this structure the Group's mining activities may result in pollution, accident or loss of life due to systems or equipment failure.

Exploration and development risk
The exploration for and development of mineral deposits involves significant risks which no combination of careful evaluation, experience and knowledge can entirely eliminate. Currently the focus of the Rukwa project is in mining and development with only some effort put into exploration. There is no certainty that the operation described in this document will result in profitable commercial mining operations or result in the discovery of ore in commercial quantity and quality. Significant capital investment and working capital is required to achieve commercial production from successful exploration efforts and there can be no certainty that the Company will be able to obtain the financing required to continue operations and meet its commitments for the exploration and development programme.

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

Conclusions drawn during mineral exploration are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

The Group may carry out some of its exploration activities through joint ventures with others to spread the exploration risk and to decrease the Group's financial exposure to individual projects. There can be no guarantee that these partners will not withdraw for their own reasons.

Currently the Group is undertaking limited exploration, this being primarily focused on development within the existing mining area and surrounding prospecting licences.

Reserve and resource estimates

The Group's reported reserves and resources are only estimates based on JORC reports prepared in March 2013. No assurance can be given that the estimated reserves and resources will be recovered or that they will be recovered at the rates estimated. Reserve and resource estimates are based on sampling, interpretation and modelling and, consequently, are uncertain because the samples may not be representative. Reserve and resource estimates may require revision (either up or down) based on future actual production experience.

Human resources
The Group is reliant on a small team of experienced mining professionals for their success and is more than usually vulnerable to the adverse effects of losing key personnel.

Licences
While the Directors have no reason to believe that the existence and extent of any of the Group's properties are in doubt, title to mining properties is subject to potential litigation by third parties claiming an interest in them.

The failure to comply with all applicable laws and regulations, including failures to pay taxes, meet minimum expenditure requirements, or carry out and report assessment work, may invalidate title to portions of the properties where the mineral rights are held by the Group.

The Group might not be able to retain its licence interests when they come up for renewal, despite a possibility of discovering ore bodies. Under the Mining Act 2010, at the end of the initial licence term and on renewal, a Company must relinquish 50% of the land area held under licence. The dropped portion may be re-applied for; however, relinquishing 50% of the licence area does not necessarily devalue the licence. Mineral deposits may cover areas of only a few Km^{2}, and the process of relinquishment is such that a Company will retain the part of the licence that is considered most prospective for a mineral discovery. If the original licence covers 40km^2 the retained ground after relinquishment is more than sufficient for the discovery of a world class deposit and does not detract from the value of the property.

While the Group has undertaken all the customary due diligence in the verification of title to its material mineral properties, this should not be construed as a guarantee of title. Changes or modifications to the Mining Act 2010 in 2017 and 2019 have had no adverse effect on the operation up to now. The Group's management team has been operating in Tanzania for a number of years and have experience in managing the title to its properties. It maintains professional relationships with the relevant government bodies responsible for the issue and renewal of licences but if there was an indication of an issue over the title to any of its properties it would seek advice from the Group's lawyers.

Economic risks

The value of the Group's properties may be affected by changes in the market price of minerals which fluctuate according to numerous factors beyond the Group's control. Changes in interest rates and exchange rates, the rate of inflation and world supply of and demand for mineral commodities all cause fluctuations in such prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political conditions. Future mineral price declines could have an adverse effect on the value of the Group's assets and its ability to raise further funds.

Certain of the Group's payments, in order to earn or maintain property interests, are to be made in the local currency in the jurisdiction where the applicable property is located. As a result, fluctuations in the US dollar against the pound and each of those currencies against local currencies in jurisdictions where properties of the Group are located could have an adverse effect on the Group's financial position which is denominated and reported in sterling.

The Group has not insured against some risks. Risks not insured against and for which the Group may become subject to liability include environmental pollution, political risk and other hazards against which the Group cannot insure or which it may elect not to insure. The payment of such liabilities may have a material adverse effect on Group's results of operation and financial condition.

The market price of commodities is volatile and is affected by numerous factors beyond the Group's control.

Over time prices of all commodities rise and fall. There is the risk that the price earned for minerals will fall to a point where it becomes uneconomic to extract them from the ground. The prices of these commodities are affected by a number of factors beyond Edenville's control which include available supply and demand along with government policy. The principal commodity in Edenville's portfolio is coal. Whilst global export coal prices are subject to price fluctuations depending on market conditions this does not affect our sales into the Tanzanian market because of the continuing Tanzanian ban on coal imports, it can affect our competitiveness in neighbouring countries markets. The impact of the price of coal on the economics of the Edenville project is kept under close review although local and regional factors play an important part in determining the coals economic viability.

Political risks

A substantial portion of the assets of the Group are located in non-UK jurisdictions. As a result, it may be difficult for investors to enforce judgments obtained against the Company if the damages awarded exceed the realisable value of the Company's UK assets. The political situations in African countries may introduce a degree of risk with respect to the Group's activities. In the countries where the Group has or may have exploration activities, governments exercise control over such matters as exploration and mining licensing, permitting, exporting and taxation. Changes of policy by such governments may adversely impact the Group's ability to carry out exploration activities.

Edenville minimises political risk by operating in countries considered to have relatively stable political systems, established fiscal and mining codes and a respect for the rule of law.

Impact of law and Governmental regulations

The Group's investments may be subject to the foreign exchange and other laws of various countries that may prevent, materially delay or at least require governmental approval for, the full or partial repatriation of the Group's investments. Foreign investment in companies in emerging countries may be restricted or controlled to varying degrees. These restrictions may, at times, limit or preclude foreign investment and increase the costs and expenses of the Group. Additionally, under certain circumstances a country may impose restrictions on capital remittances abroad. The Group could be adversely affected by delays in, or refusal to grant any required governmental approval for, repatriation of capital or dividends held by the Group or their conversion into foreign currency. In addition, gains from the disposal of such securities may be subject to withholding taxes, income tax and capital gains tax.

The Group must comply with, inter alia, the current and future Tanzanian regulations relating to mineral exploration and production. The institution and enforcement of such regulations could have the effect of increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Group's assets.

It is noted that there were changes and amendments in 2017 and 2019 to the Mining Act 2010. To date, no significant adverse changes to our operations, legal, or financial status has materialised due to recent documented changes in Tanzanian mining legislation. We are aware that we may in the future receive requests from the Tanzanian Government connected to legislation. We continue to have regular dialogue with the authorities and will report any material points as they occur.

Dependency on a single country

The Group's current activities are situated entirely in Tanzania. The political situations in Africa may introduce a degree of risk with respect to the Group's activities. Risks may include, among others, labour disputes, delays or invalidation of governmental orders and permits, corruption, uncertain political and economic environments, civil disturbances and terrorist actions, arbitrary changes in laws or policies, foreign taxation and exchange controls, opposition to mining from environmental or other non-governmental organisations, limitations on foreign ownership, limitations on the repatriation of earnings, infrastructure limitations and increased financing costs. In Tanzania, the government exercises control over exploration and mining licensing, permitting, exporting and taxation. The Board believes that the Government of Tanzania supports the development of natural resources. However, there is no assurance that future political and economic conditions in Tanzania will not result in the Government of Tanzania changing its political attitude towards mining and adopting different policies respecting the exploration, development and ownership of mineral resources. Any such changes in policy may result in changes in laws affecting ownership of assets, land tenure and mineral licences, taxation, royalties, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect the Group's ability to undertake exploration and future mining operations in the properties in respect of which it has obtained exploration and mining rights to date and may adversely impact the Group's ability to carry out its activities.

Management is actively evaluating other coal projects, and other commodities, in order to expand the Group's coal resource base and reduce dependency on Tanzania.

Competition risks

The mineral exploration and mining sectors are competitive at each phase of a Company's development. The Group competes with and will compete with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for, and the acquisition of, attractive mineral properties. The Group's ability to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire promising properties or prospects for mineral exploration. There is no assurance that the Group will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

Edenville is aware that it operates in an area considered highly prospective to competitive companies. The management monitor the activities of other operators and monitor their development and future plans from information available in the public domain, which allows the Company to evaluate whether these competitors pose a threat to our market position.

Financing

The further development and exploration of the various mineral properties in which the Group holds interests is dependent upon the Group's ability to obtain financing through joint venturing projects, debt financing, equity financing or other means. There is no assurance that the Group will be successful in obtaining the required financing. If the Group is unable to obtain additional financing as needed some interests may be relinquished and/or the scope of the operations reduced.

Financial risks

The Group's multi-national operations expose it to a variety of financial risks:

(i) Foreign exchange risk

The majority of exploration and development costs are in United States dollars or Tanzanian schillings. Accordingly, foreign exchange fluctuations may adversely affect the Group's financial position and operating results;

(ii) Liquidity risk

Prudent liquidity risk management in the context of the Group implies maintaining sufficient cash in the necessary currencies to be able to pay creditors as and when they fall due. The Group has a comprehensive system for financial reporting. The board approves the annual budget which is revised through the year as necessary with the board's approval. Monthly results are reported against budgets and variances analysed. Great importance is placed on the monitoring and control of cash flows, and cash forecasts are reported to the board;

(iii) Credit risk

Cash balances are deposited with banks with a high credit rating.

Key performance indicators

The Board monitors the activities and performance of the Group on a regular basis. The Board uses both financial and non-financial indicators based on budget versus actual to assess the performance of the Group. The indicators set out below were used during the year to 31 December 2019 and will continue to be used by the Board to assess performance over the year to 31 December 2020.

Financial KPIs

- Total ROM (Run of Mine) coal production 16,911 tonnes (2019: 37,239 tonnes)
- Sales £33,852 (2019: £233,414)
- Total expenditure burn rates have reduced by 29% from £2,008,807 to £1,163,906
- Corporate overheads as a percentage of total expenditure has decreased from 33% in 2019 to 31% in 2020.

Non-financial KPIs

- Health and safety –There were no reported health and safety incidents during the year.
- Operational success – Relevant information is reported in the 'Chief Executive Officer's Report' on page 3.

EDENVILLE ENERGY PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Section 172(1) Statement – Promotion of the Company for the benefit of members as a whole:

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

The requirements of s172 are for the Directors to:

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

The application of S172 requirements can be demonstrated in relation to some of the key decisions made during 2020:

- Restructure Tanzanian operations to gain benefit from local expertise in logistics and marketing.
- Optimising the production environment to reduce pressures on cash flow.
- Continuing to engage with the Tanzanian Government regarding electricity generating opportunities.
- Restructuring of debt to reduce operational constraints.
- Continuing evaluation of existing licence areas and assessment of the project.
- Adding expertise at the Board level to enhance strategic elements of the project.

As a mining exploration and development group operating in Tanzania, the Board takes seriously its ethical responsibilities to the communities and environment in which it works. We abide by the local and relevant UK and local laws on anti-corruption and bribery.

Wherever possible, local communities are engaged in the operations and support activities providing much needed local employment opportunities and wider economic opportunities to the local communities. In addition, we follow both Tanzanian regulatory requirements and international best practice on environmental aspects of our work. Our goal is to meet or exceed standards, in order to ensure we maintain our social licence to operate from the communities with which we interact. The health and safety of our employees are a primary consideration for the Board.

Alistair Muir

Alistair Muir
Chief Executive Officer
28 June 2021

EDENVILLE ENERGY PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their annual report and audited Group financial statements for the year ended 31 December 2020.

Dividends

The Directors do not recommend payment of a dividend for the year (2019 – nil).

Directors and Directors' interests

The Directors at the date of these financial statements who served during the year and their interests in the Ordinary Shares in the Company are as follows:

	Ordinary shares of 0.02p held at 31 December 2020	**Deferred shares of 0.001p held at 31 December 2020**	Ordinary shares of 0.02p held at 31 December 2019	Deferred shares of 0.001p held at 31 December 2019
Rufus Short (resigned 10 June 2020)	**N/A**	**N/A**	85,021,961**	844,480,460**
Alistair Muir (appointed 25 September 2019)	**Nil**	**Nil**	Nil	Nil
Jeffrey Malaihollo	**153,125,000****	**Nil**	153,125,000**	Nil
Nicholas Von Schirnding (appointed 10 June 2020)	**Nil**	**Nil**	Nil	Nil

** Following the year end the Company consolidated each existing £0.0002 to ordinary shares of £0.02 each. These were then subdivided into ordinary shares of £0.01p each and 19,000 new deferred shares of £0.00001 each.

The Directors' interests in share options as at 31 December 2020 are as follows:

	Options at 31 December 2020	Exercise Price	Date of grant	First date of exercise	Final date of exercise
Jeffrey Malaihollo	3,333,333	1.08p	28.03.17	28.03.17	27.03.22
Jeffrey Malaihollo	6,666,666*	1.08p	28.03.17	N/A	27.03.22

*The vesting date of these share options is dependent on performance conditions being met. Rufus Short resigned as a Director on 10 June 2020 as a result of which 10,666,666 share options lapsed.

Following the post year end consolidation of shares Jeffrey Malaihollo had 3,333 and 6,667, performance based, share options exercisable at £10.80 instead of 3,333,333 and 6,666,666, performance based, share options respectively, exercisable at 1.08p.

Share capital

Details of issues of Ordinary Share capital during the year are set out in note 23.

Substantial shareholdings

The Company has been notified of the following voting rights of shareholders of the Company as at 8 June 2021.

	No of Ordinary Shares	**% of issued share capital**
Forest Nominees Ltd	4,361,137	20.24%
ISI Nominees Limited	2,954,554	13.71%
Pershing Nominees limited	2,138,964	9.93%
JIM Nominees Limited	1,815,204	8.42%
The Bank of New York (Nominees) Limited	1,216,771	5.65%
Nomura PB Nominees limited	1,082,426	5.02%
Spreadex Limited	878,479	4.08%
Vidacos Nominees Limited	804,740	3.74%

*Nominee shareholders represent a number of investors shareholdings

Financial instruments and other risks

Details of the use of financial instruments by the Company and its subsidiary undertakings are contained in note 26 of the financial statements.

Details of risks and uncertainties that affect the Group's business are given in the Strategic Report.

Provision of information to auditors

So far as each Director at the date of approval of this report is aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Restatement of Accounts

Following the adoption of IFRS 16 in the previous year, mining licences were capitalised which fell outside the scope of the standard. These were material amounts to the financial statements which have now been reversed and the prior year figures restated, see Note 32 for details.

Auditors

The auditors, PKF Littlejohn LLP, have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the next Annual General meeting.

This report was approved by the board on 28 June 2021 and signed on its behalf.

Alistair Muir

Alistair Muir
Chief Executive Officer

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Company financial statements in accordance with International Financial Reporting Standards ('IFRSs'). Under Company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that year. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the AIM market.

In preparing these financial statements the directors are required to:

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

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

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

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

REMUNERATION REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The remuneration committee comprised of Jeffrey Malaihollo and Alistair Muir. The committee is, within the agreed terms of reference, responsible for making recommendations to the directors on matters relating to the Group's remuneration structure, including pension rights, the policy on compensation of executive directors and their terms of employment, with the objective of attracting, motivating and retaining high quality individuals who will contribute fully to the success of the Group's businesses.

As the scope of operations expands the Company intend to increase the number and scope of the non-executive directors. The Company has two non-Executive directors. During the year, the Remuneration Committee did not operate and all relevant matters were dealt with by the full Board.

Remuneration policy

Salaries are reviewed annually on the basis of market comparisons with positions of similar responsibility and scope in comparable industries. The full Board takes into account both Group and personal performance in reviewing directors' salaries.

Non-executive directors' remuneration

Fees for non-executive directors are determined by the full Board on the basis of market comparisons with positions of similar responsibility and scope in companies of a similar size in comparable industries. Non-executive directors do not have service contracts, are not eligible for pension scheme membership and do not participate in any of the Group's bonus schemes. They have letters of engagement with the Company and their appointments are terminable on one month's or three months' written notice on either side.

Service agreements

The full Board has adopted current best practice in respect of service agreements issued on all new appointments. Executive Directors are employed under six month rolling service contracts.

Share options

Details of share options granted to directors are included in the Directors' Report.

EDENVILLE ENERGY PLC

REMUNERATION REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Directors' remuneration

Details of remuneration of the directors of the Company who served in the year ended 31 December 2020 are set out below:

Name	Fees and other remuneration £	Compensation for loss of office £	Long term Pension £	2020 Total £	2019 Total £
Executive					
Rufus Short	(12,750)	28,000	110	15,360	71,375
Alistair Muir	97,500	-	-	97,500	18,619
Non-Executive					
J Malaihollo	52,500	-	193	52,693	30,199
Arun Srivastava	-	-	-	-	8,750
Nicholas Von Schirnding	14,000	-	-	14,000	-
	151,250	28,000	303	179,553	128,943

At 31 December 2020 only one third of the options granted to the directors in March 2017 have vested.

Included in the above are accrued salaries of £122,750 (2019: £69,827). Rufus Short resigned as director on 10 June 2020 and as part of his settlement, £12,750 of salaries accrued were waived.

Compliance with the UK Corporate Governance code
The Quoted Companies Alliance has published a corporate governance code for small and mid-sized quoted companies, which includes a standard of minimum best practice for AIM companies, and recommendations for reporting corporate governance matters (the "QCA Code"). The QCA Code sets out 10 principles of Corporate Governance which should be applied in order to deliver long-term shareholder value through good communication and an efficient, effective and dynamic management framework.

The Directors of Edenville Group Plc ('Edenville', the 'Group' or the 'Company') have adopted the QCA Code. The 10 principles of the QCA Code are listed below together with a short explanation of how the Group applies each of the principles and where the Group does not fully comply with each principle an explanation is provided as to why it does not currently do so.

Delivering growth

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

Edenville's growth strategy is focused on the continued development of its mining operations in Tanzania and the planned development of a mine mouth power plant at the project site which will sell electricity to Tanesco and the East Africa Power Pool.

The near-term objectives are:

To continue commercial mining and washing operations at the Rukwa coal field. Since the year end, the Company now has in place three new contracts. These agreements have been reached with 2 different companies, although both have the same principle shareholder, a Dubai-based Tanzanian with extensive experience in logistics in east Africa. The three contracts include the Coal Mining Agreement and a US$1million Loan Agreement with Infrastructure and Logistics Tanzania Ltd ("ILTL"), and a Sales and Marketing agreement with MarTek Ltd.

2020 has been dominated by the COVID-19 pandemic (the "Pandemic") throughout the world and unsurprisingly operations at Rukwa have naturally been affected. During the countrywide lockdown during the second quarter the Company was forced to suspend mine operations, leaving just a skeleton security force at the site. The pandemic also caused a delay in finalising all agreements with our strategic partnership. However the third quarter saw a recommencement of mining, processing and sales of coal from Rukwa and also the signing of the intended three related agreements with the strategic partner, designed to address mining, sales and the Company's capital position. As previously reported, these agreements, once enacted, ensure that operational costs will now be borne by the strategic partner and that the partner will purchase a minimum of 3,000 tonnes of washed coal per month, at a healthy profit margin to the Company. In addition, the strategic partner intends to utilise its extensive network within Tanzania and nearby markets to further boost sales, as the Company looks to bring monthly washed coal sales to an initial 10,000 tonnes per month, with further expansion targeted thereafter. In the current ramp up phase, a loan agreement with the strategic partners is expected to provide the Company with additional working capital.

To advance the Rukwa Coal to Power Project through its pre-development phase and subsequently to a point where a decision on construction can be made. On 14 February 2019 Tanesco informed the Company that it had been unsuccessful in moving through the Request for Qualification process to supply power to Tanesco. However the company has recently re-engaged with the Tanzanian Government who have indicated the need for coal fired base load generating capacity by 2026 and have invited Edenville to provide an unsolicited proposal for coal supply to a Government owned power station near Sumbawanga The Company's Directors remain confident that if and when the transmission line infrastructure is built to Sumbawanga, the opportunity for a power plant development at the Rukwa Coal Project will continue to move forward.

The AFR RI-3A Tanzania – Zambia Transmission Interconnector project, which is being part financed by the World Bank, is continuing to move forward and could have positive implications for Edenville's planned coal to power business model. The financing agreement for credit is now in place and the procurement plan is continuing to progress. As previously stated, the

Company's long term plan is to provide electricity to this transmission grid once it is completed and we are continuing to work towards this goal. Currently completion is stated as being in 2024.

The Group's longer-term objective is to fully monetise the Rukwa coal deposit via development of a mine mouth coal-to-power project providing electricity to the Tanzanian grid system. Edenville is continuing in discussions with Tanesco on all options available to develop a coal-to-power project at the Rukwa mine site.

2. Seek to understand and meet shareholder needs and expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders on a regular basis.

All shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting and any other General Meetings that are held throughout the year.

Investors have access to current information on the Company though its website, https://edenville-energy.com/, and the Company's financial PR advisers, IFC Advisory Limited, are also available to liaise with shareholders.

The Company intends to widen its investor base over time and already meets or talks regularly with any significant institutional shareholders, fund managers and analysts as part of an active investor relations programme to discuss long term issues and obtain feedback.

The Company also has held and intends to periodically hold Investor events (either in person or virtually) to meet with shareholders and provide updates on corporate developments; and at appropriate points in the future the Company will host analyst site visits.

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

The Board recognises that the long-term success of Edenville is reliant upon the relationship and good communications with the Tanzanian authorities (the Ministries of Energy and Minerals, Tanesco, the national power Company and other government authorities such as NEMC the environmental management council), our local partner in Tanzania, the local community and the efforts of the employees of the Group and its contractors, suppliers and regulators.

Frequent and regular communications with the authorities and our local partner is ongoing. A designated employee and a local Tanzanian consultant is engaged to conduct regular communication with the local community.

An agreed procedure exists for Directors in the furtherance of their duties to take independent professional advice. With the prior approval of the Chairman, all Directors have the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors. If the Chairman is unable or unwilling to give approval, Board approval will be sufficient. Newly appointed Directors are made aware of their responsibilities through the Company Secretary.

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

Principal risks
The principal risks facing the Group are those relating to the volatility of commodity prices, reliance on the expertise of key Group personnel, risks connected with uncertainties of Tanzanian political, fiscal and legal systems, including taxation and currency fluctuations, and meeting its financing requirements.

Risk Management
The Board constantly monitors the operational and financial aspects of the Company's activities and is responsible for the implementation and ongoing review of business risks that could affect the Company.

Senior management regularly visits operations to understand site-specific risks as well as to assess local political, fiscal and legal risks. In this regard, the Group maintains a strict policy of compliance with local laws and regulations, and community issues (including health and safety, community development, and environmental responsibility) are at the forefront of strategic and operational decision-making.

Duties in relation to risk management that are conducted by the Directors include, but are not limited, to:

- Initiating action to prevent or reduce the adverse effects of key risks;
- Controlling further treatment of risks until the level of risk becomes acceptable;
- Identifying and recording any problems relating to the management of risk;
- Initiating, recommending or providing solutions through designated channels;
- Verifying the implementation of solutions;
- Communicating and consulting internally and externally as appropriate; and
- Informing investors of material changes to the Group's risk profile.

Ongoing review of the overall risk management programme (inclusive of the review of adequacy of treatment plans) is conducted by external parties, such as specialist consultancy groups or individuals, where appropriate. During the mine start-up phase, the Company has regularly used consultants in both the mining and processing areas. The Board ensures that recommendations made by the external parties are investigated and, where considered necessary, appropriate action is taken to ensure that the Company has an appropriate internal control environment in place to manage the key risks identified.

Conflicts of interest
The Board has instituted a process for reporting and managing any conflicts of interest held by Directors. Under the Company's Articles of Association, the Board has the authority to approve such conflicts.

The Board acknowledges that assessment on materiality and subsequent appropriate thresholds are subjective and open to change. As well as the applicable laws and recommendations, the Board has considered quantitative, qualitative and cumulative factors when determining the materiality of a specific relationship of Directors.

The Strategic Report provides detailed analysis of the key risks that face the Group and how those risks are managed.

5. Maintain the board as a well-functioning, balanced team led by the chair

The Board recognises that the Company's objective of delivering growth in long-term shareholder value requires an efficient, effective and dynamic management framework and should be accompanied by good communication which helps to promote confidence and trust.

The Board currently comprises one full-time Executive Director (Alistair Muir) and two Non-Executive Directors (Jeffrey Malaihollo and Nicolas Von Schirnding). Details of the qualifications, background and responsibility of each director is provided on page 21 with additional information in respect of directors' record of attendance at meetings and the operation of the Audit Committee and Remuneration Committee provided in the Company's annual report and accounts and below under Principle 9.

The Board is also supported by Rakesh Patel, a partner at Adler Shine LLP, Chartered Accountants, who acts as Group financial controller and who, together with his team at Adler Shine LLP, provide accounting, financial and reporting support to the directors.

Nicolas Von Schirnding is considered by the Board to be an independent director. Given the size of the Company, the present level of its development and the number of directors currently, the Board considers it may be necessary for there to be an additional director, either non-executive role or in a senior executive role. The Board therefore does recognise that as the Company develops, the number of directors, including independent directors, may increase.

6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities
The Board comprises of directors considered to possess the appropriate experience, skills, personal qualities and capabilities necessary to deliver the Company's strategy for the benefit of its shareholders and is appropriate to its present size and stage of development.

Dr Jeffrey Malaihollo – Non-Executive Chairman (Aged 54)
Jeffrey has a PhD in Geology and over 22 years' experience in varied roles within resource and finance having worked and consulted for Newcrest Mining, Rio Tinto, Billiton and Loeb Aron Financial Advisors. This was followed by several years of Chief Executive Officer and Managing Director roles with AIM-listed Central China Goldfields and Bullabulling Gold and ASX-listed Arc Exploration. He is a non-executive director of TSXV-listed Copper Lake Resources Ltd as well as several other private companies in the resources sector.

He is a Fellow of the AusIMM, a Fellow of the Geological Society of London, a member of the Geological Society of America and a member of the Association of Mining Analysts.

As a Chairman Jeff is responsible to lead the Board and determine the strategic direction of the Company, review performance of the management and ensure that the Company complies with the relevant rules and regulations. In addition, he is responsible to ensure that the Company complies with the QCA Code for Corporate Governance.

Alistair Muir – Chief Executive Officer (formerly Non-Executive Director)(Aged 68)

Alistair has a wealth of both operational and emerging markets experience, including significant on the ground experience in Tanzania. He has over 25 years operational experience mainly working in the coal (both thermal and coking), uranium and iron ore sectors. He has extensive expertise in open-pit mine development, project evaluation and exploration, particularly in the integrated coal and power generation setting.

In recent times Alistair has predominantly operated in emerging markets, as well as Tanzania he has worked in Turkey and Central Asia. Previous roles include General Manager of UraniumSA; Managing Director and Director of Celsius Coal Ltd, an ASX listed Company where he participated in the restructuring of the Company to Celsius Resources as it migrated its operations into the battery minerals sector; and Chief Representative for Europe & the Middle East of Azarga Resources Ltd where he led project teams to evaluate new projects within the region.

Alistair is responsible for the daily operation and directing management of the Company from 1st November 2019

Nicholas (Nick) von Schirnding – Non-Executive Director (Aged 58)
Nick has over 25 years' experience in mining and natural resources, including strategic development, M&A, restructuring, driving operational change and the UK regulatory framework.

Nick is Executive Chairman of Arc Minerals plc, a London listed mining group with interests in Africa. Nick is also Chairman of Fodere Group, a private Company that has developed environmentally sustainable technology to extract high value minerals from ore. In addition, Nick is a Non-Executive Director of Jangada Mines plc, which is also listed in London.

Previously Nick was CEO of Asia Resource Minerals plc (formerly Bumi plc), a FTSE listed mining Company and was instrumental in successfully restructuring their 25mtpa open pit coal mining operations. Nick was also deputy chairman of Berau Coal, Indonesia's fourth largest listed coal Company. Prior to this Nick held senior roles at both Anglo American plc and De Beers.

Nick has worked and lived in both developed and emerging markets including the UK, India, SE Asia, Africa and South America.

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

Given the size of the Board and the stage of development, no formal assessment of the Board performance is taken. However, requests to attend seminars, courses, conferences to improve the effectiveness of the Board are encouraged.

A yearly internal review of the performance of the Board is planned with inputs from employees and advisors.

Board members are in frequent communication with each other and the Chairman and the Chief Executive officer are in a daily communication such that Board members are aware of the present status of the Company.

The Board conduct weekly meetings either by telephone or in person to review their goals. The CEO gets regular feedback from operational employees on all issues.

There are periodic discussions on the future direction of the Company, augmentation of senior management team, potential Board members and succession planning.

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

As part of the Board's commitment to the highest standard of conduct, the Company adopts a code of conduct to guide executives, management and employees in carrying out their duties and responsibilities. The code of conduct covers such matters as:

- responsibilities to shareholders;
- compliance with the Tanzanian, Seychelles and UK laws and regulations;
- Anti-corruption practices;
- relations with customers and suppliers;
- ethical responsibilities;
- employment practices; and
- responsibility to the environment and the community.

Regular meetings and communications with management and employees are conducted throughout the year to ensure such corporate culture are instilled within the Company.

Details of these are outlined in the Annual Report under the Corporate Social Responsibility and Corporate Governance sections.

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

Board meetings
The Board formally meet on average every three months, however the Chairman and the Chief Executive Officer communicate daily and meet up on average at least once a month. Decisions concerning the direction and control of the business are made by the Board, and a formal schedule of matters specifically reserved for the Board is in place.

Generally, the powers and obligations of the Board are governed by the UK Companies Act 2006, and the other laws of the jurisdictions in which it operates. The Board is responsible, *inter alia*, for setting and monitoring Group strategy, reviewing trading performance, changes in the Board / senior management, ensuring adequate funding, examining major acquisition opportunities, formulating policy on key issues and reporting to the shareholders. These areas are set out in more detail in a formal Schedule of Matters Reserved for the Board.

Board committees
There are two board committees, namely the Audit and Remuneration committees both consisting of Jeffrey Malaihollo and Nicholas Von Schirnding. During the year ended 31 December 2020 the Audit Committee and the Remuneration Committee met with the Chief Executive Officer and all relevant matters were dealt with by the full Board. The functions of these committees are as follows:

Audit committee
The Committee provide a forum for reporting by the Group's external auditors. Meetings will be held on average once a year and the executive Director(s) will also be invited to attend.

The Audit Committee will be responsible for reviewing a wide range of financial matters including the annual and half year results, financial statements and accompanying reports before their submission to the Board and monitoring the controls which ensure the integrity of the financial information reported to the shareholders.

Remuneration committee
The Committee will be responsible for making recommendations to the Board, within agreed terms of reference, on the Company's framework of executive remuneration and its cost. The Remuneration Committee will determine the contract terms, remuneration and other benefits for the Executive Directors, including performance related bonus schemes, compensation payments and option schemes. At present, the Board itself determines the remuneration of the Non-Executive Directors.

Nominations committee
The directors consider that the Group is not currently of a size to warrant the need for a separate Nominations Committee or internal audit function although the board has put in place internal financial control procedures as summarised below.

Internal financial control
The Board is responsible for establishing and maintaining the Group's system of internal financial controls. Internal financial control systems are designed to meet the particular needs of the Group and the risk to which it is exposed, and by its very nature can provide reasonable, but not absolute, assurance against material misstatement or loss.

The Directors are conscious of the need to keep effective internal financial control, particularly in view of the cash resources of the Group. Due to the relatively small size of the Group's operations, the Directors are very closely involved in the day-to-day running of the business and as such have less need for a detailed formal system of internal financial control. The Directors have reviewed the effectiveness of the procedures presently in place and consider that they are still appropriate to the nature and scale of the operations of the Group.

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

In addition to the Chairman's Statement and CEO report in the Company's Annual Report and Interim Results, Shareholders are regularly advised of any significant developments in the Company and are encouraged to participate in the Annual General Meeting and any other General Meetings that may take place throughout the year. The Company intends to widen its investor base over time and then meet regularly with any significant institutional shareholders, fund managers and analysts as part of an active investor relations programme to discuss long term issues and obtain feedback.

Investors have access to current information on the Company though its website, https://edenville-energy.com/, and the Company's financial PR advisers, IFC Advisory Limited, are also available to liaise with shareholders.

The Company also intends to periodically hold Investor Evenings to meet with shareholders and provide updates on corporate developments; and at appropriate points in the future the Company will host analyst site visits.

The Company has a twitter account https://twitter.com/edenvilleenergy?lang=en which contains photos and videos of the Company's operation in Tanzania. The Managing Director also periodically promotes the Company's activities, following the publication of regulatory announcements, through various media platforms such as Directors Talk, VOX Markets and Proactive Investors.

Going Concern

The financial statements have been prepared on a going concern basis. The Company intends to operate within its cash resources.

During the countrywide lockdown during the second quarter the Company was forced to suspend mine operations, leaving just a skeleton security force at the site. The pandemic also caused a delay in finalizing and implementing all agreements with our strategic partnership. The third quarter saw a recommencement of mining, processing and sales of coal from Rukwa all be it at a reduced level and also the signing of the intended three related agreements with the strategic partner, designed to address mining, sales and the Company's capital position.

This reduced demand has continued to the middle of 2021 and only recently May/June 2021 has there been a return of consumers to the market. This has been significantly aided not only by the receding of the pandemic but by a change of sentiment in the county brought about by the appointment of the new President. Because of this ongoing situation the contracts with the strategic partner have not yet been implemented with EITL aiming to establish production of 3000 tonnes per month before it re-engages with the strategic partner.

Based on the current working capital forecast which includes the recent placing, the Group has sufficient funds in order to allow it to continue in production and implement planned project development and any upgrades. However, if there are delays in procuring orders, then the Group may require additional funds within twelve months of the date of approval of these financial statements. The ability of the Group to raise additional funds is dependent upon investor appetite.

Expenditure on excavation is related to the level of orders and both head office costs and Tanzanian administration costs can be reduced if the additional funds cannot be raised and the Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EDENVILLE ENERGY PLC FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of Edenville Energy Plc (the 'parent Company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated and Parent Company Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent Company's affairs as at 31 December 2020 and of the group's and parent Company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent Company's ability to continue to adopt the going concern basis of accounting included review of management's cashflow forecasts to June 2022. The audit team have assessed the current cash balances at the date of this report and challenged assumptions in the forecasts provided to reasonably conclude that the group has sufficient funds in order to meet its committed liabilities for the foreseeable future. This is mainly as a result of significant funds raised subsequent to the year end.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Emphasis of matter –recoverability of value added tax

We draw your attention to Note 4 of the financial statements, which describes the group's assessment over the VAT receivable balance of £292,754 in Tanzania. The group have explained their assessment over the recoverability within critical accounting estimates and conclude this to be recoverable. The financial statements do not include the adjustments that would result if the group was unable to fully recover this.

Our opinion is not modified in this respect.

Emphasis of matter – recoverability of inventory

We draw your attention to Note 4 of the financial statements, which describes the group's assessment over the inventory balance of £247,538 in Tanzania. The group have explained their assessment over the recoverability within the critical accounting estimates and conclude this to be recoverable. The financial statements do not include the adjustment that would result if the group was unable to fully recover this.

Our opinion is not modified in this respect.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. The materiality applied to the financial statements as a whole was determined as follows:

	2020	**2019**	**Basis for materiality**
Group	*£67,250*	*£77,000*	*1% of gross assets*

In our professional judgement, we consider gross assets to be the principal benchmark relevant to members of the mining group, in assessing financial position and performance. Our calculated materiality levels were discussed and agreed with the audit committee.

Whilst materiality for the group financial statements as a whole was £67,250, each significant component of the group was audited to a level of materiality ranging between £37,100 - £63,800. The materiality for the financial statements as a whole applied to the parent Company financial statements was £37,100 (2019: £47,500). The performance materiality for the group was £40,350 (2019: £46,200) or 60% which is consistent with the previous year and falls within the firm's guidance for a medium risk listed audit Our assessment as a medium risk is based on a combination of the parent Company being listed (higher risk) and the operations of the Group being in Tanzania having only one resource and not being too complex. The performance materiality for the parent Company was £22,260 (2019: £28,500).

We agreed with the audit committee that we would report all individual audit differences identified during the course of our audit in excess of £3,363 (2019: £3,850), in addition to other audit misstatements below that threshold that we believe warrant reporting on qualitative grounds.

Our approach to the audit

In designing our audit approach, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular we assessed the areas involving significant accounting estimates and judgements by the directors in respect of the carrying value of the mining assets and carrying values of the Company's investments in and loans to subsidiaries and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluation whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Of the four components of the group, a full scope audit was performed on the complete financial information of the parent and its Tanzanian subsidiary that owns the asset.,Thehe remaining components were subject to analytical review only because they were not significant to the group.

Of the two reporting components of the group, one is located in Tanzania and audited by a component auditor operating under our instructions, and the audit of the remaining components were performed in London, conducted by PKF Littlejohn LLP using a team with specific experience of auditing mining entities and publicly listed entities. The Senior Statutory Auditor interacted regularly with the component audit teams during all stages of the audit and was responsible for the scope and direction of the audit process. This, in conjunction with additional procedures performed, gave us appropriate evidence for our opinion on the group and parent Company financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our scope addressed these matters
Carrying value mining assets (Note 15)	
The entity has capitalised mining assets of £5,058,177. Management is required to assess whether there is any indication of impairment of these assets. **The significance of the intangible non-current assets on the group's statement of financial position and the significant management judgement involved in the determination and the assessment of the carrying values of these assets there is increased risk of material misstatement or that the values will not be recovered.**	Our work in this area included but was not limited to: ▪ Testing an appropriate sample of movements during the year to supporting documentation; ▪ Ensuring the reasonableness of the capitalization of the new additions; ▪ Considering whether there were indicators of impairment of the mining assets such as expiring concessions, licenses or rights, projections of declining coal prices and/or declining demand and projections of increased future capital costs or operating costs; ▪ Reviewing management's assessment of the impairment of mining assets and challenging their key assumptions and estimates used as a basis to value the intangible assets. In addition, reviewing the financial statements of the joint operator; and In forming our opinion, which is not modified, our work indicated that the value of mining assets are fairly stated in the financial statements, but that the

<table>
<tr><td></td><td>future carrying value of these mining assets are dependent on the ability of the group to sign a significant long term contract with a few customers in the short to medium term. We note that the group are in advanced discussions with a couple of prospective clients and subject to the success of the trial shipments may lead to significant contracts being signed. This will enable the group to invest substantially in production to increase its revenue and generate profits and or returns to cover its investment in the asset. The financial statements do not include the adjustments that would result if the group was unsuccessful in obtaining a significant contracts.</td></tr>
<tr><td>Valuation of the parent Company’s investment in and loans to subsidiaries (Note 14)</td><td></td></tr>
<tr><td>The parent Company owns a significant investment in Edenville International (Tanzania) Limited of £16,561,617 which includes loans to the subsidiary of £9,518,305.

The value of the investment is linked to the value of the assets held in Edenville International (Tanzania) Limited. There is a risk that the value in use is below the carrying value of the investment and thus the amounts reported are materially misstated.</td><td>Our work in this area included:
Reviewing the valuation methodology for the investment held and ensuring that the carrying values were supported by sufficient and appropriate audit evidence.
Ensuring that all asset types were categorised according to the financial reporting framework, including the associated disclosures.
Ensuring the parent Company has full title to the investments held;
Ensuring that appropriate disclosures surrounding the estimates, including a review of how these estimates were arrived at, are made in respect of any valuations are included in the financial statements.
We note that the loan will soon be converted into equity.

In forming our opinion, which is not modified, our work indicated that the value of its investment and loans (soon to be converted into equity) are fairly stated in the financial statements, but that the recoverability is dependent on the ability of the subsidiary to sign up significant contracts with local customers to substantially increase its revenue and ultimately returns over the medium term. The financial statements do not include the adjustments</td></tr>
</table>

	that would result if the subsidiary was unsuccessful in obtaining a significant contracts.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

In preparing the group and parent Company financial statements, the directors are responsible for assessing the group and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent Company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EDENVILLE ENERGY PLC FOR THE YEAR ENDED 31 DECEMBER 2020

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the group and parent Company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding of the group and parent Company and sector in which they operate to identify laws and regulations that would reasonably be expected to have a direct effect on the financial statements. We obtained an understanding in this regard through discussions with management and the application of our cumulative audit knowledge and experience of this sector.
- We determined the principal laws and regulations relevant to the group and parent Company in this regard to be those arising from the Companies Act 2006, AIM rules and mining regulations applicable to the subsidiaries.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent Company with those laws and regulations.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, including the potential for management bias identified in relation to the valuation of investments and impairment of goodwill and we addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; enquiries of management, review of minutes and RNS announcements, reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- At a significant component level, we engaged with the component auditors to ensure that they had conducted an extensive review into whether the operating subsidiary was fully compliant with laws and regulations at a local level, and reviewed their work conducted into the posting of journal entries to ensure there were no instances of fraud detected at a local level.

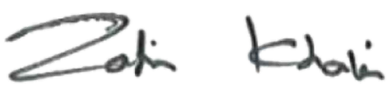
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EDENVILLE ENERGY PLC FOR THE YEAR ENDED 31 DECEMBER 2020

Use of our report

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



Zahir Khaki (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

28 June 2021

EDENVILLE ENERGY PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 (restated) £
Revenue	5	33,852	233,414
Cost of sales		(583,876)	(1,005,480)
Gross loss		(550,024)	(772,066)
Administration expenses	6	(529,632)	(887,555)
Share based payments	27	(50,398)	(16,077)
Group operating loss		(1,130,054)	(1,675,698)
Finance income	10	112	113
Finance costs	11	(111,503)	(170,537)
Loss on operations before taxation		(1,241,445)	(11,846,122)
Income tax	12	-	-
Loss for the year		(1,241,445)	(1,846,122)
Attributable to:			
Equity holders of the Company		(1,239,553)	(1,843,654)
Non-controlling interest		(1,892)	(2,468)
Other comprehensive loss			
Item that will or may be reclassified to the profit and loss:			
(Loss/)gain on translation of overseas subsidiary		(209,935)	(235,431)
Total comprehensive loss for the year		(1,445,380)	(2,081,553)
Attributable to:			
Equity holders of the Company		(1,443,488)	(2,079,085)
Non-controlling interest		(1,892)	(2,468)
Earnings per Share (pence)			
Basic and diluted loss per share	13	(0.02)	(0.05)

All operating income and operating gains and losses relate to continuing activities.

No separate statement of comprehensive income is provided as all income and expenditure is disclosed above.

EDENVILLE ENERGY PLC

GROUP AND COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

Company Registered Number 05292528	**Note**	**Group**			**Company**
		31 December 2020	**31 December 2019(restated)**	**31 December 2020**	**31 December 2019**
		£	**£**	**£**	**£**
Non-current assets					
Investment in subsidiaries	14	-	-	16,561,617	16,160,713
Property, plant and equipment	15	5,644,577	6,085,403	1,334	1,778
Intangible assets	16	311,032	321,368	-	-
		5,955,609	6,406,771	16,562,951	16,162,491
Current assets					
Inventories	17	251,736	247,538	-	-
Trade and other receivables	18	301,251	365,541	8,499	48,412
Cash and cash equivalents	19	25,690	41,110	25,628	40,845
		578,677	654,189	34,127	89,257
Current liabilities					
Trade and other payables	20	(685,809)	(897,122)	(213,559)	(479,244)
Borrowings	21	(440,831)	(504,444)	(416,142)	(481,581)
		(1,126,640)	(1,401,566)	(629,701)	(960,825)
Current assets less current liabilities		(547,963)	(747,377)	(595,574)	(871,568)
Total assets less current liabilities		5,407,646	5,659,394	15,967,377	15,290,923
Non-current liabilities					
Borrowings	21	(39,873)	(185,599)	(16,084)	(141,463)
Environmental rehabilitation liability	22	(21,912)			
		5,345,861	5,473,795	15,951,293	15,149,460
Equity					
Called-up share capital	23	4,041,601	3,414,935	4,041,601	3,414,935
Share premium account		19,390,849	18,811,157	19,390,849	18,811,157
Share option reserve		301,174	281,502	301,174	281,502
Foreign currency translation reserve		494,130	698,065	-	-
Retained earnings		(18,866,991)	(17,718,347)	(7,782,331)	(7,358,134)
Attributable to the equity shareholders of the Company		5,360,763	5,487,312	15,951,293	15,149,460
Non- controlling interests		(14,902)	(13,517)		
Total equity		5,345,861	5,473,795	15,951,293	15,149,460

The financial statements were approved by the board of directors and authorised for issue on 28 June 2021 and signed on its behalf by:

Alistair Muir

Alistair Muir, Director

EDENVILLE ENERGY PLC

GROUP STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2020

GROUP

	Equity Interests							
	Share Capital	**Share Premium**	**Retained Earnings Account**	**Share Option Reserve**	**Foreign Currency Translation Reserve**	**Total**	**Non-controlling interest**	**Total**
	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**
At 1 January 2019	2,722,036	18,566,642	(15,884,731)	275,463	933,496	6,612,906	(11,508)	6,601,398
Issue of share capital	692,899	244,515	-	-	-	937,414	-	937,414
Share options/warrants charge	-	-	-	16,077	-	16,077	-	16,077
Cancellation of share options	-	-	10,038	(10,038)	-	-	-	-
Foreign currency translation	-	-	-	-	(235,431)	(235,431)	-	(235,431)
Loss for the year	-	-	(1,843,654)	-	-	(1,843,654)	(2,468)	(1,846,122)
Non- controlling interest share of goodwill	-	-	-	-	-	-	459	459
At 31 December 2019	3,414,935	18,811,157	(17,718,347)	281,502	698,065	5,487,312	(13,517)	5,473,795
Issue of share capital	626,666	648,334	-	-	-	1,275,000	-	1,275,000
Share issue costs	-	(68,642)	-	-	-	(68,642)	-	(68,642)
Share option/warrants charge	-	-	-	110,581	-	110,581	-	110,581
Cancellation of share options	-	-	90,909	(90,909)	-	-	-	-
Foreign currency translation	-	-	-	-	(203,935)	(203,935)	-	(203,935)
Loss for the year	-	-	(1,239,553)	-	-	(1,239,553)	(1,892)	(1,241,445)
Non- controlling interest share of goodwill	-	-	-	-	-	-	507	507
At 31 December 2020	4,041,601	19,390,849	(18,866,991)	301,174	494,130	5,360,763	(14,902)	5,345,861

EDENVILLE ENERGY PLC

GROUP STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2020

COMPANY

	Share Capital £	Share Premium £	Retained Earnings Account £	Share Option Reserve £	Total £
At 1 January 2019	2,722,036	18,566,642	(6,508,311)	275,463	15,055,830
Issue of share capital	692,899	244,515	-	-	937,414
Share option/warrants charge	-	-	-	16,077	16,077
Cancellation of share options	-	-	10,038	(10,038)	-
Total comprehensive loss for the year	-	-	(859,861)	-	(859,861)
At 31 December 2019	3,414,935	18,811,157	(7,358,134)	281,502	15,149,460
Issue of share capital	626,666	648,334	-	-	1,275,000
Share issue costs	-	(68,642)	-	-	(68,642)
Share option/warrants charge	-	-	-	110,581	110,581
Cancellation of share options	-	-	90,909	(90,909)	-
Total comprehensive loss for the year	-	-	(515,106)	-	(515,106)
At 31 December 2020	4,041,601	19,390,849	(7,782,331)	301,174	15,941,559

GROUP AND COMPANY CASH FLOW STATEMENTS
YEAR ENDED 31 DECEMBER 2020

	Note	Group Year ended 31 December 2020 £	Group Year ended 31 December 2019 (restated) £	Company Year ended 31 December 2020 £	Company Year ended 31 December 2019 £
Cash flows from operating activities					
Operating loss		(1,130,054)	(1,675,698)	(515,218)	(859,974)
Depreciation		277,921	261,638	445	593
Interest paid		(351)	(23,000)	100,090	144,824
Expected credit losses		-	26,804	-	-
Share based payments		50,398	16,077	50,398	16,077
(Increase)/decrease in inventories		(4,198)	8,544	-	-
Increase in trade and other receivables		54,984	26,741	39,912	(29,858)
(Decrease)/Increase in trade and other payables		(116,836)	476,883	(189,149)	351,132
Foreign exchange differences		(34,521)	(32,194)	(10,482)	(13,331)
Net cash outflow from operating activities		(902,657)	(914,205)	(524,004)	(390,537)
Cash flows from investing activities					
Capital introduced to subsidiaries		-	-	(400,904)	(547,984)
Purchase of property, plant and equipment		-	(33,559)	-	-
Finance income		112	113	112	113
Net cash used in investing activities		112	(33,446)	(400,792)	(547,871)
Cash flows from financing activities					
Borrowings		180,000	100,000	180,000	100,000
Repayment of convertible loan notes		(160,421)	(198,644)	(160,421)	(198,644)
Repayment of lease liabilities		(17,404)	(7,328)	-	-
Lease interest		(5,059)	(2,711)	-	-
Proceeds from issue of ordinary shares		950,000	937,414	950,000	937,414
Share issue costs		(60,000)	-	(60,000)	-
Net cash inflow from financing activities		887,116	828,731	909,579	838,770
Net decrease in cash and cash equivalents		(15,429)	(118,920)	(15,217)	(99,638)
Cash and cash equivalents at beginning of year		41,110	160,042	40,845	140,483
Effect of foreign exchange rate changes on cash and cash equivalents		9	(12)	-	-
Cash and cash equivalents at end of year	19	25,690	41,110	25,628	40,845

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

1. General Information

Edenville Energy Plc is a public limited Company incorporated in England and Wales. The address of the registered office is Aston House, Cornwall Avenue, London, N3 1LF. The Company's shares are listed on AIM, a market operated by the London Stock Exchange.

The principal activity of the Group is the exploration, development and mining of energy commodities predominantly coal in Africa.

2. Group Accounting Policies

Basis of preparation and statement of compliance

The Group's and Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IFRIC Interpretations and the parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Group's financial statements have also been prepared under the historical cost convention, except for the measurement to fair value of assets and financial instruments as described in the accounting policies set out below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's financial statements are disclosed in Note 4 of the 2020 Annual Report.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the Parent Company Income Statement. The loss after tax for the Parent Company for the year was £515,106 (2019: £859,861

Going concern

At 31 December 2020 the Group had cash balances totalling £25,690.

During the countrywide lockdown during the second quarter the Company was forced to suspend mine operations, leaving just a skeleton security force at the site. The pandemic also caused a delay in finalizing and implementing all agreements with our strategic partnership. The third quarter saw a recommencement of mining, processing and sales of coal from Rukwa all be it at a reduced level and also the signing of the intended three related agreements with the strategic partner, designed to address mining, sales and the Company's capital position.

This reduced demand has continued to the middle of 2021 and only recently May/June 2021 has there been a return of consumers to the market. This has been significantly aided not only by the receding of the pandemic but by a change of sentiment in the county brought about by the appointment of the new President. Because of this ongoing situation the contracts with the strategic partner have not yet been implemented with EITL aiming to establish production of 3000 tonnes per month before it re-engages with the strategic partner.

On 15 January 2021 the Company raised £900,000 before expenses by way of placing 3,600,000 ordinary shares of 1p each. The Company also agreed repayment terms with Lind Partners LLC whereby it agreed to repay 20% of the outstanding debt by 31 January 2021 with the balance to be paid in monthly instalments from the end of April 2021. Lind Partners LLC also agreed that no further interest is to be charged on the outstanding balance.

On 5 May 2021 the Company raised £2,475,000 before expenses by way of placing 9,900,000 new ordinary shares of 1p each in the Company at a placing price of 25p per ordinary share.

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2. Group Accounting Policies (continued)

The Group meets its day to day working capital requirements through the sale of its coal resource, and monies raised in follow-on offerings. The Group's forecasts and projections indicate that the Group has sufficient cash reserves to operate within the level of its current facilities. These forecasts are based upon expected saleable levels of production.

Expenditure on excavation is related to the level of orders and both head office costs and Tanzanian administration costs can be reduced if it is found that order levels together with available cash resources are insufficient to meet the Group's working capital needs.

Whilst it is the Group's intention to rely on the available cash reserves, future income generated and if required reductions in its cost base, a negative variance in the forecasts and projections would make the Group's ability to continue as a going concern dependent on an additional fund raise. If the Group's forecasts are not achieved, the Directors would seek to raise the additional funds through equity issues which would be dependent upon investor appetite. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. This is mainly as a result of the significant funds raised after the year end which is sufficient to cover their working capital needs over the next 12 months from the date these financial statements have been approved.

Adoption of new and revised standards and changes in accounting policies

There were no new standards or interpretations impacting the Group that will be adopted in the annual financial statements for the year ended 31 December 2020, and which have given rise to changes in the Group's accounting policies.

Standards and interpretations in issue but not yet effective or not yet relevant

At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

		Effect annual periods beginning before or after
IFRS 3	amendments updating a reference to the Conceptual Framework	1st January 2022
IFRS 4, 7,9,16 IAS 39	amendments regarding replacement issues in the context of the IBOR reform	1st January 2021
IFRS 9	Amendments resulting from the annual improvements to IDRS Standards 2018-2020 (fees in the '10 per cent' test for derecognition of financial liabilities)	1st January 2022
IFRS 17	Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published	1st January 2023
IAS 1	Amendments to defer the effective date of January 2020 amendments Amendments regarding the disclosure of accounting policies	1st January 2023
IAS 8	amendments regarding the definition of accounting estimates	1st January 2023
IAS 16	Amendments prohibiting a Company from deducting from the cost of property, plant and equipment amounts received from selling items while the Company is preparing the asset for its intended use	1st January 2022
IAS 37	Amendments regarding the costs to include when assessing whether a contract is onerous	1st January 2022

2. Group Accounting Policies (continued)

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the Group's financial statements.

Share based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement of employees to save).

Assumptions about the number of options that are expected to vest include consideration of non-market vesting conditions. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Basis of consolidation

The Group's financial statements consolidate the financial statements of Edenville Energy Plc and all its subsidiary undertakings (Edenville International (Seychelles) Limited, Edenville International (Tanzania) Limited and Edenville Power (TZ) Limited) made up to 31 December 2020. Profits and losses on intra-group transactions are eliminated on consolidation.

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

Business combinations

The Group adopts the acquisition method in accounting for the acquisition of subsidiaries. On acquisition the cost is measured at the fair value of the assets given, plus equity instruments issued and liabilities incurred or assumed at the date of exchange. The assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the date of acquisition. Any excess of the fair value of the consideration over the fair value of the identifiable net assets acquired is recorded as goodwill.

Any deficiency of the fair value of the consideration below the fair value of identifiable net assets acquired is credited to the income statement in the period of the acquisition.

The results of subsidiary undertakings acquired or disposed of during the year are included in the group statement of comprehensive income statement from the effective date of acquisition or up to the effective date of disposal.

2. Group Accounting Policies (continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. Inter-company transactions and balances between group companies are eliminated.

Revenue recognition

consideration received or receivable, and represent amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. Under IFRS 15 there is a five-step approach to revenue recognition which is adopted across all revenue streams. The process is:

Step 1: Identify the contract(s) with a customer;
Step 2: Identify the performance obligations in the contract;
Step 3: Determine the transaction price;
Step 4: Allocate the transaction price to the performance obligations in the contract; and
Step 5: Recognise revenue as and when the entity satisfies the performance obligation.

The Group has one revenue stream being the sale of coal and other aggregate bi-products produced by the Group. Sales are predominantly made at the Group's premises as customers collect their quantities from the mine. Such revenue is recognised at the point of contact at a pre-agreed fixed price on a per tonnage basis. For deliveries made to customer premises, revenue is recognised at the point of which the products leave the Group's premises

Presentational and functional currency

This financial information is presented in pounds sterling, which is the Group's functional currency.

In preparing the financial statements of individual entities, transaction in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in pounds sterling using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rate for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such translation differences are recognised in the income statement in the period in which the foreign operation is disposed.

Financial instruments

Financial assets

Financial assets comprise investments, cash and cash equivalents and receivables. Unless otherwise indicated, the carrying amounts of the Group's financial assets are a reasonable approximation of their fair values.

Classification and measurement

The Group classifies its financial assets into the following categories: those to be measured subsequently at fair value (either through other comprehensive income (FVOCI) or through the income statement (FVPL) and those to be held at amortised cost.

2. Group Accounting Policies (continued)

Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of financial assets at initial recognition. The Group's policy with regard to financial risk management is set out in note 3. Generally, the group does not acquire financial assets for the purpose of selling in the short term.

The group's business model is primarily that of "hold to collect" (where assets are held in order to collect contractual cash flows). When the group enters into derivative contracts, these transactions are designed to reduce exposures relating to assets and liabilities, firm commitments or anticipated transactions.

Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Financial Assets held at fair value through other comprehensive income (FVOCI)

The classification applies to the following financial assets:

- Debt instruments that are held under a business model where they are held for the collection of contractual cash flows and also for sale ("collect and sale") and which have cash flows that meet the SPPI criteria. An example would be where trade receivable invoices for certain customers were factored from time to time. All movements in the fair value of these financial assets are taken through comprehensive income, except for the recognition of impairment gains and losses, interest revenue (including transaction costs by applying the effective interest method), gains or losses arising on derecognition and foreign exchange gains and losses which are recognised in the income statement. When the financial asset is derecognised, the cumulative fair value gain or loss previously recognised in other comprehensive income is reclassified to the income statement.

2. Group Accounting Policies (continued)

- Equity investments where the group has irrevocably elected to present fair value gains and losses on revaluation of such equity investments, including any foreign exchange component, are recognised in other comprehensive income.

- When equity investment is derecognised, there is no reclassification of fair value gains or losses previously recognised in other comprehensive income to the income statement. Dividends are recognised in the income statement when the right to receive payment is established.

Financial Assets held at fair value through profit or loss (FVPL)

The classification applies to the following financial assets. In all cases, transaction costs are immediately expensed to the income statement.

- Debt instruments that do not meet the criteria of amortised costs or fair value through other comprehensive income.

- Equity investments which are held for trading or where the FVOCI election has not been applied. All fair value gains or losses and related dividend income are recognised in the income statement.
- Derivatives which are not designated as a hedging instrument. All subsequent fair value gains or losses are recognised in the income statement.

Derecognition

The Group 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 entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss and other comprehensive income.

2. Group Accounting Policies (continued)

Trade and other payables
After initial recognition, trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

Derecognition
A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit and loss or other liabilities, as appropriate.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined using the average costing method. Components of inventories consist of coal, parts and supplies, net of allowance for obsolescence. Coal inventories represent coal contained in stockpiles, coal that has been mined and hauled to the wash plant (raw coal) for processing and coal that has been processed (crushed, washed and sized) and stockpiled for shipment to customers.

The cost of raw and prepared coal comprises extraction costs, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

The Company performs inventory obsolescence at each reporting date. In determining whether inventories are obsolete, the Company assesses the age at which inventories held in the store in order to make an assessment of the inventory write down to net realisable value.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand, demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

Convertible loan notes
The convertible loan notes issued by the Company are classified separately as financial liabilities in accordance with the substance of contractual arrangements. The convertible loan note ("CLN") is a compound financial instrument that cannot be converted to share capital at the option of the holder. As the CLN, and the accrued interest, can only be repaid as a loan, it has been recognised within liabilities. Interest is accounted for on an accruals basis and charged to the Consolidated Income Statement and added to the carrying amount of the liability component of the CLN.

2. Group Accounting Policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost on acquisition less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all property, plant and equipment categories at rates calculated to write off the cost, less estimated residual value on a reducing balance basis over their expected useful economic life. The depreciation rates are as follows:

	Basis of depreciation
Fixtures, fittings and equipment	25% reducing balance
Plant and machinery	5 years straight line or 25% reducing balance
Office equipment	25% reducing balance
Motor vehicles	25% reducing balance

Costs capitalised include the purchase price of an asset and any costs directly attributable to bringing it into working condition for its intended use.

Production assets

Coal land, mine development costs, which include directly attributable construction overheads, land and coal rights are recorded at cost. Coal land and mine development are depleted and amortised, respectively, using the units of production method, based on estimated recoverable tonnage. The depletion of coal rights and depreciation of restoration costs are expensed by reference to the estimated amount of coal to be recovered over the expected life of the operation.

Coal Mine Reclamation Costs

Future cost requirements for land reclamation are estimated where surface operations have been conducted, based on the Group's interpretation of the technical standards of regulations enacted by the Government of Tanzania. These costs relate to reclaiming the pit and support acreage at surface mines and sealing portals at deep mines. Other costs include reclaiming refuse and slurry ponds as well as related termination/exit costs.

The Group records asset retirement obligations that result from the acquisition, construction or operation of long-lived assets at fair value when the liability is incurred. Upon the initial recognition of a liability, that cost is capitalised as part of the related long-lived asset and expensed over the useful life of the asset. The asset retirement costs are recorded in Land, Coal Rights and Restoration Costs.

The Group expenses reclamation costs prior to the mine closure. The establishment of the end of mine reclamation and closure liability is based upon permit requirements and requires significant estimates and assumptions, principally associated with regulatory requirements, costs and recoverable coal lands. Annually, the end of mine reclamation and closure liability is reviewed and necessary adjustments are made, including adjustments due to mine plan and permit changes and revisions of cost and production levels to optimize mining and reclamation efficiency. The amount of such adjustments is reflected in the year end reclamation provision calculation.

2. Group Accounting Policies (continued)

Stripping (waste removal) costs

As part of its mining operations, the Group incurs stripping (waste removal) costs both during the production phase of its operations. Stripping activities undertaken during the production phase of a surface mine (production stripping) are accounted for as set out below.

After the commencement of production, further development of the mine may require a phase of unusually high stripping that is similar in nature to development phase stripping. The cost of such stripping is accounted for in the same way as development stripping (as outlined above). Production stripping is generally considered to create two benefits, being either the production of inventory or improved access to the ore to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories.

Where the benefits are realised in the form of improved access to ore to be mined in the future, the costs are recognised as a non-current asset, referred to as a 'stripping activity asset', if the following criteria are met:

a) Future economic benefits (being improved access to the ore body) are probable;

b) The component of the ore body for which access will be improved can be accurately identified; and

c) The costs associated with the improved access can be reliably measured

If any of the criteria are not met, the production stripping costs are charged to profit or loss as operating costs as they are incurred.

In identifying components of the ore body, the Group works closely with the mining operations personnel for each mining operation to analyse each of the mine plans. Generally, a component will be a subset of the total ore body, and a mine may have several components. The mine plans, and therefore the identification of components, can vary between mines for a number of reasons. These include, but are not limited to: the type of commodity, the geological characteristics of the ore body, the geographical location, and/or financial considerations.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore, plus an allocation of directly attributable overhead costs. If incidental operations are occurring at the same time as the production stripping activity, but are not necessary for the production stripping activity to continue as planned, these costs are not included in the cost of the stripping activity asset.

If the costs of the inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. This production measure is calculated for the identified component of the ore body and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place. The Group uses the expected volume of waste extracted compared with the actual volume for a given volume of ore production of each component.

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is presented as part of 'Intangible assets' in the statement of financial position. This forms part of the total investment

Finance costs

Finance costs of debt, including premiums payable on settlement and direct issue costs are charged to the income statement on an accruals basis over the term of the instrument, using the effective interest method.

2. Group Accounting Policies (continued)

Income taxation

The taxation charge represents the sum of current tax and deferred tax.

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

Deferred taxation

Deferred tax is recognised, using the liability method, in respect of temporary differences between the carrying amount of the Group's assets and liabilities and their tax base. Deferred tax liabilities are offset against deferred tax assets within the same taxable entity or qualifying local tax group. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits, within the same jurisdiction, in the foreseeable future against which the deductible temporary difference can be utilised. Deferred tax is determined using tax rates that are expected to apply in the periods in which the asset is realised or liability settled, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is recognised in the income statement, except when the tax relates to items charged or credited directly in equity, in which case the tax is also recognised in equity.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

Intangible assets

Intangible assets arose as a result of the valuation placed on the original six Tanzanian licences acquired on the acquisition of Edenville (Tanzania) Limited. The allocation price was based on the price paid to acquire these the Group's licences. The licences are amortised over the life of the production asset using rates of depletion.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief executive officer.

The Board considers that the Group's project activity constitutes one operating and reporting segment, as defined under IFRS 8.

The total profit measures are operating profit and profit for the year, both disclosed on the face of the combined income statement.

2. Group Accounting Policies (continued)

Share Capital

The Group's ordinary shares are classified as equity instruments.

Prior year restatement

Following the adoption of IFRS 16 in the prior year, Mining licences were incorrectly capitalised as these fall outside the scope of the standard. Due to the material nature of these entries, a prior year adjustment has been made to correct the error, and the previous year's figures have been restated as a result. For details see Note 32

3. Financial risk management

Fair value estimation

The carrying value less impairment provision of trade receivables and payables is assumed to approximate their fair values, due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

4. Critical accounting estimates and areas of judgement

The Group makes estimates and assumptions concerning the future, which by definition will seldom result in actual results that match the accounting estimate. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are those in relation to:

- the impairment of coal production assets and intangible assets;
- share based payments
- Valuation of provision for restoration costs
- Recoverability of VAT balance

Impairment – coal production assets and intangible assets (notes 15 and 16)

The Group is required to perform an impairment review, on coal production assets, for each CGU to which the asset relates. Impairment review is also required to be performed on other intangible assets when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. The recoverable amount is based upon the Directors' judgements and are dependent upon the ability of the Company to obtain necessary financing to complete the development and future profitable production or proceeds from the disposal, at which point the value is estimated based upon the present value of the discounted future cash flows.

In assessing whether an impairment is required for the carrying value of an asset, its carrying value is compared with its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Given the nature of the Group's activities, information on the fair value of an asset is usually difficult to obtain unless negotiations with

4. Critical accounting estimates and areas of judgement (continued)

potential purchasers or similar transactions are taking place. Consequently, unless indicated otherwise, the recoverable amount used in assessing the impairment charges described below is value in use.

The calculation of value in use is most sensitive to the following assumptions:

- Production volumes
- Sales volumes
- Discount rates
- Coal prices
- Operating overheads
- Inventory

Estimated production volumes are based on the production capability of the plant and estimated customer demand.

The Group generally estimates value in use using a discounted cash flow model. The future cash flows are adjusted for risks specific to the asset and discounted using a pre-tax discount rate of 10%. The Directors believe this rate to be appropriate as this is in line with the borrowing rates the Group are expected to receive if they were to obtain significant long term finance based on discussions between the Directors and prospective parties. The Directors acknowledge that the Group does have small short term finance arrangements which attract a higher rate but have chosen not to use these rates as they would not be financing the production asset using short term borrowing facilities. These short term loans were needed mostly for working capital needs and most have been paid off in 2021.

The directors have assessed the value of exploration and evaluation expenditure and development assets and intangible assets. In their opinion there has been no impairment loss to these intangible assets in the period, other than the amounts charged to the income statement.

Share based payments (note 28)

The estimate of share based payments costs requires management to select an appropriate valuation model and make decisions about various inputs into the model including the volatility of its own share price, the probable life of the options, the vesting date of options where non-market performance conditions have been set and the risk free interest rate.

Valuation of provision for restoration costs (note 15)

The Company makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities. The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred in the future, which is when the producing mine properties are expected to cease operations. These provisions have been created based on the Company's internal estimates and a third party estimate from an independent consultant. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in turn, will depend upon future coal prices, which are inherently uncertain.

Management increases reclamation costs estimates at an annual inflation rate to the anticipated future mine closure date. This inflation rate is based on the historical rate for the industry for a comparable.

Due to limited mining activity to date, management have assessed the liability to be $29,907 which has not been adjusted for as it is immaterial.

Recoverability of VAT receivable (note 18)

The group considers the recoverability of the VAT balance in Tanzania to be a key area of judgement, as the VAT can only be claimed backed when the Company turns profitable. The directors believe that the debtor is recoverable based on their knowledge of the market in Tanzania.

4. Critical accounting estimates and areas of judgement (continued)

Recoverability of Inventory (Note 18)

The group considers the recoverability of the inventory to be a key area of judgement, and this is held at its realisable value. The directors believe the inventory to be in good condition and the main reason why the stock has remained high in the last two years is mainly because of the Covid-19 impact which necessitated the closure of the mine. The mine has now fully reopened in May 2021 and the directors are taking making concerted efforts to sell this excess stock. They have recently identified key customers and have sold 1,000 tonnes in June 2021 with an expected commitment to purchase at a rate of 1,200 tonnes per month thereafter. They are optimistic that the remainder of the stock will be sold over the next 1-3 years on the presumption that one of the key customers will sign a long term contract. As a result of this, they have concluded no impairment is required at this stage, based on the directors' judgement of the local market and estimates regarding the timeframe in which the goods can be sold.

5. Segmental information

The Board considers the business to have one reportable segment being Coal production assets.

Other represents unallocated expenses and assets held by the head office. Unallocated assets primarily consist of cash and cash equivalents.

	Coal Production Assets		
2020	**Coal**	**Other**	**Total**
Consolidated Income Statement	**£**	**£**	**£**
Revenue - Tanzania	33,030	-	33,030
Revenue - other	822	-	822
Cost of sales (excluding depreciation and amortisation)	(349,121)	-	(349,121)
Depreciation	(209,208)	-	(209,208)
Depletion of development assets	(25,547)	-	(25,547)
Gross profit	(550,024)	-	(550,024)
Administrative expenses	(122,780)	(363,685)	(486,465)
Share based payment	-	(50,398)	(50,398)
Depreciation	(42,722)	(445)	(43,167)
Group operating loss	(715,526)	(414,528)	(1,130,054)
Finance income	-	112	112
Finance cost	(10,812)	(100,691)	(111,503)
Loss on operations before taxation	(726,338)	(515,107)	(1,241,445)
Income tax	-	-	
Loss for the year	(726,338)	(515,107)	(1,241,445)

5. Segmental information (continued)

	Coal Production Assets		
2019	**Coal**	**Other**	**Total**
Consolidated Income Statement	**£**	**£**	**£**
Revenue - Tanzania	218,953	-	218,953
Revenue - other	14,461		14,461
Cost of sales (excluding depreciation and amortisation)	(805,059)	-	(805,059)
Depreciation	(173,073)	-	(173,073)
Depletion of development assets	(27,348)	-	(27,348)
Gross profit	(772,066)	-	(772,066)
Administrative expenses	(150,859)	(675,480)	(826,339)
Share based payment	-	(16,077)	(16,077)
Depreciation	(60,624)	(593)	(61,217)
Group operating loss	(983,549)	(692,150)	(1,675,699)
Finance income	-	113	113
Finance cost	(2,711)	(167,825)	(170,536)
Loss on operations before taxation	(986,260)	(859,862)	(1,846,122)
Income tax	-	-	-
Loss for the year	(986,260)	(859,862)	(1,846,122)

By Business Segment	**Carrying value of segment assets**		**Additions to non-current assets and intangibles**		**Total liabilities**	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
	£	**£**	**£**	**£**	**£**	**£**
Coal	6,498,828	6,969,925	17,788	106,509	548,980	491,219
Other	35,458	91,035	-	-	639,445	1,095,946
	6,534,286	7,060,960	17,788	106,509	1,188,425	1,587,165

By Geographical Area						
	£	**£**	**£**	**£**	**£**	**£**
Africa (Tanzania)	6,498,828	6,969,925	17,788	106,509	548,980	491,219
Europe	35,458	91,035	-	-	639,445	1,095,946
	6,534,286	7,060,960	17,788	106,509	1,188,425	1,587,165

5. Segmental information (continued)

Information about major customers

Included in revenues arising from the sale of coal are revenues which arose from sales to the Group's largest customers based in Tanzania. No other customers contributed 10% or more to the Group's revenue in either 2020 or 2019.

	2020	2019
	£	£
Customer 1	31,386	149,236
Customer 2	-	39,399
Customer 3	-	25,014
	31,386	213,649

6. Expenses by nature

	2020	2019
	£	£
		(restated)
Staff costs	235,557	198,793
Audit fees	38,019	34,850
Office and other administrative services	70,257	60,445
AIM related costs including investor relations	3,220	37,097
Professional, legal and consultancy fees	113,110	418,681
Travel, entertaining and subsistence	7,906	16,456
Exchange gain	(10,482)	(13,584)
Depreciation	43,167	61,217
Provisions and expected credit losses	1,929	45,332
Other costs	26,949	28,268
	529,632	887,555

7. Auditors' remuneration

	2020	2019
	£	£
Fees payable to the Company's auditor for the audit of the parent Company and consolidated accounts	40,000	34,850

8. Employees

	Group 2020 £	2019 £	2020 £	Company 2019 £
Wages and salaries	325,009	336,448	179,250	128,202
Social security costs	20,781	47,499	-	5,912
Pensions	10,071	40,226	303	741
	355,861	424,173	179,553	134,855

Included within Development expenditure/Exploration and evaluation assets (note 15) are capitalised wages and salary costs of £225,891 (2019: £233,397).

The average number of employees and directors during the year was as follows:

	Group 2020	2019	2020	Company 2019
Administration	11	12	3	3
Mining , plant processing and security	29	35	-	-
	40	47	3	3

9. Directors' remuneration

	Group 2020 £	2019 £	2020 £	Company 2019 £
Emoluments	151,250	128,220	179,250	128,202
Compensation for loss of office	28,000	-	-	-
Pensions	303	741	303	741
	179,553	128,943	179,553	128,943

The highest paid director received remuneration of £97,500 (2019: £71,375).

Included in the above are accrued Director's remuneration of £122,750 (2019: £69,287)

Directors' interest in outstanding share options per director is disclosed in the directors' report on page 13.

Remuneration of key management personnel

The remuneration of the directors and other key management personnel is set out below:

	2020 £	2019 £
Emoluments	197,988	190,871
Compensation for loss of office	28,000	-
Pensions	303	741
	226,291	191,612

10. Finance income

	2020 £	2019 £
Interest income on short-term bank deposits	112	113
	112	113

11. Finance Costs

	2020 £	2019 £ (restated)
Interest on convertible loan notes	87,977	160,379
Convertible loan finance costs	12,652	7,446
Bank interest	61	-
Hire purchase interest	6,423	2,712
Interest on rehabilitation provision	4,390	-
	111,503	170,537

12. Income tax

	2020 £	2019 £
Current tax:		
Current tax on loss for the year	-	-
Total current tax	-	-
Deferred tax		
On write off/impairment on intangible assets	-	-
Tax charge for the year	-	-

No corporation tax charge arises in respect of the year due to the trading losses incurred. The Group has Corporation Tax losses available to be carried forward and used against trading profits arising in future periods of £7,313,803 (2019: £7,034,804).

A deferred tax asset of £1,389,369 (2019: £1,336,275) calculated at 19% (2019: 19%) has not been recognised in respect of the tax losses carried forward due to the uncertainty that profits will arise against which the losses can be offset.

The tax assessed for the year differs from the standard rate of corporation tax in the UK as follows:

	2020 £	2019 £ (restated)
Loss on ordinary activities before tax	(1,241,445)	(1,846,122)
Expected tax credit at standard rate of UK Corporation Tax 19% (2017: 19%)	(235,875)	(350,763)
Disallowable expenditure	21,116	30,968
Capital allowances in excess of depreciation	(310,464)	(326,253)
Movement in deferred tax not recognised	525,223	646,048
Tax charge for the year		-

13. Earnings per share

The basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of shares in issue.

The loss attributable to equity shareholders and weighted average number of ordinary shares for the purposes of calculating diluted earnings per ordinary share are identical to those used for basic earnings per ordinary share. This is because the exercise of warrants would have the effect of reducing the loss per ordinary share and is therefore anti-dilutive.

	2020	**2019**
	£	**£**
		(restated)
Net loss for the year attributable to ordinary shareholders	(1,241,445)	(1,846,122)
Weighted average number of shares in issue	7,452,470,072	3,554,665,440
Basic and diluted loss per share	(0.02p)	(0.05p)

14. Investment in subsidiaries

Company	Shares in subsidiaries £	Loans to subsidiaries £	Total £
Cost			
At 1 January 2019	7,043,312	8,569,417	15,612,729
Additions	-	547,984	547,984
Disposal	-	-	-
At 31 December 2019	7,043,312	9,117,401	16,160,713
Accumulated impairment			
As at 1 January 2019	-	-	-
Impairment	-	-	-
At 31 December 2019	-	-	-
Net Book Value			
As at 31 December 2019	7,043,312	9,117,401	16,160,713

Company	Shares in subsidiaries £	Loans to subsidiaries £	Total £
Cost			
At 1 January 2020	7,043,312	9,117,401	16,160,713
Additions	-	400,904	400,904
At 31 December 2020	7,043,312	9,518,305	16,561,617
Accumulated impairment			
As at 1 January 2020	-	-	-
Impairment	-	-	-
At 31 December 2020	-	-	-
Net Book Value			
As at 31 December 2020	7,043,312	9,518,305	16,561,617

The value of the Company's investment and any indications of impairment is based on the prospecting and mining licences held by its subsidiaries.

The Tanzanian licences comprise a mining licence and various prospecting licences. The licences are, located in a region displaying viable prospects for coal and occur in a country where the government's policy for development of the mineral sector aims at attracting and enabling the private sector to take the lead in exploration mining, development, mineral beneficiation and marketing.

14. Investment in subsidiaries (continued)

During 2018 the activities of the Company's subsidiary evolved from exploration and evaluation to development and as a result the exploration and evaluation assets held by the Company's subsidiary were transferred to development expenditure. The Directors carried out an impairment review on reclassification of exploration and evaluation assets to development assets, which covered the Company's investments in, and loans to, its subsidiaries. Following the impairment reviews the Directors did not consider the Company's investments to be impaired.

In April 2019, the subsidiary moved into the production phase.
The Directors have carried out an impairment review and consider the value in use to be greater than the book value in respect of The Company's investment in its subsidiary Company Edenville International (Tanzania) Limited.

The Directors considered the recoverable amount by assessing the value in use by considering future cash flow projections of the revenue generated by its subsidiary through the sale of its coal resources.

Cash flows were based on the revenue generated to date plus expected growth from current production levels to 10,000 tons per month in the short to medium term.

In addition, the projections include future potential revenue generated from the Company's plans relating to the Rukwa Coal to Power Project. It is expected that the Project will move ahead in parallel with the transmission development which is currently in the procurement stage and the Directors understand should be completed sometime in 2024. There is no guarantee that the Company will be chosen as the successful party to develop the Power Project, and therefore there is no guarantee that revenue will be generated from this Project. Should this be the case then the Company would need to review its cash flow projections, and review the carrying value of its investment in Edenville International Tanzania Limited

However, based upon current know resources the subsidiary has significant coal resources which based upon current projections prepared by the Directors would be sufficient to support the book value in the financial statements. The Directors are of the view that this amount is adequately supported by proposed returns generated by the Power Plant Project. The Directors have applied a 10% discount rate in their forecasts. Additional factors that may affect these projections include the following: –

A 30% reduction in the margin per ton of coal would result in an impairment of the Edenville International (Tanzania) Limited investment by £736k.

An increase in the discount factor to 16% would result in an impairment of the Edenville International (Tanzania) Limited investment by £824k.

A decrease of 50% of the EBITA would result in an impairment of the Edenville International (Tanzania) Limited investment by £5.7m.

The mining licence is due to expire in 2026. Should the mining licence not be renewed this would result in an impairment of £7.043m.

14. Investment in subsidiaries (continued)

Holdings of more than 20%:

The Company holds more than 20% of the share capital of the following companies:

Subsidiary undertaking	Country of incorporation	Class	Shares held
Edenville International (Seychelles) Limited	Seychelles	Ordinary	100%
Edenville International (Tanzania) Limited	Tanzania	Ordinary	99.75%*
Edenville Power (Tz) Limited	Tanzania	Ordinary	99.9%
Edenville (South Africa) Limited	England	Ordinary	100%

* These shares are held by Edenville International (Seychelles) Limited.

15. Property, plant and equipment

Group

	Coal Production assets	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
As at 1 January 2019	5,501,291	1,435,541	7,360	93,946	7,038,138
Additions	-	680	-	105,829	106,509
Disposals	-	(168,189)	-	-	(168,189)
Foreign exchange adjustment	(183,654)	(42,060)	(107)	(2,579)	(228,400)
As at 31 December 2019	5,317,637	1,225,972	7,253	197,196	6,748,058
Depreciation					
As at 1 January 2019	57,928	306,410	7,010	84,396	455,744
Depletion/Charge for the year	27,348	226,110	87	8,093	261,638
Disposal	-	(33,638)	-	-	(33,638)
Foreign exchange adjustment	(1,934)	(16,481)	(107)	(2,557)	(21,089)
As at 31 December 2019	83,342	482,401	6,990	89,925	662,655
Net book value					
As at 31 December 2019	5,234,295	743,571	263	107,271	6,085,403

15. Property, plant and equipment (continued)

	Coal Production assets £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
As at 1 January 2020	5,317,637	1,225,972	7,253	197,196	6,748,058
Additions	17,788	-	-	-	17,788
Foreign exchange adjustment	(171,033)	(39,191)	(100)	(5,806)	(216,130)
As at 31 December 2020	5,164,392	1,186,781	7,153	191,390	6,549,716
Depreciation					
As at 1 January 2020	83,342	482,401	6,990	89,925	662,658
Depletion/ Charge for the year	25,547	224,719	65	27,590	277,921
Foreign exchange adjustment	(2,674)	(28,648)	(97)	(4,021)	(35,440)
As at 31 December 2020	106,215	678,472	6,958	113,494	905,139
Net book value					
As at 31 December 2020	5,058,177	508,309	195	77,896	5,644,577

Plant and machinery depreciation amounting to £209,208 (2019: £173,073) is included within cost of sales as it relates to mining equipment.

15. Property, plant and equipment (continued)

Company

	Plant and machinery £	Fixtures, fittings and equipment £	Motor Vehicles £	Total £
Cost				
As at 1 January 2019 and 31 December 2019	7,471	4,153	16,691	28,315
Depreciation				
As at 1 January 2019	6,847	3,807	15,290	25,944
Charge for the year	156	87	350	593
As at 31 December 2019	7,003	3,894	15,640	26,537
Net book value				
As at 31 December 2019	468	259	1,051	1,778

	Plant and machinery £	Fixtures, fittings and equipment £	Motor Vehicles £	Total £
Cost				
As at 1 January 2020 and 31 December 2020	7,471	4,153	16,691	28,315
Depreciation				
As at 1 January 2020	7,003	3,894	15,640	26,537
Charge for the year	117	64	263	444
As at 31 December 2020	7,120	3,958	15,903	26,981
Net book value				
As at 31 December 2020	351	195	788	1,334

16. Intangible assets

	Mining Licences £
Cost or valuation	
As at 1 January 2020	1,519,712
Foreign exchange adjustment	(48,879)
At 31 December 2020	1,470,833
Accumulated depletion, amortisation and impairment	
As at 1 January 2020	1,198,344
Foreign exchange adjustment	(38,543)
At 31 December 2020	1,159,801
Net book value	
As at 31 December 2020	311,032

Group

	Mining Licences £
Cost or valuation	
As at 1 January 2019	1,572,197
Foreign exchange adjustment	(52,485)
At 31 December 2019	1,519,712
Accumulated depletion, amortisation and impairment	
As at 1 January 2019	1,239,731
Amortisation	-
Foreign exchange adjustment	(41,387)
At 31 December 2019	1,198,344
Net book value	
As at 31 December 2019	321,368

16. Intangible assets (continued)

Mining Licences
Intangible assets arose as a result of the valuation placed on the original six Tanzanian licences acquired on the acquisition of Edenville (Tanzania) Limited. The allocation price was based on the price paid to acquire these the Group's licences.

These assets are reviewed for impairment annually alongside the coal production assets.(see note 4 for Critical accounting estimates and judgements).

17. Inventories

	Group 2020 £	Group 2019 £
ROM stockpiles	10,752	11,108
Fines	223,480	230,906
Washed coal	17,504	5,524
	251,736	247,538

The cost of inventories recognised as an expense during the year in was £78,448 (2019: £329,604 restated).

All inventory as at 31 December 2019 was written off during the period.

18. Trade and other receivables

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Trade Receivables	-	-	-	-
Less: provision for impairment of trade receivables	-	-	-	-
Trade receivables - net	-	-	-	-
Other receivables	-	34,324	-	46,328
VAT receivable	301,251	329,133	8,499	-
Prepayments	-	2,084	-	2,084
	301,251	365,541	8,499	48,412

Included within VAT receivable is VAT owed to Edenville International (Tanzania) Limited which is only recoverable against future sales made by Edenville International (Tanzania) Limited. The Group expects to recover the above VAT from sales of commercial coal.

19. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Cash at bank and in hand	25,690	41,110	25,628	40,845

20. Trade and other payables

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade and other payables	227,288	476,876	41,505	302,762
Amounts owed to subsidiary undertakings		-	6,340	6,340
Social security costs and other taxes	10,279	9,713	10,279	9,714
Other creditors	-	-	33,437	-
Accruals and deferred income	448,242	410,533	121,998	160,428
	685,809	897,122	213,559	479,244

21. Borrowings

	Group		Company	
	2020	**2019**	**2020**	**2019**
	£	**£**	**£**	**£**
		(restated)		
Convertible loan notes				
Repayable with 1 year	416,142	361,581	416,142	361,581
Repayable within 2 to 5 years	16,084	141,463	16,084	141,463
	432,226	503,044	432,226	503,044
Other loans				
Repayable with 1 year	-	120,000	-	120,000
	-	120,000	-	120,000
Hire purchase finance				
Repayable with 1 year	24,689	22,863	-	-
Repayable within 2 to 5 years	23,789	44,136	-	-
	48,478	66,999	-	-
Total				
Repayable with 1 year	440,831	504,444	416,142	481,581
Repayable within 2 to 5 years	39,873	185,599	16,084	141,463
	480,704	690,043	432,226	623,044

Borrowings (continued)

Convertible loan

In November 2018 $750,000 conditionally convertible loan notes were issued: the face value of these convertible securities is $900,000. A commitment fee of £37,500, which has been offset against the proceeds of issue of the convertible loan notes, was payable by the Company as well as issuing share options over 99,568,966 ordinary shares exercisable for 4 years at a conversion price on 0.29p per share. The Company is required to make repayments of $45,000 over 20 months commencing in February 2019. If repayments are made in cash, then an additional 3% is payable on the $45,000. The Company may elect to make the repayment in its shares priced at 90% of the average five day Volume Weighted Average Price (VWAP) chosen by the investor during the 20 days before issuance, or a combination of both.

The Company has the option to buy back the entire outstanding face value at any time at a premium of 5%. If this right is exercised the investor has an option to convert 25% of the face value into shares at the lesser of the repayment price or 0.29p per share. The repayment price being 130% of the 10-day VWAP immediately prior to the Company entering the Convertible Agreement.

In addition to the above the investor was offered 36,000,000 collateral shares which were issued by the Company on 20 February 2019.

In April 2019, the Company agreed a repayment holiday up to September 2019 in respect of the convertible loan notes. As a condition of granting the repayment holiday the outstanding balance at the time. $855,000, was increased by 15% to $983,250

On 15 January 2021 the Company also agreed repayment terms with Lind Partners LLC whereby it agreed to repay 20% of the outstanding debt by 31 January 2021 with the balance to be paid in monthly instalments from the end of April 2021. Lind Partners LLC also agreed that no further interest is to be charged on the outstanding balance.

As announced on 22 June 2021, following two fund raises in January and May 2021, Edenville was able to pay off all outstanding obligations to Lind.

Other loans
This represents a loan of £100,000 with a fixed coupon interest rate of 20%.

22. Environmental rehabilitation liability

	Group	
	2020	**2019**
	£	**£**
At 1 January 2020	-	-
Additions	17,784	-
Interest	4,389	-
Foreign exchange movement	(261)	-
	21,912	-

The group makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities. The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites which are expected to be incurred in the future, which is when the producing mine properties are expected to cease operations. Those provisions have been created based on the Company's internal estimates. Assumptions based on the current economic environment have been made, which management believes are

22. Environmental rehabilitation liability (continued)

a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on

when the mines cease to produce at economically viable rates. This, in turn will depend upon future coal prices, which inherently uncertain.

23. Share capital

Group and Company

	No Ordinary shares of 0.02p each	£ Ordinary shares of 0.02p each	No Deferred shares of 0.001p each	£ Deferred shares of 0.001p each	£ Total share capital
Issued and fully paid					
At 1 January 2019	1,547,746,369	309,551	241,248,512,346	2,412,485	2,722,036
On 20 February 2019 Ordinary shares were issued at 0.02p	36,000,000	7,200	-	-	7,200
On 20 February 2019 Ordinary shares were issued at 0.12p	64,515,192	12,903	-	-	12,903
On 2 May 2019 500,000 Ordinary shares at 0.02p	500,000,000	100,000	-	-	100,000
On 20 May 2019 2,263,980,200 Ordinary shares at 0.02p	2,263,980,200	452,796	-	-	452,796
On 11 September 2019 600,000,000 Ordinary shares at 0.05p	600,000,000	120,000	-	-	120,000
As at 31 December 2019	5,012,241,761	1,002,450	241,248,512,346	2,412,485	3,414,935

	No Ordinary shares of 0.02p each	£ Ordinary shares of 0.02p each	No Deferred shares of 0.001p each	£ Deferred shares of 0.001p each	£ Total share capital
Issued and fully paid					
At 1 January 2020	5,012,241,761	1,002,450	241,248,512,346	2,412,485	3,414,935
On 9 January 2020 Ordinary shares were issued at 0.05p	50,000,000	10,000	-	-	10,000
On 21 January 2020 Ordinary shares were issue at 0.04p	1,750,000,000	350,000	-	-	350,000
On 8 June 2020 Ordinary shares were issued at 0.04p	1,250,000,000	250,000	-	-	250,000
On 14 August 2020 Ordinary shares were issued at 0.06p	83,333,333	16,666	-	-	16,666
As at 31 December 2020	8,145,575,094	1,629,116	241,248,512,346	2,412,485	4,041,601

23. Share capital (continued)

The deferred shares have no voting rights, dividend rights or any rights of redemption. On return of assets on winding up the holders are entitled to repayment of amounts paid up after repayment to ordinary share holders

24. Capital and reserves attributable to shareholders

	Group		Company	
	2020	2019	2020	2019
	£	£ (restated)	£	£
Share capital	4,041,601	3,414,935	4,041,601	3,414,935
Share premium	19,390,849	18,811,157	19,390,849	18,811,157
Other reserves	795,304	979,567	301,174	281,502
Retained deficit	(18,866,991)	(17,718,347)	(7,782,331)	(7,358,134)
Total equity	5,360,763	5,487,312	15,951,293	15,149,460

There have been no significant changes to the Group's capital management objectives or what is considered to be capital during the year.

25. Capital management policy

The Group's policy on capital management is to maintain a low level of gearing. The group funds its operation primarily through equity funding.

The Group defines the capital it manages as equity shareholders' funds less cash and cash equivalents.

The Group objectives when managing its capital are:

- To safeguard the group's ability to continue as a going concern.
- To provide adequate resources to fund its exploration, development and production activities with a view to providing returns to its investors.
- To maintain sufficient financial resources to mitigate against risk and unforeseen events.

The group's cash reserves are reported to the board and closely monitored against the planned work program and annual budget. Where additional cash resources are required the following factors are considered:

- the size and nature of the requirement.
- preferred sources of finance.
- market conditions.
- opportunities to collaborate with third parties to reduce the cash requirement.

26. Financial instruments

The Board of Directors determine, as required, the degree to which it is appropriate to use financial instruments to mitigate risk with the main risk affecting such instruments being foreign exchange risk, which is discussed below.

	Group		Company	
Categories of financial instruments	**2020**	**2019**	**2020**	**2019**
	£	**£**	**£**	**£**
Receivables at amortised cost including cash and cash equivalents:				
Investments and loans to subsidiaries	-	-	16,561,617	16,160,173
Cash and cash equivalents	25,690	41,110	25,628	40,845
Trade and other receivables	301,251	363,457	8,498	46,328
Total	326,941	404,567	16,595,743	16,247,346
Financial liabilities				
Financial liabilities at amortised cost:				
Trade and other payables	675,330	887,409	203,280	564,530
Convertible loan notes	432,226	503,044	432,226	503,044
	1,107,566	1,390,453	635,506	1,067,574
Net	(780,625)	(985,886)	15,960,237	15,179,772

Cash and cash equivalents

This comprises cash held by the Group and short-term deposits. The carrying amount of these assets approximates to their fair value.

General risk management principles

The Directors have an overall responsibility for the establishment of the Group's risk management framework. A formal risk assessment and management framework for assessing, monitoring and managing the strategic, operational and financial risks of the Group is in place to ensure appropriate risk management of its operations.

The following represent the key financial risks that the Group faces:

Interest rate risk

The Group only interest-bearing asset is cash invested on a short-term basis which attracts interest at the bank's variable interest rate.

The Group is exposed to interest rate risk through its convertible loan notes, its only interest-bearing liabilities. The level of interest payable will vary depending on whether the repayments are made with shares or in cash. The effective interest rate per month is 20.78% (2019:20.78%). If repayments are made in cash then the monthly repayments increase by 3%.

Credit risk

Credit risk arises principally from the Group's trade receivables and investments in cash deposits. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument.

26. Financial instruments (continued)

VAT receivable is owed to Edenville International (Tanzania) Limited which is only recoverable against future sales made by Edenville International (Tanzania) Limited. The Group expects to recover the above VAT from sales of commercial coal.

The Group holds its cash balances with reputable financial institutions with strong credit ratings. There were no amounts past due at the balance sheet date.

The maximum exposure to credit risk in respect of the above at 31 December 2020 is the carrying value of financial assets recorded in the financial statements.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due.

Liquidity risk is managed through an assessment of short, medium and long-term cash flow forecasts to ensure the adequacy of working capital.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements for a period of one year.

Currency Risk

The Group is exposed to currency risk as the assets (see note 5) of its subsidiaries are denominated in US Dollars. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency (primarily US Dollars) with cash. The Company transfers amounts in sterling or US dollars to its subsidiaries to fund its operations. Where this is not possible the parent Company settles the liability on behalf of its subsidiaries and will therefore be exposed to currency risk.

The Group has no formal policy is respect of foreign exchange risk; however, it reviews its currency exposure on a regular basis. Currency exposures relating to monetary assets held by foreign operations are included in the Group's income statement. The Group also manages its currency exposure by retaining the majority of its cash balances in sterling, being a relatively stable currency.

The effect of a 10% rise or fall in the US dollar/Sterling exchange rate would result in an increase or decrease in the net assets of the group of £700,210.

Fair value of financial assets and liabilities

Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties, other than a forced or liquidation sale and excludes accrued interest. Where available, market values have been used to determine fair values. Where market values are not available, fair values have been calculated by discounting expected cash flows at prevailing interest rates and by applying year end exchange rates.

The Directors consider that there is no significant difference between the book value and fair value of the Group's financial assets and liabilities.

The tables below summarise the maturity profit of the combined Group's non-derivative financial liabilities at each financial year end based on contractual undiscounted payments.

26. Financial instruments (continued)

Group

2019

	Less than 1 year	1- 2 years (restated	2-5 years
Trade payables	466,645	-	-
Other payables	10,232	-	-
Accruals	410,535	-	-
Borrowings	504,444	185,599	-
	1,391,856	185,599	-

2020

	Less than 1 year	1- 2 years	2-5 years
Trade payables	227,288		
Other payables	10,279		
Accruals	448,242		
Borrowings	440,831	39,873	-
	1,126,640	39,873	-

Company

2019

	Less than 1 year	1-2 years	2-5 years
Convertible loan notes (current and non – current)	361,581	141,463	-
Trade payables	277,762	-	-
Other payables	136,054	-	-
Accruals	160,428	-	-
	935,825	141,463	-

2020

	Less than 1 year	1-2 years	2-5 years
Convertible loan notes (current and non – current)	416,142	16,084	-
Trade payables	41,505	-	-
Other payables	39,777	-	-
Accruals	121,998	-	-
	619,422	16,084	-

27. Equity-settled share-based payments

The following options over ordinary shares have been granted by the Company:

			Number of options			
Grant Date	**Expiry date**	**Exercise price**	**As at 1 January 2020**	**Granted**	**Lapsed**	**As at 31 December 2020**
21 October 2013	20 October 2023	5.00p	3,005,740		(3,005,740)	-
28 March 2017	27 March 2022	1.08p	38,000,000		(14,666,666)	23,333,334
7 November 2018	6 November 2022	0.29p	99,568,966			99,568,966
9 May 2019	8 May 2023	0.26p	100,000,000			100,000,000
3 April 2020	2 April 2025	0.30p	-	270,000,000		270,000,000
			240,574,706	270,000,000	(17,672,406)	492,903,300

The following warrants over ordinary shares have been granted by the Company:

			Number of Warrants			
Grant Date	**Expiry date**	**Exercise price**	**As at 1 January 2020**	**Granted**	**Exercised**	**As at 31 December 2020**
2 May 2019	31 May 2022	0.02p	127,500,000	-	-	127,500,000
23 January 2020	22 January 2022	0.06p	-	875,000,000	(83,333,333)	791,666,667
6 June 2020	5 June 2023	0.04p	-	125,000,000	-	125,000,000
6 June 2020	5 June 2023	0.06p	-	85,900,800	-	85,900,800
			127,500,000	1,085,900,800	(83,333,333)	1,130,067,467

At the date of grant, the options were valued using the Black-Scholes option pricing model. The fair value per option granted and the assumptions used in the calculation were as follows:

Date of grant	21 October 2013	28 March 2017	5 November 2018	26 April 2019	17 April 2020
Expected volatility	85%	131%	70%	101%	72%
Expected life	4 years	3 years	4 years	3.5 years	3 years
Risk-free interest rate	1.23%	0.37%	0.96%	0.75%	0.11%
Expected dividend yield	-	-	-	-	-
Possibility of ceasing employment before vesting	-	-	-	-	-
Fair value per option	0.09p	0.56p/0.42p/0.28p	0.08p	0.02	0.02p

Volatility was determined by reference to the standard deviation of daily share prices for one year prior to the date of grant.

The charge to the income statement for share-based payments for the year ended 31 December 2020 was £50,398 (2019: £16,077).

On 6 June 2020 85,900,800 warrants were issued to settle liabilities of £51,540.

28. Equity-settled share-based payments (continued)

Movements in the number of options outstanding and their related weighted average exercise prices are as follows:

	2020		2019	
	Number of options	**Weighted average exercise price per share pence**	**Number of options**	**Weighted average exercise price per share pence**
At 1 January	240,574,707	0.46	147,580,448	0.71
Granted	270,000,000	0.30	100,000,000	0.26
Exercised	-	-	-	-
Cancelled	(17,672,407)	1.75	(7,005,741)	2.76
At 31 December	492,902,300	0.33	240,574,707	0.46
Exercisable at year end	482,235,632		215,241,373	

The weighted average remaining contractual life of options as at 31 December 2020 was 3.15 years (2019: 2.78 years).

Warrants

Movements in the number of warrants outstanding and their related weighted average exercise prices are as follows:

	2020		2019	
	Number of options	**Weighted average exercise price per share pence**	**Number of options**	**Weighted average exercise price per share pence**
At 1 January	127,500,000	0.02	-	-
Granted	1,085,900,800	0.06	127,500,000	0.02
Exercised	(83,333,333)	0.06	-	-
Cancelled/expired	-	-	-	-
At 31 December	1,130,067,467	0.05	127,500,000	0.02

The weighted average remaining contractual life of warrants as at 31 December 2020 was 1.36 years (2019: 2.42 years).

29. Contingent liabilities

Edenville International (Tanzania) Limited has a dispute with a third party and arises from an Acquisition and Option Agreement signed in August 2010 (and its variation made in 2015) ("Agreement"). The third party is seeking financial compensation and other costs in addition to a dispute over certain mining licenses granted in the name of Edenville International (Tanzania) Limited. In the opinion of the directors and after taking appropriate legal advice, they have concluded that the case has no merit. The Directors remain optimistic for a positive outcome and await a decision from the judge which is currently scheduled for the end of June 2021.

30. Reserves

The following describes the nature and purpose of each reserve:

Share Capital	represents the nominal value of equity shares
Share Premium	amount subscribed for share capital in excess of the nominal value
Share Option Reserve	fair value of the employee and key personnel equity settled share option scheme and broker warrants as accrued at the balance sheet date.
Retained Earnings	cumulative net gains and losses less distributions made

31. Related Party Transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the Company, and are all directors of the Company. For details of their compensation please refer to the Remuneration report.

During the year the Company paid £400,904 (2019: £547,984) to or on behalf of its wholly owned subsidiary, Edenville International (Tanzania) Limited. The amount due from Edenville International (Tanzania) Limited at year end was £9,518,305 (2019: £9,117,401). This amount has been included within loans to subsidiaries.

Included in trade creditors is an amount of £Nil (2019: £3,584) owed to Aaridhi Consultants, in respect of Directors fees for Arun Srivastava and £4,000 owed to Nicholas Von Schirnding, in respect of Directors fees.

At the year end the Company was owed £3,712 (2019: £3,712) by its subsidiary Edenville International (Seychelles) Limited.

At the year end the Company was owed £6,340 (2019: £6,340) by its subsidiary Edenville Power Tz Limited.

At the year end Edenville International (Tanzania) limited was owed $41,677 (2019: $41,677) by Edenville Power Tz Limited and $9,517 (2019: $9,517) was owed to JICL Consultants.

32. Prior year restatement

Edenville Energy Plc have identified an error relating to mining licences capitalised under IFRS 16 in the prior year, which fall outside the scope of the standard. As a result of the error, the prior year financial statements had to be restated. Items previously incorrectly capitalised as Right of use assets and lease liabilities have all been reversed.

The following tables show the adjustments recognised for each individual line item. The adjustments are explained in more detail below.

	2019 As previously stated £	Restatement	2019 Restated £
Revenue	233,414		233,414
Cost of sales	(982,261)	(23,219)	(1,005,480)
Gross loss	(748,847)	(23,219)	(772,066)
Administration expenses	(904,410)	16,855	(887,555)
Share based payments	(16,077)		(16,077)
Group operating loss	(1,669,334)	(6,364)	(1,675,698)
Finance income	113		113
Finance costs	(177,843)	7,306	(170,537)
Loss on operations before taxation	(1,847,064)		(1,846,122)
Income tax	-		-
Loss for the year	(1,847,064)		(1,846,122)

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS
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		31 December 2019 As previously stated	Restatement	31 December 2019 Restated
		£	£	£
Non-current assets				
Investment in subsidiaries		-		-
Property, plant and equipment		6,085,403		6,085,403
Right of use assets		97,727	(97,727)	
Intangible assets		321,368		321,368
		6,504,498		6,406,771
Current assets				
Inventories		247,538		247,538
Trade and other receivables		365,541		365,541
Cash and cash equivalents		41,110		41,110
		654,189		654,189
Current liabilities				
Trade and other payables		(897,122)		(897,122)
Borrowings		(520,820)	16,376	(504,444)
		(1,417,942)		(1,401,566)
Current assets less current liabilities		(763,753)	16,376	(747,377)
Total assets less current liabilities		5,740,745		5,659,394
Non-current liabilities				
Borrowings		(284,903)	99,304	(185,599)
Environmental rehabilitation liability				
		5,455,842		5,473,795
Equity				
Called-up share capital		3,414,935		3,414,935
Share premium account		18,811,157		18,811,157
Share option reserve		281,502		281,502
Foreign currency translation reserve		698,095	(30)	698,065
Retained earnings	A	(17,736,330)	17,983	(17,718,347)
		5,469,359		5,487,312
Non- controlling interests		(13,517)		(13,517)
Total equity		5,455,842		5,473,795

A. This is related to reversal of the initial application of IFRS 16 of £17,042 plus transition adjustment of £941 as a result of the reversal of previously recognized depreciation, interest, and rental payments relating to the rent payable in respect of the mining licences. A third balance sheet for the earliest comparative period as required under IFRS 1 is not presented as there was no impact to the opening figures at 1 January 2019 as the error only relates to transactions occurred in the year to 31 December 2019.

33. Events after the reporting date

Following the year end the Company consolidated each existing £0.0002 to ordinary shares of £0.02 each. These were then subdivided into ordinary shares of £0.01p each and 19,000 new deferred shares of £0.00001 each.

On 15 January 2021 the Company raised £900,000 before expenses by way of placing 3,600,000 ordinary shares of 1p each.

On 15 January the Company granted warrants over 180,000 ordinary shares as a result if the above placing. The warrants have a 3 year life and an exercise price of 25p per share.

The Company also agreed repayment terms with Lind Partners LLC whereby it agreed to repay 20% of the outstanding debt by 31 January 2021 with the balance to be paid in monthly instalments from the end of April 2021. Lind Partners LLC also agreed that no further interest was to be charged on the outstanding balance. In June 2021, following two fund raises in January and May 2021, all outstanding obligations to Lind were settled.

On 5 May 2021 the Company raised £2,475,000 before expenses by way of placing 9,900,000 new ordinary shares of 1p each in the Company at a placing price of 25p per ordinary share. Investors in the placing also received one warrant for every placing share. The warrants have an exercise price of 25p per share and will be exercisable for a period of three years from the date of grant.

Subsequent to the year end, the Directors confirmed their intention to convert the loan of £16,551,565 bfetween the Company and its subsidiary into equity. This process will commence soon and it is anticipated that the conversion will be completed before 31 December 2021.

34. Commitments

License commitments

Edenville owns a coal mining exploration licences in Tanzania. These licences includes commitments to pay annual licence fees and minimum spend requirements.

As at 31 December 2020 these are as follows:

Group	**License fees £**	**Total £**
Not later than one year	23,089	23,089
Later than one year and no later than five years	72,619	72,619
Total	**95,708**	**95,708**

35. Ultimate Controlling Party

The Group considers that there is no ultimate controlling party.