KIBO ENERGY PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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CORPORATE DIRECTORY

BOARD OF DIRECTORS:	Christian Schaffalitzky	Chairman (Non-Executive Director)
	Louis Coetzee	Chief Executive Officer
	Noel O'Keeffe	Technical Director (Non-Executive Director)
	Andreas Lianos	Financial Director (Non-Executive Director)
	Lukas Maree	Executive Director
	Wenzel Kerremans	Non-Executive Director

COMPANY SECRETARY: Noel O'Keeffe

REGISTERED OFFICE:
17 Pembroke Street Upper
Dublin 2, Ireland

BUSINESS ADDRESS - IRELAND:
Gray Office Park
Galway Retail Park
Headford Road
Galway, Ireland

BUSINESS ADDRESS - TANZANIA:
4th Floor, Golden Heights
Chole Road, Masaki
Dar es Salaam, United Republic of Tanzania

AUDITORS
Crowe Ireland
Marine House
Clanwilliam PL
Dublin
D02 FY24

STOCK EXCHANGE LISTING:
London Stock Exchange: AIM - (Share code: KIBO) – Primary
Johannesburg Stock Exchange: JSE Alt X - (Share Code: KBO) – Secondary

SHARE REGISTRARS:
Ireland & United Kingdom
Link Registrars Ltd
2 Grand Canal Square
Dublin 2
D02 A342

South Africa
Link Market Services South Africa (Pty) Ltd
13th Floor
19 Ameshoff Street
Braamfontein
South Africa

PRINCIPAL BANKERS:
Allied Irish Banks Plc
Tuam Road
Galway
Ireland

JOINT BROKERS:
ETX Capital Limited
One Broadgate
London
ECM 2QS

CORPORATE DIRECTORY

SOLICITORS:	***As to Irish Law:*** **OBH Partners** 17 Pembroke Street Upper Dublin 2 Ireland ***As to English Law:*** **Druces LLP** Salisbury House London Wall London EC2M 5PS ***As to Tanzanian Law:*** **ENSafrica Tanzania Attorneys** 6th floor, International House cnr. Shaaban Robert Street and Garden Avenue PO BOX 7495 Dar es Salaam Tanzania
UK NOMINATED ADVISER:	**RFC Ambrian Limited** Level 28, QV1 Building 250 St Georges Terrace Pert, WA 6000
JSE DESIGNATED ADVISER:	**River Group** Unit 2, 211 Kloof Street Waterkloof Pretoria, South Africa
UK PUBLIC RELATIONS:	**St. Brides Partners Ltd** 3 St. Michael's Alley EC3V 9DS
WEBSITE:	www.kibo.energy
CONTACT:	info@kibo.energy
DATE OF INCORPORATION:	17 January 2008
REGISTERED NUMBER:	451931

CHAIRMAN'S REPORT

2019 was a year of consolidation for the Company following key acquisitions during 2018 which included the Mabesekwa Coal Independent Power Project ("MCIPP" or "Mabesekwa Project") in Botswana, the Benga Power Plant Project ("BPPP" or "Benga Project") in Mozambique, and a 60% equity interest in Mast Energy Developments Limited ("MED") in the UK. These projects together with our legacy Mbeya Coal to Power Project in Tanzania have positioned the Company to be a global energy developer with a pipeline of projects which have seen steady development progress during 2019 and early 2020. A key focus of our strategy during 2019 was to aggressively pursue options to incorporate sustainable technologies and climate change mitigation measures in all our project development plans. We believe that coal fired power plants that incorporate clean coal burning technologies and other greenhouse gas emission containment measures will play a significant role in addressing Africa's and the World's increasing demand for reliable, sustainable and affordable electricity in the transition away from fossil fuels. However, we do not underestimate the urgency to transition from fossil fuels and in this context the Company is embarking on an innovative strategy with its partners in Africa to co-locate solar generation plants and long term battery storage capacity with its coal fired power plants in order to balance base load power output and begin the transition. Our ultimate aim is to phase out coal fired electricity generation over the long term at our projects commensurate with technology advances in renewable generation and energy storage.

In addition to our existing strong collaboration and partner agreements with SEPCOIII, GE and ABSA who share our vision for the development of our coal projects with integrated sustainable technologies, we signed two further critical collaboration agreement during 2019. The first of these is with US energy storage technology company, ESS Tech Inc., a leading innovator in the development of high capacity long life batteries to facilitate renewable power storage. As a preferred technology partner, ESS will support and advise Kibo on the installation of renewable power at its African project sites which will enhance the Company's ability to secure funding and negotiate power purchase agreements as well as generating new project opportunities. ESS is already partnering with USAID division, Power Africa, which is implementing an ambitious programme to expand access to grid connectivity throughout sub-Saharan Africa. The second collaboration agreement is with the German company, STEAG Energy Services, a major international operator with 80 years' experience in engineering, construction, and operation of power plants. Significantly, STEAG's proprietary technologies are not just focussed on coal but span renewable energy sources such as solar, wind and battery storage. This is a significant partnership for Kibo as it puts STEAG's proven experience in power plant development and management at our disposal but most significantly enables the Company, in conjunction with ESS's battery technology, to implement sustainable energy solutions at its coal projects in line with its corporate strategy.

I will give a brief overview and assessment of Company activities during 2019 below and further details on individual projects and corporate activity including recent developments (2020 to date) can be found in the Review of Activities section below.

Operations

On the operations front, we are making good progress on our African project portfolio but understandably, patience is required as we navigate the challenge of operating in three different countries with individual governments, local and international JV partners and various collaborators. Highlights of 2019 include the securing of mining rights in Tanzania for the coal deposit (Rukwa deposit) that underpins our Mbeya Coal to Power Project ("MCPP"), completion of a positive definitive feasibility study, base case financial model and off-take term sheets for the Benga Project in Mozambique and restructuring of our interest in the Mabesekwa Project in Botswana.

Our strategy in the UK for the acquisition and development of gas fired reserve generation plants, managed through our 60% owned subsidiary Mast Energy Developments Ltd ("MED") has progressed rapidly during 2019 with the first of these, Bordersley Power, in development. The commissioning of Bordersley will mark Kibo's first revenue stream and we are confident that it represents the first of a number of other reserve power plants in the Mast pipeline which are being developed in collaboration with key partners to come on-stream over the next 18 months. In fast-tracking the development of Bordersley, MED has secured critical operational and collaboration agreements with Statkraft Markets, A.B. Energy and Balance Power Projects which in addition to providing for the successful commissioning and long term operation of Bordersley, also provide a foundation for the expedient delivery and fast track commissioning of a pipeline of reserve power plants to achieve our target of 100 MW of reserve power in the short to medium term. We are confident that the market model, business collaborations and experience of successfully developing these plants in the UK can provide a template for the future introduction to the African continent to and complement our existing coal to power projects in due course.

CHAIRMAN'S REPORT

Corporate

On the corporate front we have continued to seek opportunities for funding and restructuring our asset portfolios to ensure we have laid the financial groundwork to enable project funding of our near term development projects and to generate a pipeline of other revenue generating opportunities. As you are no doubt acutely aware, the non-qualification of our Tanzanian project, the MCPP, as a preferred participant in a tender process for supply of thermal coal power in Tanzania in early 2019, was a major disappointment and the knock on effect on our share price has made funding challenging during 2019 and into 2020. We completed an underwritten placing with warrants attached in October 2019 that included the settlement of certain creditor invoices for a total placing subscription amount of £1.99 million, comprising the issue of 442,222,280 shares at a price of £0.0045 each. The placing proceeds have enabled us to continue with our project development plans and ongoing working capital requirements to date. A total of 663,333,420 placing warrants exercisable at 0.8p and 1p were attached to the shares which we believe are attractively priced. The warrants have exercise periods of 18 months and 36 months (date of warrant instruments is 3 December 2019) and, if exercised over these periods, can contribute to our medium term funding requirements. In addition we issued an additional 175,022,729 shares during 2019 at prices ranging from 0.45p to 5.25p. These comprised share issues to contractors & suppliers in lieu of payments, to Sanderson Capital Partners for buy out of their residual interest in the MCPP and to the minority shareholder in MED as acquisition costs for 100% equity and economic interest in Bordersley.

Thinking longer term, we signed an engagement letter with Wimmer Financial LLP for the provision and structuring of up to USD 900 million in debt financing for our African coal and power projects in April. Discussions with Wimmer are ongoing towards the negotiation of a definitive agreement. I am pleased to commend management on the re-organisation of our coal assets and joint venture structure in Botswana announced in September 2019 which is a very positive development for the Company. This is a major transaction which when fully implemented will give us exposure to revenues from a large coal resource and from two coal to power thermal projects. This transaction is further discussed in the review of activities section below.

We continued our investment in Katoro Gold PLC during 2019 and supported our majority holding by subscribing to its October 2019 placing for 1.8 million shares issued at a price of 1p (£18,000) and subsequently exercising the warrants attached to these shares in at their exercise price of 1.5p and receiving an additional 1.8 million shares in February 2020. Our current equity interest in Katoro at the date of this report is 29.70%. We believe our investment in Katoro is well judged considering its announcement of entering a strategic gold production agreement in South Africa in January 2020 and the successful arrangement of a convertible loan note for £397,000 to fund the initial cost of the project financing. We believe that this opportunity, which is focussed on the re-processing of a 1.34 million ounce (JORC-Compliant) tailings resource, demonstrates strong economic fundamentals and are confident that it can create considerable value for both Katoro and Kibo shareholders together, as can Katoro's other projects in Tanzania. (Refer to Katoro's website www.katorogold.com for further details on all Katoro's projects and resource statements).

The result for the reporting period amounted to a loss of £3,903,116 for the year ended 31 December 2019 (31 December 2018: £4,036,713) as detailed further in the Statement of Profit or Loss and Other Comprehensive Income.

Covid 19 Update

I am writing this Chairman's Statement in the middle of the unprecedented COVID-19 pandemic which in addition to the ongoing health concerns is having a major negative impact on the global economy. Kibo's primary concern at the moment is for the health and welfare its employees, contractors and their families across the various countries in which it operates in this difficult period and is endeavouring to support them as much as possible at this difficult time. Like most businesses Kibo is not immune from the economic and business disruption impact of the pandemic and has in place a business continuity programme to ensure essential business processes and its obligations as a publicly listed company continue to be met. Inevitably, there is disruption to normal operations and we have experienced delays in meeting some of our anticipated project development targets, as I have outlined earlier, and this will be further discussed in the Review of Activities section below.

I am glad to report that in recent months, lockdown restrictions and other COVID-19 related measures are slowly being lifted and Kibo has begun to resume operations on all fronts. The Company is sensitive to the continued volatility with respect to COVID-19 and will continue to closely monitor it in the various countries in which it operates to enable it to prioritise the health and well-being of all its stakeholders. I believe our project portfolio remains robust and we look forward to increasing our operations to normal levels over the remainder of 2020 and during 2021 when the COVID pandemic abates.

CHAIRMAN'S REPORT

I would like to thank our Board and especially our management under the leadership of our CEO Louis Coetzee, particularly for their efforts in guiding the Company through this challenging period. I know that they will continue to provide the skill and dedication to realise our strategy of becoming a successful global developer of sustainable energy projects in this transitional phase from fossil fuels to renewable energy generation.

Christian Schaffalitzky
Chairman
22 September 2020

REVIEW OF ACTIVITIES

Introduction

During 2019 Kibo Energy PLC ("Kibo" or the "Company") continued to advance its African energy projects in Mozambique, Botswana and Tanzania. In the UK, the Company's first small scale gas fired generator is shortly to come on stream following fast-track development work and the securing of key partner agreements during 2019. MED is now poised to build significantly on this first near-term production asset with the signing of an agreement with Balance Power Limited to source and evaluate a portfolio of additional sites for reserve power generation.

Mozambique – Benga Power Plant Project ("BPPP" or "Benga Project")

Kibo continued to make good progress on the Benga Project during 2019 by completing some key project studies and advancing commercial documents critical to the success of the project. The Company holds a 65% interest in the project (35% held by local company Termoeléctrica de Benga) which is located in the Tete province of Mozambique. A definitive feasibility study ("DFS") for the project was announced by the Company in March and presented to the Mozambique state-owned electric utility operator EDM in May where it was well received and formed the basis for further negotiation on power purchase agreements with both EDM and other parties. This was followed in June with the announcement of completion of a base case financial model for the project which demonstrated its economic viability under the Base Case DFS. The Environmental Impact Study (EIS) is currently underway.

The positive outcomes from the DFS and the base case financial model gave renewed impetus to negotiations with potential feedstock suppliers and power off-takers for the Benga Project and this resulted in two key term sheets being agreed with major local operator Vale Mozambique in September 2019. The first was a Power Purchase Term Sheet for Vale to purchase 37% of the power from the phase 1 generation at the BPPP and the second comprised a Coal Supply Term Sheet for Vale to supply 100% of the coal feedstock to the BPPP over its modelled 25 year life cycle. These term sheets, which are non-binding, pave the way for the signing of definitive power purchase and coal supply agreements between Kibo and Vale as well as for closer cooperation between the companies to optimise operational synergies from their respective mining and power generation activities in Mozambique.

Kibo enjoys a strong relationship with Electricidade de Moçambique ("EDM"), the state-owned electricity generation and transmission Company, formalised through a Memorandum of Understanding ("MoA"). This records EDM's support for the BPPP and commitment to collaborate on the project with Kibo as it progresses towards financial close. Both parties' objectives are aligned in recognising the urgency to address Mozambique's electricity generation overdependence on hydro power; the solution being to use its abundant coal resources in a sustainable manner to generate base load power using the latest clean coal burning technology and modern plant design, augmented by renewable generation capacity. In support of this the MoA provides for the negotiation of a power purchase agreement ("PPA") with Kibo whereby EDM would become the anchor off-taker for the power, assist in finalising project financing and in negotiating related commercial contracts. All of these aspects of the proposed BPPP development were further advanced in co-operation with EDM during 2019.

The momentum behind the Benga Project has been maintained during 2020 to date with the acquisition of additional land increasing the project site by 345 hectares, the signing of a new MoU with EDM and entering binding term sheet to negotiate a PPA with Baobab Resources Ltd ("Baobab") to supply c.200 MW energy to its Tete Steel and Vanadium Project in Mozambique. The increased Benga site footprint will accommodate the planned co-located renewable energy generation and storage infrastructure planned for the site. The new MoU with EDM reflects the progress that Kibo has made to date with the Benga project and the deepening relationship with EDM, who see the project as a key part of its mandate to accelerate the development of electricity infrastructure in Mozambique. The Baobab term sheet provides for exclusive negotiation with Kibo on the PPA and as these negotiations are at an advanced stage, the Company anticipates signing of a final PPA before the end of Q3 2020. Contingent on finalisation of this PPA, Baobab is expected to be the second electricity off-taker (with EDM) from the Benga Project.

The Company's strategy of sustainable energy development received a major boost in July 2019 with the announcement of a Collaboration Agreement with STEAG Energy Services ("STEAG"), a global independent power producer with 80 years of experience in engineering, construction and operation of power plants. STEAG's advanced proprietary generation technologies covers not just fossil fuels; it also extends across renewables such as solar, wind and biomass, as well as encompassing battery storage solutions. This expertise should prove invaluable to Kibo particularly in its strategy of developing sustainable energy solutions by incorporating co-located renewable energy generation and storage with base load coal fired generation.

REVIEW OF ACTIVITIES

The Company is actively working on incorporating renewable energy technologies, in particular around solar generation, at the Benga Project initially, as proof of concept before extending them to other projects. It is working closely with STEAG and its other partners to see how this can be best achieved to create an integrated fossil fuel-solar power generation plant using the latest developments in clean coal burning technology, solar generation and battery storage; transitioning to 100% renewable generation in the long term.

Botswana - Mabesekwa Project ("MCIPP" or "Mabesekwa Project")

Kibo negotiated a major re-structuring and expansion of its Botswana energy asset holdings during September 2019 in collaboration with Shumba Energy Limited, of which its joint venture partner Sechaba Natural Resources is a wholly owned subsidiary. The binding Heads of Agreement ("the Agreement") sees Kibo re-arrange its interest in the 761 Mt Mabesekwa Coal Resource from an 85% interest in a 303 Mt subset of the Resource to a 35% interest in the total resource, maintain its 85% interests in the existing MCIPP project (referred to as KP 2) for the development of a 300 MW coal to power plant and participate as a 35%-40% partner with Shumba for the development of a second 300 MW power plant (referred to as KP 1)with electricity output directed solely to a petrochemical plant being developed by Shumba and other parties. The Agreement requires various shareholder, joint development, power purchase and coal sale agreements to be signed between Kibo, Shumba and their participating subsidiaries to finalise the arrangement. The first of these, a shareholder agreement between Shumba and Kibo was signed in December 2019 and completes the first step in re-arranging both parties interest in joint venture company, Kibo Energy Botswana (Pty) Limited as 65% and 35% respectively. As Kibo Energy Botswana (Pty) Ltd ("KEB") holds the 761 Mt Mabesekwa Coal Resource* both parties attributive interest in the resource is correspondingly split according to these percentages also.

This restructuring of its Botswana interests provides Kibo with the opportunity to participate in three separate revenue streams from coal sales from the Mabesekwa Coal Resource as follows:

- Coal sales to the KP 1 power plant estimated at 1.5 million tonnes per year
- Coal sales to the KP 2 power plant estimated at 1.5 million tonnes per year
- Coal sales to the petrochemical plant which will require 4.5 million tonnes per year

In additional to participating in coal stream revenues Kibo will also participate in electricity sale revenues pro rata to its 35%-40% interest in KP1 (exact interest yet to be agreed) and 85% interest in KP2.

The electricity generated from the KP1 plant will be solely dedicated towards powering a planned petrochemical plant while electricity from the KP 2 plant (MCIPP) is anticipated for sale into the Botswana national grid and onward sale to South Africa under power purchase agreements yet to be negotiated. The petrochemical plant which is being developed by Shumba (80% beneficial interest) and other parties will process raw coal for the production of energy fuels and speciality chemicals for local and international sale. Significantly, Kibo's development cost exposure to these power plant developments is confined to its existing commitments with regard to KP 2. Shumba will be responsible for the full funding of a definitive feasibility study for the KP 1 plant.

Unfortunately the COVID-19 pandemic is impacting on the finalisation of the outstanding shareholder, coal sale and power purchase agreements pertaining to the finalisation of the restructuring of Kibo's Botswana energy assets. This was anticipated to be completed by 20 March 2019 under the terms of the binding Heads of Agreement signed between the Company, Shumba and their relevant subsidiaries in September 2019. By mutual consent, this long-stop date has been extended and all parties are working diligently to complete the process.

KEB's mining licence application over the Mabesekwa Coal Resource was submitted to the Botswana Department of Mines in late 2018 and is still going through due process. The recent structuring has necessitated some additional modifications to the application but the Company is working closely with the Botswana authorities and its joint venture partner to ensure the application is progressing smoothly and in step with its overall project development schedule.

A pre-feasibility study on the coal mining element together with a scoping study for the construction of the power plant has already been completed by Sechaba. Water and land use permits and environmental certification are also already in place at the site.

*The Company confirms that there has been no material change to the Mabesekwa Coal Resource since the Coal Resource estimate was first published as part of the announcement dated 21 June 2018 which is available on its website www.kibo.energy

REVIEW OF ACTIVITIES

Tanzania – Mbeya Project ("MCPP" or "Mbeya Project")

Following the disappointing news in February 2019 that the MCPP had not pre-qualified from a TANESCO (Tanzanian state electrical utility) tender round to compete further for selection as an independent coal to power producer to the domestic market, the company has quickly moved to consolidate and further explore other options for the commercialisation of its coal asset. This asset comprises a 120 mt Coal Resource** for which a positive feasibility study for the supply of coal to a co-located thermal power plant was completed in 2017. In March it assumed a 100% interest in the MCPP by buying out the residual 2.5% interest held by Sanderson Capital Partners subject to retention by Sanderson of a small royalty of 0.3% of future operating profits of any coal mine development. This royalty is capped at a maximum of GBP 2 million and an annual coal production of 1.5 million tonnes per annum over a mine life of 25 years. This consolidation of the project was followed In April with the announcement that TANESCO had formally advised the company that it could develop the MCPP for the export power market to coincide with the implementation of power connectors through Zambia, Tanzania and Kenya enabling power trade within the Eastern African Power Pool and Southern African Power Pool member countries.

The commitment of the Tanzania authorities to the development of the MCPP was further enhanced in August when the Company was granted seven mining rights over the coal resource that will provide feedstock to the proposed MCPP thermal power plant and this was followed in September with the renewal of water rights thus ensuring that the MCPP Environmental Impact Assessment certification continues to remain valid.

The Company remains committed to the development of the MCPP and will continue to work closely with the Tanzanian Government, partners and other stakeholders to identify and investigate new commercial opportunities both within Tanzania and regionally. Opportunities already identified include the export power market identified above, sale of coal to local and export markets and coal to gas conversion. The Company is keeping political developments and evolving energy policy in Tanzania under review and believes other opportunities may arise for the MCPP to be developed to serve the domestic power market, either supplying electricity to the national grid or to private off-takers.

**Kibo confirms that there has been no material change to the Mbeya Coal Resource since the Coal Resource estimate was first published as part of the RNS dated 11 April 2016 which is available on its website www.kibo.energy.

United Kingdom - Mast Energy Developments Limited ("MED")

Kibo's 60% UK subsidiary, MED made significant progress during 2019 in the UK Reserve Power generation market the highlight of which was the acquisition and development of the Bordersley power plant located near Birmingham. Originally, scheduled for commissioning by the end of Q2 2020, progress has been delayed by the impact of the COVID-19 pandemic and we now anticipate that it will come into production before the end of 2020. Kibo acquired a 100% interest in Bordersley from MED in a corporate transaction completed in June 2019 and is now set to receive all revenues from the plant when it comes into production (MED continues to manage the development of Bordersley on behalf of Kibo). Bordersley comprises a 5 MW gas fired power plant supported by a five year power purchase agreement between MED and Statkraft Markets GmbH to manage the gas input to the plant and the electricity generated. Statkraft is a major player in the European energy trading exchanges as well as being Europe's largest producer of renewable energy.

Bordersley marks Kibo and MED's first production asset in this rapidly growing segment of the UK energy market which has emerged in recent years to help balance base load power on the UK grid due to the increasing contribution of renewables, particularly wind, to total output power. In anticipation of increasing demand for flexible power output from small power plants like Bordersley, MED has concluded a number of option and collaboration agreements with various parties during 2019 towards developing a pipeline of projects similar to Bordersley's.

A notable achievement in this regard was a Joint Development Agreement signed between MED and A.B. Impianti S.R.L ("Impianti") in October 2019 which gives MED access to Impianti's EPC competencies, proprietary power generation equipment and funding solutions for Impianti approved projects. AB is a subsidiary of the AB Group, a global leader in engineering, manufacture, and after sales service of Combined Heat and Power generation solutions, which is present in 19 countries and has installed over 1,600 MW in over 1,250 plants.

REVIEW OF ACTIVITIES

Working with Impianti, good progress towards de-risking Bordersley is being made with an agreed site work scope, advanced Engineering, Procurement, and Construction ('EPC') and an associated financing agreement for Bordersley's construction and commissioning all at an advanced stage. The project received a welcome boost in October 2019 where it conditionally prequalified to participate in the recently introduced electricity Capacity Market scheme by the UK Government. The CM scheme plans for security of UK electricity supply by providing a payment for reliable sources of capacity, such as Bordersley, alongside their electricity revenues, to ensure they deliver energy when needed. Should Bordersley qualify and participate in the auction phase it could be in line to win a 15-year capacity market contract which if successful, could significantly improve the financial returns of the project.

MED's strategy to develop a pipeline of reserve power projects towards meeting its 100 MW target received a considerable boost in December 2019 with the signing of an agreement with Balance Power Projects Development Limited ("Balance Power"), a UK based developer of gas-based peak power plants from whom MED already acquired Bordersley. Balance have agreed under a site development agreement with MED to identify on its behalf suitable sites, carry out feasibility analysis and contingent on MED's agreement, prepare the sites for plant development. Each site so identified for development will be placed in a Special Purpose Vehicle ("SPV") i.e. a dedicated project company which will be held 100% by MED.

As noted earlier, the on-set of the COVID-19 pandemic in early 2020 has impacted on-site operations at Bordersley and delayed MED's anticipated commissioning date for the plant by the end of Q1 2020. Operations recommenced at Bordersley as of May 2020 albeit at a slower pace consistent with the implementation of required safety measures and in line with the latest UK Government guidelines. During 2020 to date, notwithstanding the delay to the Bordersley, MED has advanced discussions with a number of funding entities for multi-million investment to advance its long term strategy to simultaneously develop in excess of 20 reserve power plants with up to 300 MW generating capacity from its prospective "shovel ready" portfolio.

Corporate

During 2019, the Company continued its engagement with existing and potential new partners in evaluating project funding options in anticipation of financial close on all its projects. A Strategic Development Agreement with SEPCOIII first announced in 2018, which provided for equity investment in Kibo, was impacted by the announcement of the non-qualification of the Company's MCPP project to participate in a Tanzanian tender round for coal to power generation. Completion of the SDA has been deferred by mutual agreement, but discussions are continuing. The Company continues to have a close relationship with SEPCOIII who holds the contract for the construction of the MCPP power plant and discussions are continuing commensurate with the Company's efforts to develop alternative commercialisation options for the project.

In April 2019 the Company signed an engagement letter with UK based private investment bank, Wimmer Financial LLP, for the provision and structuring of an up to USD 900 million debt financing package for the development of all the Company's African coal projects save for the MCPP where Wimmer will not enjoy exclusivity on project funding.

Kibo undertook one underwriter sponsored placing during 2019 and raised £1.5 million through the issue of 333,333,333 shares at a price of £0.0045 per share. The placing was accompanied by a mutually agreed payment arrangement with certain service providers, suppliers and other creditors which comprised the issue of a further 108,888,947 shares at the placing price in payment of outstanding invoices for a total of £490,000. Each share issued in the Placing and the funding arrangement had two warrants attached; one warrant exercisable at 0.8p per share for the period of 18 months from the date of issue and half a warrant exercisable at 1p per share for the period of 36 months from the date of issue. In total 663,333,420 warrants were issued.

In addition to the Placing, the Company also issued an additional 175,062,729 shares in respect of payments to contractors (10,518,741), to Sanderson Capital Partners in respect of buy-back of its residual 2.5% interest in the MCPP (126,436,782) and to the minority shareholder in MED, St Anderton on Vaal, in respect of payments under the terms of the acquisition agreement for Bordersley (38,067,206). At its AGM in September 2019 resolutions were also passed to effect a subdivision of its share capital the net effect of which was to reduce the nominal value of its ordinary shares from €0.015 to €0.001 and create an additional class of Deferred Share (2019 Deferred Share) in the amount of 805,053,818. The number of ordinary shares (publicly listed on AIM & the JSE) was not affected by the subdivision save that the ceiling on the authorised share capital was raised from €1 million to €2 million.

REVIEW OF ACTIVITIES

During 2020, financing initiatives for the Kibo Group have, not surprisingly, been impacted and delayed by the on-going COVID 19 pandemic. In June we held an EGM where we laid proposals before shareholders for a share capital reorganisation to make the Company more attractive to funders, settle with creditors and enable funding options being considered at the time to be implemented. While we did not receive sufficient support at the EGM for key resolutions to allow us proceed with the proposals, we have since, following internal board discussion and discussions with advisors and some major shareholders, proceeded to secure a £1 million facility ("the Facility") from a consortium of lenders. The Facility, in the form of a convertible loan note issued by Kibo, will provide sufficient working capital to allow us proceed with reaching key development milestones, particularly for the Benga and MED projects over the next twelve months. I am glad to report that at an EGM held on 24 August 2020, shareholders have approved resolutions to increase the authorised share capital which we required in order to be able to fully avail of the Facility and meet all related funding costs.

During 2020 to date, we have issued an additional 135,526,399 shares comprising 29,214,110 to contractors & service providers for agreed invoice payments at share prices of 0.45p & 0.2p; 8,000,000 as final payment to MED with regard to acquisition costs for Bordersley, at a share price of 5.25p; and 98,312,289 shares in payment of first drawdown fees, legal fee, arrangement fee and issue of conversion shares with regard to the Facility at share prices ranging from 0.22p to 0.27p.

The Company appointed ETX Capital as its joint broker in November 2019 to replace SVS Securities who were placed in Special Administration in August 2019. Following termination of First Equity Limited's engagement with the Company in early 2020, ETX are now the Kibo's sole corporate broker under AIM Rule 35.

Louis Coetzee
Chief Executive Officer
22 September 2020

CORPORATE GOVERNANCE REPORT

The Kibo board (the "Board") aims to conform to its statutory responsibilities and industry good practice in relation to corporate governance of Kibo Energy PLC ("Kibo" or the "Company") and its subsidiaries (together with Kibo, the "Group"). The Board has adopted the latest version of the QCA Corporate Governance Code (2018) ("QCA Code") and endeavours to follow its ten principles ("the Principles") with due regard to the stage of development of the Company. The Company also seeks guidance from its Nomad on recommended best corporate governance practice for AIM companies.

In addition to my role as non-executive chairman of the Board, I am also the chairman of the Company's Governance Committee and retain primary responsibility for the design, implementation, articulation, review and updates of the Company's corporate governance policy. The Governance Committee meets at least once a year and makes recommendations to the Board to ensure the Company's corporate governance policy remains aligned with the Principles as it grows.

The following are the principal ways in which the Company meets these requirements.

1. Establish a strategy and business model which promotes long-term value for shareholders
The Company has established a strategy and business model which it believes will promote long term value for shareholders. This was updated during 2018 following the Company's decision to change its business model from being predominantly a mining exploration company operating exclusively in Tanzania to be an energy development company with energy projects in different countries but primarily focused on sub-Saharan Africa. This updated business model presents new challenges to the Group across financial, technical and operational areas as its project portfolio expands across different jurisdictions. In response to these challenges, the Company has updated its corporate governance policies and procedures to support its current business model. The Company believes its current business model will deliver long term value to shareholders by providing diverse exposure to the growing demand-led energy markets in sub-Saharan Africa and the UK. It further believes that this business model is appropriate to protect the Company from unnecessary risk and secure its long-term future.

2. Seek to understand and meet shareholder needs and expectations
The Company seeks to understand and meet shareholder needs and expectations by engaging with them across a range of platforms including regular investor presentations, Q&A forums, investor relations company services, social media sites and at its Annual General Meeting where the Board encourages the active participation of shareholders on important and relevant matters, including the Group's strategy, financial performance, and operational and commercial developments. The Company provides phone numbers on its RNS and SENS announcements where shareholders can contact the appropriate senior Company representatives or advisors directly with their queries together with a dedicated email address for shareholder feedback. The Board receives regular shareholder feedback and provides prompt responses through all these communication channels and therefore believes it adequately meets its shareholders expectations in this regard.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success
The Company firmly believes that the energy development projects that form the basis of its business model will substantially benefit the countries and regions in which it operates. It fosters a culture of open communication with all stakeholders who may be impacted by its activities. Its strategy and business model are designed to minimise any negative impact of its activities on the communities where it operates and on the environment.

The Company's project areas are located in Mozambique, Botswana, Tanzania and the UK. Staff and locally appointed representatives at the Company's project offices provide a first point of contact for stakeholders to receive information on the Company's activities and provide feedback on any issues or concerns they may have. The Company has appointed dedicated liaison officers to communicate with stakeholder groups e.g. local & regional government officials, central government departments, community groups and local suppliers to keep them continuously updated on project activities and plans. Management conveys to the Board in a timely manner through formal reporting channels and at operational review meetings any substantive concerns of stakeholders and where necessary, the Board mandates appropriate action be taken to address these concerns.

CORPORATE GOVERNANCE REPORT

In support of the Company's social responsibility towards the local communities among which it works, it has implemented a Corporate Social Responsibility Plan ("CSR Plan"). The first phase of this plan is already completed through the building and refurbishment of school buildings in two local villages close to its MCPP project in southern Tanzania. Successive phases of this CSR Plan will be implemented commensurate with and contingent on the construction and commissioning of the MCPP that will, in addition to education, include support of health care, employment opportunities, local business development and public infrastructure development. The Company has now commenced replicating its stakeholder liaison model and CSR commitment in Tanzania on its other African projects in Botswana and Mozambique.

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

The Board has considered mechanisms by which the business and the financial risks facing the Group are managed and reported to the Board. The principal business and financial risks have been identified and control procedures implemented. The Board acknowledges its responsibility for reviewing the effectiveness of the systems that are in place to manage risk and to provide reasonable but not absolute assurance on the safeguarding of the Group's assets against misstatement or loss.

The major risks facing the Company are clearly identified in the Directors' Report on page 16. The Company relies on internal and external assessments of its systems for managing risk and it believes the continuous implementation of recommendations from these reviews provide the Board with adequate assurance that its systems for managing risks are effective.

The Company's Audit Committee is the primary body that is tasked with identifying, assessing and managing risk. The principal risks identified across all aspects of the Company's operation include, inter alia, risks associated with foreign exchange, strategy, funding, staffing, political stability and commercial activities. The Audit Committee regularly reviews reports from Management across all financial and operational activities enabling it to identify and assess risks and make recommendations to the Board where appropriate for mitigation. Similarly, it also informs the Board where it identifies business opportunities that may be beneficial to the Company. The Audit Committee's other core function is to review and, if in order, recommend the annual financial statement to the Board for approval. Where the Company's auditors have identified risks or any shortcomings in accounting procedures, the Audit Committee brings these to the Board's attention for mitigation and/or rectification. The Audit Committee Report on page 27 provides further details on the committee's activities during 2019.

To better assess and manage risks in line with the Company's recent change in its strategy and business development model, it has compiled a Risk Register which is updated quarterly. Henceforth, this document will be the cornerstone of the its Risk Management Policy and will be the key tool in monitoring the effectiveness of remedial action proposed by the Audit Committee on an on-going basis.

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

The Board regularly meets to monitor and approve the strategy and business model for the Group.

The Board comprises a non-executive chairman, two executive directors and three non-executive directors. Two of the non-executive directors (Christian Schaffalitzky and Wenzel Kerremans), which includes the Chairman, are considered by the Board to be independent directors. The Board considers non-executive directors to be independent when they are independent of Management and free from any business or relationship that would materially interfere with the exercise of independent judgment as a Board member.

The Executive directors comprise the Company's CEO who dedicates 100% of his time to the Group and one other director who dedicates 50% of his time. The non-executive directors dedicate as much time as is required for them to fully carry out their duties for the Group including overseeing corporate governance arrangements and serving on board committees. One of the non-executive directors, Noel O'Keeffe, also serves as the Company secretary. The functions and composition of the various Board sub-committees are outlined in Section 9.

The Board alone is responsible for:

- formulating, reviewing and approving the Group's budgets and major items of capital expenditure;
- formulating the Group's major policies and strategy;
- monitoring and reviewing the Group's performance and achievement of goals;
- approval of Financial Statements and Annual Report;
- major contracts and transactions;
- board and management structure and appointments (the whole Board acts as the Nominations Committee);

CORPORATE GOVERNANCE REPORT

• effectiveness and integrity of internal control and management information systems; and
• overall corporate governance of the Group.

An agenda and all supporting documentation is circulated to the directors before each Board meeting. Open and timely access to all information is provided to directors to enable them to bring independent judgement on issues affecting the Group and facilitate them in discharging their duties. The Board met 25 times during the last financial year to 31 December 2019 with on average >90% attendance during this period.

In accordance with the Articles of Association of the Company, one third of the Board is required to retire each year at the Company's AGM but directors so resigning can put their name forward for re-election.

The Board sets the Group's strategy and monitors its implementation through management and financial performance reviews. It also works to ensure that adequate resources are available to implement strategy in a timely manner.

The Board is accountable to the shareholders for delivery of sustained value growth. In order to support its duties and responsibilities the Board implements control procedures, such as quarterly operational review meetings, that assess and manage risk and ensure robust financial and operational management within the Group.

6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities
The Board considers that there is an appropriate balance between the Executives and non-executive directors and that no individual or small group dominates the Board's decision making. The Board's members have a wide range of expertise and experience which the Board considers to be conducive to the effective leadership of the Group and to the optimisation of shareholder value.

The Board members' diverse range of skills and experience span technical, financial, operational and legal areas relevant to the management of the Company. Summary biographies of each Board member are shown on the Company's website and in the Directors' Report on page 16. Directors keep their skill sets up to date by attendance at, and participation in, various events organised by their respective industry sectors and/or by participation in continuing professional development courses. For example, The Company secretary (also a director) successfully completed a Certificate in Company Law and Practice in 2019 at the Law Society of Ireland to update his skills in this area.

As the Company evolves, the Board composition will be reviewed to ensure appropriate expertise is always in place to support its business activities. It strives to align directors' responsibilities with their individual skills so they can optimally contribute to its current strategy and business model. While the Board has not yet adopted any formal policy on gender balance, ethnicity or age group, it is committed to fair and equal opportunity and fostering diversity subject to ensuring appointees are appropriately qualified and experienced for their roles. The Company acknowledges that as it expands its operations across different countries, it will be to its benefit to align its Board composition to reflect balance in the ethnicity and gender of its members.

The Company retains the services of independent advisors across financial, legal, investor relations, technical/engineering and IT fields that are always available to the Board. These advisors provide support and guidance to the Board and complement the Company's internal expertise.

7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement
The performance of the Board and Management of the Company is evaluated on an on-going basis by the Remuneration Committee ("Remcom"). The results of these evaluations are reflected in changes in the Executive remuneration levels recommended by the Remcom from time to time and in awards under the Company's Share Option and Management Incentive Schemes where it considers such awards are warranted. Remuneration levels are benchmarked against peer companies while performance awards are based on meeting pre-defined milestones such as successful project acquisitions or completion of significant project development phases. As the Company grows, the Board will develop more comprehensive human resource policies to provide both internal and external performance evaluations of its Board, senior management and staff including the provision for upskilling where necessary and to provide for Board member succession planning. The Company commissioned an independent consultants report in late 2018 to consider current director and management remuneration levels and make recommendations for adjustments. The report recommendations were implemented for 2019.

The Board considers that the corporate governance policies it has currently in place for Board performance reviews is commensurate with the size and development stage of the Company.

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

The Company operates across several countries including Ireland, UK, Cyprus, South Africa, Tanzania, Botswana and Mozambique. In line with its international reach, the Company recognises the cultural diversity both internally and among its business partners, service providers and other stakeholders. The Board promotes corporate values that reflect its commitment to provide equal opportunity to all subject to its core principles that demand the adoption of ethical values and conduct at all times. In this regard it has developed robust whistle-blower and anti-corruption policies that Board, management, staff and service providers have signed up to. The Company's Anti-Corruption policy requires all Group personnel to declare conflicts of interest in any dealings on behalf of the Group and to excuse themselves from any negotiation on behalf of, or with, the Company in such circumstances.

While the Company has not adopted a formal Code of Conduct at board level, management and staff behaviour is governed by the terms of individual employment (and supplier) contracts whose terms reflect the ethics and values of the Group. Together with other Company policies such as its whistle-blower and anti-corruption policies noted above, these establish a high standard of values and behaviour to which all personnel working for, or on behalf, of the Group are expected to adhere to. The Board monitors compliance with its ethical values through feedback from Management and has disciplinary procedures in place to take corrective action where required.

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

The Company has developed and adopted a variety of plans, policies, and procedures as part of its corporate governance framework to ensure that the Company is run in an efficient, effective and responsible manner. Key policies include:

Board Governance Plan

The Board Governance Plan is integrated into a Corporate Procedures Manual which sets out corporate governance structure and includes the terms of reference for the various Board Committees. In addition, the Corporate Procedures Manual outlines:

- high level financial controls;
- information system environment;
- forecasting & budget procedures;
- treasury operations;
- accounting policies;
- financial accounting procedures; and
- management reporting framework.

Securities Trading/Share Dealing Policy

The Company's Share Dealing Code sets out the Company's policy, procedures and restrictions for directors, management, staff and insiders in dealings in the Company's shares. It is compliant with AIM and FCA Rules and with the Company's obligations under the Market Abuse Directive (2016).

Continuous Disclosure and Market Communications Policy

The Company's policy is governed by the AIM Rules and the JSE Rules and all applicable national financial regulation in the UK, Ireland and South Africa.

Risk Management Policy

The Company has developed a Risk Register which will be reviewed on a quarterly basis. The Risk Register reviews the risks around each aspect of management and operations and is scored by each Executive member of the Board in terms of probability and impact to derive an overall risk profile for the Company. The Risk Register also records the steps that are being taken to mitigate the major risks identified.

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Health and Safety Policy & Procedures

All operating companies within the Group have their own Health and Safety Policy and Procedures ("HSE Policy") tailored to the particular jurisdiction and environment in which they are active. The Board retains overall responsibility to ensure appropriate HSE Policy is in place at all times and reviews this at its operations' review meetings.

Environmental Policy

Kibo is committed to high standards of environmental protection across our business. Our goal is to protect people, minimise harm to the environment, integrate biodiversity considerations and reduce disruption to our neighbouring communities. We seek to achieve continuous improvement in our environmental protection performance. The Company will significantly expand and escalate our actions to meet our commitment to environmental protection commensurate with the start of plant construction, mining operations and energy production on our projects. The results of environmental impact reports already completed and in progress across our projects will be used to carefully plan for environmental risk assessments and implement mitigating measures to protect the environment in association with relevant government bodies and local communities.

Anti-corruption and bribery Policy

The Company's Anti-corruption and bribery policy is in place to ensure that all directors, management, staff and suppliers to the Group conduct themselves in an honest and ethical manner at all times. It meets the requirements of the UK Bribery Act 2010.

Whistleblowing Policy

The Company's Whistleblowing Policy is informed by Whistleblowing Arrangements Code of Practice issued by the British Standards Institute and Public Concern at Work. Its objectives are:

- to encourage Group personnel to report suspected wrongdoing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate, and that their confidentiality will be respected;
- to provide Group personnel with guidance as to how to raise those concerns; and
- to reassure Group personnel that they should be able to raise genuine concerns in good faith without fear of reprisals, even if they turn out to be mistaken.

IT, communications and systems procedures

IT, communications and systems procedures are included in the Company's Corporate Procedures Manual and are designed to ensure a robust, upgradeable and secure IT system, with appropriate back-up to ensure any system failure will not be catastrophic for the continued operations of the Company.

The Chairman is responsible for providing leadership to the Board while the day-to-day management of the Group is delegated to the Executive Committee lead by the CEO. The CEO is primarily responsible for the Group's business performance and manages the Group in accordance with the strategies and business plan. The independent non-executive directors are responsible for providing independent advice and are considered by the Board to be independent of Management.

The Board/senior officer committees are the Governance Committee, Executive Committee, Remuneration Committee Audit Committee, and the Nomination Committee.

Governance Committee: Comprises three non-executive directors. The Committee meets at least once a year to review the Company's ongoing compliance with the QCA Code and to make recommendations to the Board where it judges that there is a requirement to update, replace or expand corporate governance policies and procedures in line with current activities. The Governance Committee is chaired by Christian Schaffalitzky and the other members are Noel O'Keeffe and Wenzel Kerremans.

CORPORATE GOVERNANCE REPORT

Executive Committee: Comprises two executive directors and two senior Company officers: The Committee meets at least once a month. The Executive Committee is the core senior management team in the Company responsible for day to day management and operations. Its terms of reference are defined in the Company's Corporate Procedures Manual. The Executive Committee is chaired by Louis Coetzee and the other members are Lukas Maree, Louis Scheepers (COO) and Pieter Krugel (CFO).

Remuneration Committee: Comprises three non-executive directors. The Committee meets at least once a year to determine Company policy on senior executive remuneration, to make detailed recommendations to the Board regarding the remuneration packages of the executive directors and to consider awards under the Company's Share Option and Management Incentive Award schemes. The Chief Executive Officer is consulted on remuneration packages and policy but does not attend discussions regarding his own package. The remuneration and terms and conditions of the appointment of non-executive directors are determined by the Board. The Remuneration Committee is chaired by Christian Schaffalitzky with the other members being Andreas Lianos and Wenzel Kerremans.

Audit Committee: Comprises three non-executive directors. The Committee meets at least twice a year to consider the scope of the annual audit and the interim financial statements and to assess the effectiveness of the Group's system of internal financial controls and risk management systems. It reviews the results of the external audit, its cost effectiveness and the objectives of the auditor. Given the size of the Group, the Audit Committee considers that an internal audit function is not currently justified. The Audit Committee is chaired by Andrew Lianos, ACA, CA(SA), ACMA, CIA. who serves as the Company's non-executive Financial Director. The other members of the Audit Committee are Christian Schaffalitzky and Wenzel Kerremans.

Nomination Committee: Comprises the entire Board. The principal objectives of the Committee are to monitor and review the Board structure, size, composition and the mix of skills and expertise to ensure that these are in line with the Group's strategies and to consider potential candidates for directorship. The selection criteria for selection and recruitment of the potential candidates for directorship shall include qualifications of the individual, experience, knowledge and achievements, credibility and background and ability of the candidates to contribute effectively to the Board and Group. The Nomination Committee also oversees succession planning of directors, taking into account the relative experience of each Board member in relation to the Company's requirements given its stage of development and strategies, with the goal of having in place an adequate and sufficiently experienced board at all times.

The Company's Corporate Procedures Manual includes a schedule of matters that are reserved as the sole responsibility of the Board. These matters, in addition to setting strategy for the Company, include, but are not limited to, Board nominations and appointments, approval of acquisitions and disposals and approval of annual budgets and financings.

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

The Board recognises the importance of establishing and maintaining good relationship with Kibo's shareholders and other stakeholders. The Board is responsible for ensuring satisfactory dialogue with shareholders throughout the year. In order to establish and maintain good relationships with the shareholders of Kibo, and to maintain transparency and accountability to its shareholders, Kibo uses various means to continuously communicate and disseminate timely information to shareholders and stakeholders:

- market announcements on regulatory platforms (RNS and SENS);
- annual and interim reports;
- circulars;
- annual general meetings of shareholders;
- investor presentations and briefings;
- Q&A forums and social media sites;
- website at www.kibo.energy; and
- via investor relations professionals at St. Brides Partners Ltd (contact person: Isabel de Salis / Beth Melluish Tel: +44 (0) 207236 1177)

The Company's Audit Committee Report is presented on page 27 and provides further details on the committee's activities during 2019, and while a separate report from the Remuneration Committee was not produced due to the size of the Company, the Company intends to review this requirement on an annual basis.

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Conclusion

The Company believes that its governance structures and practices as detailed above comply with the expectations of the QCA Code in all material respects. It also acknowledges its obligations under the Code to continually monitor and further develop the scope and suitability of its governance structures in line with its growth. In recent years, the Company undertook a change in strategy from being dominantly a mineral exploration company based in Tanzania to be an energy development company with a project portfolio spanning Tanzania, Botswana, Mozambique and the UK. In line with these developments the Company has implemented key governance changes including a re-assignment of Board responsibilities and the recruitment of a Chief Financial Officer to manage the increased financial responsibilities within the Group. The Company continued to update its Plans, Policies and Procedures itemised at 9 above during 2019 to ensure it remains in compliance with the QCA Code.

Christian Schaffalitzky
Chairman
Governance Committee
22 September 2020

DIRECTORS' REPORT

The Board of Directors present their Annual Report together with the audited annual financial statements for the year ended 31 December 2019 of Kibo Energy PLC ("Kibo" or "the Company") and its subsidiaries (collectively "the Group").

The Board comprises a non-executive chairman, two executive directors and three non-executive directors. As the Company evolves, the Board will be reviewed and expanded if necessary to ensure appropriate expertise is always in place to support its business activities.

The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets, major items of capital expenditure and acquisitions. An agenda and all supporting documentation is circulated to all directors before each Board Meeting. Open and timely access to all information is provided to all directors to enable them to bring independent judgement on issues affecting the Company and facilitate them in discharging their duties.

At the date of this report, the board of directors comprised:

Christian Schaffalitzky - Chairman (non-executive)
Louis Coetzee - Chief Executive Officer (executive)
Andreas Lianos - Financial Director (non-executive)
Noel O'Keeffe - Technical Director (non-executive)
Lukas Maree - executive director
Wenzel Kerremans - (non-executive director)

Christian Schaffalitzky, BA (Mod), FIMMM, PGeo, CEng, Age 66 – Chairman (non-executive and independent)
Christian Schaffalitzky has over 40 years' experience in minerals exploration and is Executive Chairman of Eurasia Mining plc, a company trading on AIM. From 1984 to 1992, he founded and managed the international minerals consultancy, CSA Group, now CSA Global Pty Ltd. Christian was a founder of Ivernia West plc, where he led the exploration, discovery and development of the Lisheen zinc deposit in Ireland. More recently, he was a managing director of Ennex International plc, an Irish quoted mineral exploration company, focused on zinc development projects. He has also been engaged in precious and base metal mineral exploration and development in the former Soviet Union and is a former independent director on the boards of Russian companies, Raspadskaya Coal Company and Chelyabinsk Zinc and a director of one other listed investment company.

Louis Coetzee, BA, MBA, Age 56 – Chief Executive Officer (executive)
Louis Coetzee has over 25 years' experience in business development, promotion and financing in both the public and private sector. In recent years, he has concentrated on the exploration and mining arena where he has founded, promoted and developed a number of junior mineral exploration companies based mainly on Tanzanian assets. Louis has tertiary qualifications in law and languages, project management, supply chain management and an MBA from Bond University (Australia) specialising in entrepreneurship, and business planning and strategy. He has worked in various project management and business development roles mostly in the mining industry throughout his career. Between 2007 and 2009, he held the position of Vice-President, Business Development with Canadian listed Great Basin Gold (TSX: CBG). Mr. Coetzee is also the CEO of AIM-listed Katoro Gold PLC in which Kibo has a significant shareholding.

Noel O'Keeffe, BSc (Hons), Geology, MBA, CG (Affiliated), Age 56 – Technical Director (non-executive) and Company Secretary
Noel O'Keeffe has over 30 years' experience in mineral exploration and has worked on a variety of base metal and gold projects in Ireland, Canada, Australia and Africa. Prior to co-founding Kibo in 2008 he worked as a quality coordinator with Boston Scientific (Ireland) Ltd, a multinational medical device company. He also worked part-time for Irish geological services group, Aurum Exploration Ltd during 2003 and early 2004. During the mid-nineties he was exploration manager with Ormonde Mining plc in Tanzania, a company currently listed on the Irish Stock Exchange and on AIM. Previously Noel was a senior geological consultant with BDA Consultants Limited and worked on both government and private sector contracts. Earlier in his career, Noel worked as a geologist for Burmin Exploration and Development plc and for its Canadian and Australian subsidiaries. Mr. O'Keeffe is also a non-executive director of Cyprus company, River Capital plc.

Lukas Marthinus Maree, BLC, LLB, Age 58 – (executive)
Lukas Maree is a lawyer by profession. He has served on the boards of a number of public companies including Goldsource Mines Limited, Africo Resources Limited and Diamondworks Limited that have made significant successful investments in exploration projects in Africa and North America.

DIRECTORS' REPORT

More recently, he has served as the CEO of private investment companies Rusaf Gold Limited and Mzuri Capital Group Limited, both of which have successfully developed and sold mineral projects in Russia and Tanzania. He was also a founder principal of River Group, Designated Advisors to the Listing of Kibo on the JSE, and was responsible for its Canadian office until he retired from the Group in 2013 to pursue personal interests. Mr. Maree is also a director of AIM-listed Katoro Gold PLC.

Wenzel Kerremans, B. Proc, LLB, LLM, Adv. Dip. Age 61 – (non-executive and independent)
Wenzel Kerremans is a lawyer by profession with over 25 years international legal experience in mining, banking, project finance and international tax, advising clients who have invested in exploration and mining projects in Africa. He has also originated and successfully sold Veremo Holdings Limited, a billion ton titaniferous magnetite exploration project for the production of iron and titanium slag. Wenzel is also the principal and director of a gold, graphite and coal exploration project in Africa.

Andreas (Andrew) Lianos, CA(SA), ACA, ACMA, Age 53 –Financial Director (non-executive)
Andrew is a chartered accountant, certified management accountant, registered internal auditor and JSE qualified executive who started his professional career in 1989 with Grant Thornton International. Andrew entered the corporate finance industry in 1994 by joining Deloitte & Touche Corporate Finance. In 1996 he joined Merrill Lynch Corporate Finance, and was part of the team that founded Labyrinth Corporate Finance during 1997. He has been intimately involved in a number of IPO's since the bull market of the 90's to date, and has substantial transaction experience in the resources, food- and leisure industries. Andrew serves on the boards of a number of public companies and co-founded River Group in 1998. He has since been involved in a number of successful RTOs and IPOs on the JSE, TSX, ASX and LSE, cross-border restructurings and resources transactions in Canada, the Central African Republic, Angola, Zambia, Zimbabwe, Tanzania and South Africa.

Role of Technical Director & Financial Director
The Technical Director and Financial Director roles of Mr. O'Keeffe and Mr. Lianos respectively are not executive functions and neither are members of the executive committee of the Company. They provide their services in these roles on a part time consultancy basis independent of their positions as non-executive directors. They exercise these roles in a high level advisory capacity and are not involved in the day to day management of the Company. Mr. O'Keeffe's services as Company secretary are also provided on a part time basis.

Review of Business Developments
As noted in the Chairman's Report and Review of Activities, the Company consolidated its business strategy as an energy development company with further development progress of its energy projects in Africa and the UK during the period. To reflect this change in business strategy, the Company also changed its name from Kibo Mining PLC to Kibo Energy PLC at its 2018 AGM. The Company also divested itself of its remaining mineral exploration project, Haneti, in Tanzania to Katoro Gold PLC, a company in which Kibo holds a 29.70% interest as at the date of this report (31 December 2018 – 55.53% interest). The Company continued to further its feasibility studies towards mining and thermal coal plant development on its African projects.

While our focus remains on addressing the acute power deficits in Sub-Saharan Africa and, more recently, the UK, our strategy has slightly altered to focus on including sustainable power options into our solutions. This has seen us build a strong partnership with US based ESS Tech Inc. ('ESS'). We are making steady progress integrating ESS's iron flow battery technology that offers, amongst other benefits, more than double the operating lifetime and cycle capacity of lithium-ion battery storage systems, into the plans for our coal fired power plants. We look forward to providing further updates on this innovative technology in due course.

In Mozambique, our Benga Power Plant Project ('BPPP'), in which we have a 65% interest and which enjoys very strong local support and is backed by local energy company Termoeléctrica de Benga S.A, continues to make progress. With a Definitive Feasibility Study based on a 150 MW coal-fired power plant already in place, this advanced project is reaching an exciting stage. Not only does it have significant expansion potential, including the establishment of a pure renewable energy project, but the off-take opportunities are escalating; notably, we continue to have encouraging discussions with Electricidade de Moçambique ('EDM') regarding a Power Purchase Agreement. The momentum behind the Benga Project has been maintained during 2020 to date with the acquisition of additional land increasing the project site by 345 hectares, the signing of a new Memorandum of Understanding with EDM and entering binding term sheet to negotiate a PPA with Baobab Resources Ltd ("Baobab") to supply c.200 MW energy to its Tete Steel and Vanadium Project in Mozambique.

DIRECTORS' REPORT

Similarly, in Botswana, where we are developing the Mabesekwa Coal Independent Power Project ('MCIPP') with major energy industry player, Shumba Energy Ltd ('Shumba'), a strategic opportunity to develop a multi-project and accordingly multi-revenue stream programme, has been identified. This will comprise developing an established 761Mt coal deposit into a coal mine that will feed two power stations. The first of these is a 300 MW power station envisaged to provide power to Shumba's petrochemical plant, which will first provide Botswana with up to 80% of its domestic liquid / gas fuel requirements, and later the Southern African market at large. Kibo has a 35% interest in this power station. The second power station with a planned capacity of 250-300 MW, in which Kibo holds an 85% interest, is primarily focussed towards feeding the Botswana power grid.

Kibo's Botswana subsidiary, Kibo Energy Botswana (Pty) Limited, submitted a mining licence application over the Mabesekwa Coal Resource to the Botswana Department of Mines in late 2018 and it is still going through due process. The recent restructuring has necessitated some additional modifications to the application but the Company is working closely with the Botswana authorities and its joint venture partner to ensure the application is progressing smoothly and in step with its overall project development schedule.

A pre-feasibility study on the coal mining element together with a scoping study for the construction of the power plant has already been completed by Sechaba. Water and land use permits and environmental certification are also already in place at the site.

Completing our African portfolio of interests is the 100% owned Mbeya Coal to Power Project ('MCPP') in Tanzania. This project, fully developed to funding / construction ready status, with seven Mining Licences and water permits in place, comprises a 120 Mt coal deposit and a 300-600 MW power plant. It too is making headway and remains an exciting opportunity as highlighted by the confirmation from TANESCO that Kibo has the option to develop the project for the severely undersupplied power export market and also remains well positioned to participate in any future tenders from the Tanzanian Government for the supply of coal -fired electricity.

Beyond Africa, although presenting in a different shape and form, the energy crisis is just as critical. Three years ago, engineers forecasted an unprecedented "energy gap" in the UK in a decade's time, with demand for electricity likely to outstrip supply by more than 40%, which could lead to blackouts (recently the UK experienced four major blackouts). Complementing its growth strategy, Kibo identified this as a strategic development opportunity and intends to support the UK energy mix with much needed flexible energy projects by developing a portfolio of small-scale power generation assets to support the UK power grid via its 60% interest in MAST Energy Developments ('MED') projects. To this end, one site, the shovel-ready 5 MW gas- fuelled Bordersley power generation plant has been acquired and due diligence on several others are nearing conclusion. The development of Bordersley had been progressing rapidly and ahead of schedule. However, as has been explained in recent communications, COVID-19 has caused unavoidable delays to the planned construction and commissioning of the plant, which was due to take place by the end of Q1 2020. We are doing all we can to continue to progress this and counter any further delays. AB Group, the Italian power giant which will supply, construct and commission the Bordersley plant, continues to progress the project remotely. Furthermore, we have utilised this temporary on-site cessation of activity as an opportunity to consolidate our ownership of Bordersley to 100%, (see RNS dated 30 March 2020) allowing us to progress uninterrupted with comprehensive ongoing funding discussions for MED and Bordersley (see RNS dated 17 March 2020). We remain firmly focussed on progressing this project, which offers significant near-term revenues thanks to the power purchase agreement we have in place with Statkraft and will of course continue to provide further updates as soon as we are in a position to do so.

We remain focused on delivering on our objective of building a leading-edge multi-asset energy company and I believe we have the requisite quality assets, skill set, team and partners and crucially development plan to do this. Yes, the current global backdrop has created unforeseen challenges; for starters, the various governments with whom we are in discussions with are currently focused on the welfare of citizens rather than power projects. However, having reacted quickly to minimise this disruption, we continue to make tangible progress across our portfolio. With an undeniable market demand for reliable, sustainable and affordable electricity, we believe our growth prospects are strong.

DIRECTORS' REPORT

Post Statement of Financial Position events

Investment in Katoro Gold PLC

Following Kibo's investment in Katoro Gold PLC during 2019 by subscribing to its October 2019 placing for 1.8 million shares issued at a price of 1p (£18,000), the Company subsequently exercised the warrants attached to these shares at their exercise price of 1.5p and receiving an additional 1.8 million Katoro shares in February 2020. Kibo's equity interest in Katoro at the date of this report is 29.70%.

Issue of Convertible Loan Note

In July 2020, the Company secured a £1 million facility ("the Facility") from a consortium of lenders. The Facility, in the form of a convertible loan note issued by Kibo, will provide sufficient working capital to allow it proceed with reaching key development milestones, particularly for the Benga and Mast Energy Developments Limited projects over the next twelve months. At an EGM held on 24 August 2020, shareholders approved resolutions to increase the authorised share capital of the Company which was required to fully avail of the Facility and meet all related funding costs. The Company is now fully enabled to avail of the Facility. Refer to the Going Concern paragraph on page 23 for further details.

Share Issues

During 2020 to date, as per page 8, Kibo issued an additional 135,526,399 shares comprising 29,214,110 to contractors & service providers for agreed invoice payments at share prices of 0.45p & 0.2p; 8,000,000 as final payment to MED with regard to acquisition costs for Bordersley, at a share price 5.25p; and 98,312,289 shares in payment of first drawdown fee, legal fee, arrangement fee and issue of conversion shares with regard to the Facility at share prices ranging from 0.22p to 0.27p.

Increased Investment in Mast Energy Developments and Listing of Sloane on the LSE

In August 2020, Sloane Developments Limited, a 100% owned UK Kibo subsidiary, announced that it will acquire from St Anderton on Vaal Limited ('St Anderton') the remaining 40% interest in Mast Energy Developments Ltd ('Mast Energy'), that it did not already hold, in exchange for 36,917,076 new Ordinary Shares in Sloane. Accordingly, Sloane (to be renamed Mast Energy Ltd) will at completion of the share exchange transaction own a 100% interest in Mast Energy alongside its 100% interest in Bordersley Power Ltd as it seeks to develop a portfolio of flexible power plants in the UK. St Anderton will at completion hold 26.11% of Sloane, with Kibo holding the remaining 73.89%. Sloane has made an application to the LSE for admission to the Standard List which will be accompanied by an IPO to raise funds to advance Mast Energy's energy portfolio in the UK.

Settlement and Termination of Convertible Loan Note and Placing

Kibo settled all outstanding amounts due under the Convertible Loan Note ("CLN"), announced on 25 June 2020 and reached agreement with the holders of the CLN to terminate the CLN with immediate effect. The Company has further undertaken a successful placing to raise GBP1,450,000 before costs through the Company's broker ETX Capital, at a placing price of 0.2p per placing share, with 1 warrant attached for every two placing shares, exercisable at 0.4p each over 36 months.

Principal Risks and Uncertainties

The realisation of coal mining and energy assets is dependent on the discovery and successful development of economic mineral reserves and/or completion of positive integrated bankable feasibility studies and is subject to a number of significant potential risks summarised as follows, and described further below:

- financial instrument & foreign exchange risk;
- strategic risk;
- funding risk;
- commercial risk;
- operational risk;
- staffing and key personnel risks;
- speculative nature of mineral exploration and development;
- political instability;
- uninsurable risks; and
- foreign investment risks including increases in taxes, royalties and renegotiation of contracts.

DIRECTORS' REPORT

Financial instrument and foreign exchange risk
The Company and Group are exposed to risks arising from financial instruments held and foreign exchange transactions entered throughout the period. These are discussed in Note 27 to the Annual Financial Statements.

Strategic risk
Significant and increasing competition exists for mineral and energy project acquisition opportunities throughout the world. Because of this competition, the Company may be unable to acquire and exploit additional attractive projects on terms it considers acceptable. Accordingly, there can be no assurance that the Company will acquire any interest in additional mining and/or energy development projects that would yield commercial opportunities. The Company expects to undertake comprehensive due diligence where warranted to help ensure opportunities are subjected to proper evaluation.

Funding risk
In the past the Company has raised funds via equity contributions from new and existing shareholders, thereby ensuring the Company remains a going concern until such time that revenues are earned through the sale or development of its projects. There can be no assurance that such funds will continue to be available on reasonable terms, or at all in future. The Directors regularly review cash flow requirements to ensure the Company can meet financial obligations as and when they fall due.

Commercial risk
The mining industry is competitive and there is no assurance that, even if commercial quantities of minerals are available to the Company, a profitable market will exist for the sale of such minerals. There can be no assurance that the quality of the minerals will be such that the Company mining assets can be mined at a profit or, where applicable, support its energy development projects. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Mineral prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. Ultimately, the Company expects that prior to a development decision, a project would be the subject of a feasibility analysis to ensure there exists an appropriate level of confidence in its economic viability.

Operational risk
Mining & energy development operations are subject to hazards normally encountered in exploration, development and production. These include unexpected geological formations, rock falls, flooding, dam wall failure and other incidents or conditions which could result in damage to plant or equipment or the environment and which could impact any future production throughout. Although it is intended to take adequate precautions to minimise risk, there is a possibility of a material adverse impact on the Company's operations and its financial results. The Company will develop and maintain policies appropriate to the stage of development of its various projects.

Staffing and key personnel risks
Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining properties and in the development of energy projects is limited and competition for such persons is intense. While the Company has good relations with its employees, these relations may be impacted by changes in the scheme of labour relations which may be introduced by the relevant governmental authorities. Adverse changes in such legislation may have a material adverse effect on the Company's business, results of operations and financial condition. Staff are encouraged to discuss with management matters of interest to the employees and subjects affecting day-to-day operations of the Company.

Speculative nature of mineral exploration & energy project development
In addition to the above there can be no assurance that the current activities will result in profitable mining and energy production.

The recoverability of the carrying value of exploration and evaluation assets is dependent on the successful discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in market conditions could require material write downs of the carrying value of the Company's assets.

DIRECTORS' REPORT

Development of the Company's assets is, amongst others, contingent upon obtaining satisfactory feasibility results and securing additional adequate funding. Mineral and energy project development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. The degree of risk reduces substantially when a Company's properties move from the exploration phase to the advanced feasibility phase. Management continuously assesses funding requirements against project viability and prioritise key projects over the short to medium term.

The development of mineral deposits is dependent upon a number of factors including the technical skill of the personnel involved. The commercial viability of a mineral deposit, once discovered, is also dependent upon a number of factors, including the size, grade and proximity to infrastructure, metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. In addition, several years can elapse from the initial phase of drilling until commercial operations are commenced.

Political stability
The Company is conducting its operational activities in Mozambique, Botswana, Tanzania and the UK. The directors believe that the governments of these countries support the development of natural resources and energy production by foreign investors and actively monitor the situation. However, there is no assurance that future political and economic conditions in these countries will not result in their governments adopting different policies regarding foreign development and ownership of mineral resources. Any changes in policy affecting ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, may affect the Company's ability to develop its projects.

Uninsurable risks
The Company may become subject to liability for accidents, pollution and other hazards against which it cannot insure or against which it may elect not to insure because of prohibitive premium costs or for other reasons, such as amounts which exceed policy limits. The company chooses to manage these risks, as best possible, through cautious business practice, on a continuous basis.

Foreign investment risks including increases in taxes, royalties and renegotiation of contracts
The Group is subject to risk arising from the ever-changing economic environment in which its subsidiaries operate, mainly driven by the changing regulatory environment governing corporate taxation, transfer pricing and other investment related operational activities. The Group continues to re-assess its investment decisions to limit exposure to the ever-changing regulatory environment in which it operates.

Directors' Interests
The interests of the directors and Company secretary (held directly and indirectly), who held office at the date of approval of the financial statements, in the share capital of the Company are as follows:

Ordinary Shares (held directly and indirectly)

	22/09/20	31/12/19	31/12/18
Directors & Secretary			
Christian Schaffalitzky	6,004,842	6,004,842	2,119,842
Noel O'Keeffe	7,037,047	7,037,047	3,591,447
Louis Coetzee	19,505,996	19,505,996	8,065,996
Lukas Maree	7,419,800	7,419,800	2,934,200
Wenzel Kerremans	1,191,241	1,191,241	376,241
Andreas Lianos	17,073,663	17,073,663	7,588,633

Warrants (held directly and indirectly)

	22/09/20	31/12/19	31/12/18
Directors & Secretary			
Christian Schaffalitzky	5,827,500	5,827,500	-
Louis Coetzee	17,160,000	17,160,000	-
Noel O'Keeffe	5,168,400	5,168,400	-
Lukas Maree	6,728,400	6,728,400	-
Wenzel Kerremans	1,222,500	1,222,500	-
Andreas Lianos	14,227,500	14,227,500	-

DIRECTORS' REPORT

The above warrants in issue are exercisable at a prices of £0.008 at any time up to 3 May 2021 covering 33,556,200 and £0.01 at any time up to 3 November 2022 covering 16,778,100 applicable in this ratio pro rata to each director's holding.

For further detail surrounding the ordinary shares, share options and warrants in issue, refer to Notes 18 and 20 of the annual financial statements.

Transactions Involving Directors
There have been no contracts or arrangements of significance during the period in which Directors of the Company, or their related parties, were interested other than as disclosed in Note 26 to the annual financial statements.

Directors meetings
The Company held twenty-five (25) Board meetings during the reporting period and the number of meetings attended by each of the directors of the Company during the year to 31 December 2019 were:

Director Name	Position	Number of Meetings Attended	Number of Meetings Eligible to Attend
Christian Schaffalitzky	Chairman	23	25
Louis Coetzee	Chief Executive Officer	25	25
Andreas Lianos	Non-Executive Financial Director	24	25
Noel O'Keeffe	Non-Executive Technical Director	25	25
Lukas Maree	Executive Director	20	25
Wenzel Kerremans	Non-Executive Director	20	25

Under the Company's Memorandum & Articles of Association, one third of directors are required to retire by rotation from the Board on an annual basis, through resignation at the Annual General Meeting (AGM) and may put themselves forward again for re-election at the AGM.

Committee meetings
Members of the Audit Committee, Remuneration Committee and Governance Committee were reconstituted during 2018 to reflect changes in directors' roles commensurate with the change in the Company's business plan to become an energy development company. These changes are reflected in the committee members listed hereunder.

The Company held two (2) Audit Committee meetings during the reporting period and the number of meetings attended by each of the members during the year to 31 December 2019 were:

Director Name	Position	Number of Meetings Attended	Number of Meetings Eligible to Attend
Andreas Lianos	Chairman (Non-Executive)	2	2
Christian Schaffalitzky	Non-Executive Director	2	2
Wenzel Kerremans	Non-Executive Director	2	2

The Company held one (1) Remuneration Committee meetings during the reporting period and the number of meetings attended by each of the members during the year to 31 December 2019 were:

Director Name	Position	Number of Meetings Attended	Number of Meetings Eligible to Attend
Christian Schaffalitzky	Chairman (Non-Executive)	1	1
Andreas Lianos	Non-Executive Director	1	1
Wenzel Kerremans	Non-Executive Director	1	1

The Company held one (1) Governance Committee meeting during the reporting period and the number of meetings attended by each of the members during the year to 31 December 2019 were:

Director Name	Position	Number of Meetings Attended	Number of Meetings Eligible to Attend

DIRECTORS' REPORT

Christian Schaffalitzky	Chairman (Non-executive)	1	1
Noel O'Keeffe	Non-Executive Director	1	1
Wenzel Kerremans	Non-Executive Director	1	1

Significant Shareholdings
According to the latest information available to the Company, in addition to the interests of the directors, at 31 December 2019 and at the date of this report, the following shareholders own 3% or more beneficial interest, either direct or indirect, of the issued share capital of the Company, which is considered significant for disclosure purposes in the annual financial statements:

Percentage of issued share capital

	22/09/20	31/12/19	31/12/18
Sanderson Capital Partners Ltd	17.59%	13.96%	8.45%
Sechaba Natural Resources Limited (Shumba Energy Limited)	-	10.19%	24.6%
Yakoub Yakoubov	4.88%	4%	-
Spreadex Ltd	7.51%	-	-

Subsidiary Undertakings
Details of the Company's subsidiary undertakings are set out in Note 25 to the annual financial statements.

Political Donations
During the period, the Group made no charitable or political contributions (2018: £ nil).

Going Concern
The Company and Group's ability to continue as a going concern is dependent on the sourcing of additional funding by the directors for the foreseeable future. The future of the Company and the Group is dependent on the successful future outcome of its short- and medium-term ability to raise new equity funding and the successful development of its energy development assets and of the availability of further funding to bring these interests to production. All these dependencies are subject to material uncertainty but in preparing the financial statements, the Directors consider that they have taken into account all information that could reasonably be expected to be available. Consequently, they consider that it is appropriate to prepare the financial statements on the going concern basis.
The directors are following an active approach to continuously reduce administrative costs in order to alleviate the pressure on cash flow, most notably the 40% reduction in the remuneration of directors and management that were implemented effective June 2020.

On 17 July 2020 the Company issued a convertible loan to a consortium of lenders (together "the Investor") which provides the facility to drawdown up to £1 million over the next 12 months with an option to extend availability period by a further 6 months by mutual agreement. The drawdown will be in four tranches of £300,000, £300,000, £200,000 and £200,000 and each tranche is contingent on the Company reaching certain milestones on its projects. Repayment will be by single bullet point payment at the end of the 12 month period of the amount outstanding at that time accompanied by the issue of a warrant to the Lenders to subscribe for 400 shares for every £1 borrowed over a period of 36 months at an exercise price of £0.0025. The Investor has the option to convert part or all of the facility provided to the Company, into new ordinary shares of the Company on the Investor giving notice of conversion to the Company. The conversion price will be based on a 10% discount to the 5 day VWAP at the time of the conversion notice or at floor price of 0.15 pence whichever is higher at the time. The fees associated with facility comprise a draw down comprising 15% of each draw down amount , an arrangement fee of 7% of the total facility (£70,000) and a due diligence fee of £18,000. There are also terms for a buy-back option for the Company on the amount outstanding on the Facility at any time.

On 17 July, contemporaneous with the signing of the Facility agreement, the Company submitted a drawdown request for the first tranche of £300,000 which it received on 05 August 2020. Coincident with receipt of funds the Company paid the first drawdown fee and the legal due diligence fee by the issue of 28,636,363 new ordinary shares to the Investor at a price of £0.0022.
On 24 August 2020, the Company issued 25,925,925 shares at a price per share of £0.0027 in payment of the £70,000 arrangement fee on the Facility and issued a further 43,750,000 shares at a price per share of 0.0024 to certain lenders

DIRECTORS' REPORT

who had elected to convert their participation in the first tranche drawdown of the 05 August 2020 to Kibo shares in accordance with the terms of the Facility.

The directors have reviewed budgets, projected cash flows and other relevant information, and on the basis of this review, are confident that the Company and the Group will have adequate financial resources to continue in operational existence for the foreseeable future.

Environmental responsibility
The Company recognises that its activities require it to have regard to the potential impact that it, its subsidiaries and partners may have on the environment. Where exploration and development works are carried out, care is taken to limit the amount of disturbance and where any remediation works are required they are carried out as and when required.

Dividends
There have been no dividends declared or paid during the current financial period (2018: £ nil).

Corporate Governance Policy
The Board is aware of the importance to conform to its statutory responsibilities and industry good practice in relation to corporate governance of the Group.

The Board is accountable to the shareholders for delivery of sustained value growth. In order to support its duties and responsibilities the Board implements control procedures that assess and manage risk and ensure robust financial and operational management within the Company. The principal risks that the Company is exposed to can be classified under the general headings of exploration risk, commodity risk, price risk, currency risk and political risk.

The Board also sets the Company's core values and ethical standards of business conduct ensuring these are effectively communicated to all staff and are monitored continuously by the Board.

The Board sets the Company's strategy and monitors its implementation through management and financial performance reviews. It also works to ensure that adequate resources are available to implement strategy in a timely manner.

The Company subscribes to the values of good corporate governance at all levels and is committed to conduct business with discipline, integrity and social responsibility. The Board of Directors is firmly committed to promoting Kibo Energy PLC's adherence to the principles contained in the QCA Corporate Governance Code (2018) ("QCA Code"), and constantly reviews its performance against the QCA Code. The Directors are committed to the implementation of the principles and non-compliance is limited to the matter listed in this report. In compliance with its statutory, AIM & JSE listing obligations, the directors present a Corporate Governance Report on page 9.

Role of Directors
All Board members ensure that appropriate governance procedures are adhered to and there is a clear division of responsibilities at Board level to ensure a balance of power and authority so that no one individual has unfettered powers of decision making.

The role of Chairman and Chief Executive Officer are not held by the same director. The Chairman is a non-executive director.

Board and Audit Committee meetings have been taking place periodically and the executive directors manage the daily Company operations with the Board meetings taking place on a regular basis throughout the financial period. During the current reporting period the Board met twenty five (25) times and provided pertinent information to the Executive Committee of the Company.

The Board is responsible for effective control over the affairs of the Company, including: strategic and policy decision-making financial control, risk management, communication with stakeholders, internal controls and the asset management process.

Directors are entitled, in consultation with the Chairman, to seek independent professional advice about the affairs of the Company, at the Company's expense.

DIRECTORS' REPORT

The composition, roles and responsibilities of the board committees established by the Company are set out in the Corporate Governance Report.

Internal Audit
The Company does not have an internal audit function. Currently the operations of the Group do not warrant an internal audit function, however the Board is assessing the need to establish an internal audit department considering future prospects as the Group's operations increase. During the period the Board has taken responsibility to ensure effective governance, risk management and that the internal control environment is maintained.

Health, Safety and Environmental Policy
The Group is committed to high standards of Health, Safety and Environmental performance across our business. Our goal is to protect people, minimise harm to the environment, integrate biodiversity considerations and reduce disruption to our neighbouring communities. We seek to achieve continuous improvement in our Health, Safety and Environmental performance.

Corporate Social Responsibility Policy (CSR)
The Group's policy is to conduct all our business operations to best industry standards and to behave in a socially responsible manner. Our goal is to behave ethically and with integrity and to respect cultural, national and religious diversity.

Governance of IT
The Board is responsible for IT governance as an integral part of the Group's governance as a whole. The IT function is not expected to significantly change in the foreseeable future. The Board has the required policies and procedures in place to ensure governance of IT is adhered to.

Integrated and Sustainability Reporting
Integrated Reporting is defined as a "holistic and integrated representation of the Group's performance in terms of both its finances and its sustainability". The Group currently does not have a separate integrated report. The Board and its sub-committees are in the process of assessing the principles and practices of integrated reporting and sustainability reporting to ensure that adequate information about the operations of the Group, the sustainability issues pertinent to its business, the financial results and the results of its operations and cash flows are disclosed in a single report.

Statement of Directors Responsibility
The directors are responsible for preparing the Group and Company financial statements in accordance with applicable Laws and Regulations.

Irish Company law requires the directors to prepare Group and parent Company financial statements for each financial period. As permitted by Company law, the directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU IFRS) and have elected to prepare the Company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

The Group and Company financial statements are required by law and EU IFRS to present fairly the financial position and performance of the Group. References in the relevant part of the Companies Act 2014 to financial statements giving a true and fair view are provided for in the Act to mean such references to the financial statements achieving a fair presentation. In preparing each of the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, 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.

DIRECTORS' REPORT

The directors confirm they have complied with the above requirements in preparing these accounts.

Under applicable law the directors are also responsible for preparing a Directors' Report and reports relating to directors' remuneration and corporate governance that comply with that law and those rules.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that its financial statements are prepared in accordance with International Financial Reporting Standards, and comply with the Companies Act 2014, and European Communities (Companies: Group Accounts) Regulations 1992 and all regulations to be construed as one with those acts. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Board
The Board is responsible for the supervision and control of the Company and is accountable to the shareholders. The Board has reserved decision-making on a variety of matters, including determining strategy for the Group, reviewing and monitoring executive management performance and monitoring risks and controls.

Accounting records
The measures taken by the directors to ensure compliance with the requirements in Sections 281 to 285 of the Companies Act 2014, regarding proper books of account, are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account of the Company are maintained at Kolonakiou, 37, Linopetra, P.C. 4103, Limassol, Cyprus.

Compliance statement
The directors acknowledge that they are responsible for securing the Company's compliance with the Company's ''relevant obligations'' within the meaning of section 225 of the Companies Act 2014 (described below as the ''relevant obligations'').

The directors confirm that they have:

- drawn up a compliance policy statement setting out the Company's policies (that are, in the opinion of the directors, appropriate to the Company) in respect of the Company's compliance with its Relevant Obligations;
- put in place appropriate arrangements or structures that, in the opinion of the Directors, provide a reasonable assurance of compliance in all material respects with the Company's Relevant Obligations; and
- during the financial year to which this report relates, conducted a review of the arrangements of structures that the directors have put in place to ensure material compliance with the Company's Relevant Obligations.

On behalf of the Board

Christian Schaffalitzky
Date: 22 September 2020

Noel O'Keeffe
Date: 22 September 2020

AUDIT COMMITTEE REPORT

Dear Shareholders,

I am pleased to present this report on behalf of the Audit Committee and to report on the progress made by the Committee during the year.

Aims of the Audit Committee
Our purpose is to assist the Board in managing risk, discharging its duties regarding the preparation of financial statements, ensure that a robust framework of accounting policies is in place and enacted and oversee the maintenance of proper internal financial controls.

The Audit Committee consists of myself (Chairman) and two other non-executive directors, Christian Schaffalitzky and Wenzel Kerremans. The Committee aims to meet at least once each year and its key responsibilities include monitoring the integrity of the Group's financial reporting and to approve and recommend the annual financial statements to the Board. The Chief Executive Officer and Chief Financial Officer are invited to attend meetings of the Committee.

The Audit Committee is committed to:

- Maintaining the integrity of the financial statements of the Company and reviewing any significant reporting matters therein;
- Reviewing the Annual & Interim Report and Accounts and monitoring the accuracy and fairness of the Company's financial statements;
- Ensuring compliance of financial statements with applicable accounting standards and the AIM & JSE Rules;
- Reviewing the adequacy and effectiveness of the internal financial control environment and risk management systems; and
- Overseeing the relationship with and the remuneration of the external auditor, reviewing their performance and advising the Board members on their appointment.

The Audit Committee met twice in 2019.

Activities of the Audit Committee during the year
On behalf of the Board, the Audit Committee has closely monitored the maintenance of internal controls and risk management during the year. Key financial risks are reported during each Audit Committee meeting, including developments and progress made towards mitigating these risks.

The Audit committee received and reviewed reports from the Chief Financial Officer, other members of management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group.

The external auditors attended meetings to discuss the planning and conclusions of their work and met with members of the committee. The committee was able to call for information from management and consult with the external auditors directly as required.

The objectivity and independence of the external auditors was safeguarded by reviewing the auditors' formal declarations, monitoring relationships between key audit staff and the Company and tracking the level of non-audit fees payable to the auditors. Significant attention was given to the level of non-audit fees provided.

As noted above, the committee met twice during the year, to review the 2019 annual accounts and the interim accounts to 30 June 2019 and audit planning for the year ended 31 December 2019. Members of the committee reviewed with the independent auditor its judgements as to the acceptability of the Company's accounting principles.

Since the year end the committee has met further with the auditors to consider the 2019 financial statements. In particular, the committee discussed the significant audit risks, accounting for acquisitions and disposals during the year and the application of the new accounting standard IFRS 16. In addition, the committee monitors the auditor firm's independence from Company management and the Company.

Andreas Lianos
Chairman
Audit Committee
22 September 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Kibo Energy Plc

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Kibo Energy Plc ("the Company") and its subsidiaries (the "Group") for the year ended 31 December 2019, which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows, the Summary of Significant Accounting Policies and the related notes to the consolidated financial statements. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards ("IFRSs"), as adopted by the EU.

In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of the profit or loss and cash flows of the Group for the year then ended;
- give a true and fair view of the financial position of the Company as at 31 December 2019 and of the Company cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs"), as adopted by the EU; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to page 39 of the financial statements, which details the factors the Company has considered when assessing the going concern position. As detailed in the relevant note on page 23, the uncertainty surrounding the availability of funds to finance ongoing working capital requirements indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	***How the scope of our audit addressed the key audit matter***
Carrying value of indefinite life intangibles Intangible assets with an indefinite life must be tested for impairment on an annual basis. The determination of their recoverable amount requires judgement on the part of management in both identifying and then valuing the relevant cash generating units especially for projects where there is an uncertain timeframe.	Our procedures to obtain comfort that the balance of the indefinite life intangible assets is not materially misstated, included: - Obtaining and reviewing documentation supporting the ownership and rights and obligations assertions in relation to the exploration and evaluation assets, as well as reviewing the status of the required permits and licenses; - Discussing and challenging management as to the status of the project development and future planned exploration and development; - Considering and challenging management's impairment review;

INDEPENDENT AUDITOR'S REPORT

The Group has upstream and downstream power generation and delivery projects in Tanzania (Mbeya Coal to Power (MCPP) and in the United Kingdom (Bordersley Power). The intangible assets at 31 December 2019 totalled £18.5m (2018: £26.1m). No impairment was recognised during the year. We considered the risk whether indicators of impairment may exist.	- Ensuring that the accounting for the exploration and evaluation assets was in accordance with IFRS 6; - Confirming that the recoverable value of the underlying project is in excess of the carrying value of goodwill; - Assessing whether the disclosures in relation to the valuation of goodwill and intangible assets are compliant with the relevant financial reporting requirements. *Our findings* We have obtained sufficient comfort that the Group has accounted for its indefinite life intangibles in accordance with the applicable standards and that the accounting policies as set out.
Reorganisation of Kibo Energy Botswana During the year, Kibo restructured its holding in Kibo Energy Botswana and now holds 35% (2018: 85%) of an enlarged resource as disclosed in note 10 to the financial statements. As a result, an accounting gain of £320k was recognised and it is now accounted for as investment in an associate at £9.7m. There is a risk that the accounting treatment of the transaction is not in accordance with the applicable standards.	Our procedures to obtain comfort that the accounting treatment of the transaction is in accordance with the applicable standards, included: - Obtaining and reviewing management's technical accounting memo and the supporting calculations; - Confirming the details of the arrangement to supporting documentation; - Challenging management's methodology and assumptions to ensure that the recognition of accounting gain on disposal is appropriate; - Confirming that the resultant investment in associate is accounted for under equity method. *Our findings* We have obtained sufficient comfort that the transaction was accounted for in accordance with the applicable standards and that the policy selected reflects the commercial reality of the transaction.
Acquisition of Bordersley During the year, the Group acquired Bordersley from a third party through a share issue. The transaction was accounted for as an asset acquisition and gave rise to an intangible asset at group level. There is a risk that the transaction is not disclosed appropriately, that the accounting policy selected is inappropriate and that the assets acquired are materially misstated.	Our procedures to obtain comfort that the accounting treatment of the transaction is in accordance with the applicable standards, included: - Obtaining and reviewing the documentation and contracts evidencing the occurrence of the transaction; - Obtaining evidence to support the legal title to develop the power generation project; - Obtaining and reviewing management's technical accounting memo and the supporting calculations; - Challenging management's accounting methodology and discussing the project directly with management to consider developments since acquisition including management's plans for commercialisation. *Our findings* We are satisfied that the acquisition was accounted for in accordance with the applicable standards and that the policy selected reflects the commercial reality of the transaction.

Our audit procedures in relation to these matters were designed in the context of out audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

INDEPENDENT AUDITOR'S REPORT

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors' Report is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

As explained more fully in the Directors' Responsibilities Statement on page 25, the directors are responsible for the preparation of the consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 (Ireland) 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 consolidated financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members in accordance with Section 391 of the Companies Act 2014. 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

Christopher Magill FCA

Christopher Magill F.C.A
for and on behalf of
Crowe Ireland
Chartered Accountants and Statutory Audit Firm
Marine House
Clanwilliam Place
Dublin 2
Date: **22 September 2020**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

All figures are stated in Sterling		GROUP	
		31 December 2019	31 December 2018
		Audited	Audited
Continuing operations	**Note**	**£**	£
Revenue		-	-
Administrative expenses		(2,922,927)	(2,045,613)
Impairment of intangible assets		-	(912,892)
Listing and capital raising fees		(729,072)	(336,807)
Exploration expenditure		(897,039)	(779,443)
Operating loss		**(4,549,038)**	**(4,074,755)**
Investment and other income	2	645,922	38,042
Loss before tax	3	**(3,903,116)**	**(4,036,713)**
Taxation	6	-	-
Loss for the period		**(3,903,116)**	**(4,036,713)**
Other comprehensive loss:			
Items that may be classified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		86,098	(401,751)
Other Comprehensive loss for the period net of tax		86,098	(401,751)
Total comprehensive loss for the period		**(3,817,018)**	**(4,438,464)**
Loss for the period		**(3,903,116)**	**(4,036,713)**
Attributable to the owners of the parent		(3,500,004)	(3,388,778)
Attributable to the non-controlling interest		(403,112)	(647,935)
Total comprehensive loss for the period		**(3,817,018)**	**(4,438,464)**
Attributable to the owners of the parent		(3,415,653)	(3,776,894)
Attributable to the non-controlling interest		(401,365)	(661,570)
Loss Per Share			
Basic loss per share	8	(0.004)	(0.006)
Diluted loss per share	8	(0.004)	(0.006)

All activities derive from continuing operations.

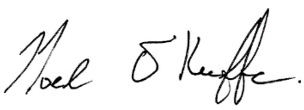
The Group has no recognised gains or losses other than those dealt with in the Statement of Profit or Loss and Other Comprehensive Income.

The accompanying notes on pages 49-75 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 22 September 2020 and signed on its behalf by:

On behalf of the Board

Christian Schaffalitzky



Noel O'Keeffe

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All figures are stated in Sterling		GROUP	
		31 December 2019	31 December 2018
		Audited	Audited
	Note	**£**	£
Assets			
Non-Current Assets			
Property, plant and equipment	9	64,405	20,240
Intangible assets	10	18,491,105	26,059,525
Investments in associates	11	9,696,683	-
Other financial assets	12	37,661	-
Goodwill	14	300,000	300,000
Total non-current assets		**28,589,854**	**26,379,765**
Current Assets			
Trade and other receivables	15	380,693	89,349
Cash	16	91,634	654,158
Total current assets		**472,327**	**743,507**
Assets classified as held for sale	17	**794,074**	**-**
Total Assets		**29,856,255**	**27,123,272**
Equity and Liabilities			
Equity			
Called up share capital	18	19,532,350	17,240,017
Share premium account	18	42,750,436	39,205,318
Control reserve	19	(18,329)	(18,329)
Share based payment reserve	20	1,504,513	41,807
Translation reserve	21	(872,942)	(656,622)
Retained deficit		(34,625,954)	(29,399,788)
Attributable to equity holders of the parent		**28,270,074**	**26,412,403**
Non-controlling interest	22	27,073	409,171
Total Equity		**28,297,147**	**26,821,574**
Liabilities			
Current Liabilities			
Trade and other payables	23	1,024,126	301,698
Borrowings	24	523,725	-
Total Current Liabilities		**1,547,851**	**301,698**
Liabilities directly associated with assets held for sale	17	**11,257**	**-**
Total Equity and Liabilities		**29,856,255**	**27,123,272**

The accompanying notes on pages 49-75 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 22 September 2020 and signed on its behalf by:

On behalf of the Board

Christian Schaffalitzky **Noel O'Keeffe**

COMPANY STATEMENT OF FINANCIAL POSITION

All figures are stated in Sterling		Company	
		31 December 2019	31 December 2018
		Audited	Audited
		£	£
Non-Current Assets			
Investments in group undertakings	25	43,318,643	37,890,651
Trade and other receivables	15	-	333,495
Total Non- current assets		**43,318,643**	**38,224,146**
Current Assets			
Trade and other receivables	15	361,467	282
Cash	16	31,389	38,974
Total Current assets		**392,856**	**39,256**
Total Assets		**43,711,499**	**38,263,402**
Equity and Liabilities			
Equity			
Called up share capital	18	19,532,350	17,240,017
Share premium	18	42,750,436	39,205,318
Share based payment reserves	20	977,575	-
Retained deficit		(20,109,544)	(18,277,005)
Total Equity		**43,150,817**	**38,168,330**
Liabilities			
Current Liabilities			
Trade and other payables	23	265,727	95,072
Borrowings	24	294,955	-
Total liabilities		**560,682**	**95,072**
Total Equity and Liabilities		**43,711,499**	**38,263,402**

Equity includes a loss for the year of the parent company of £1,832,539 (2018: £2,356,473).

The accompanying notes on pages 49-75 form integral part of these financial statements.

The financial statements were approved by the Board of Directors on 22 September 2020 and signed on its behalf by:

On behalf of the Board

Christian Schaffalitzky **Noel O'Keeffe**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP	Share Capital	Share premium	Share based payment reserve	Control reserve	Foreign currency translation reserve	Retained deficit	Non-controlling interest	Total equity
All figures are stated in Sterling	£	£	£		£	£	£	£
Balance as at 1 January 2018	**14,015,670**	**28,469,750**	**556,086**	**(213,053)**	**(268,506)**	**(26,534,653)**	**927,107**	**16,952,401**
Loss for the year	-	-	-	-	-	(3,388,778)	(647,935)	(4,036,713)
Adjustment arising from change in non-controlling interest	-	-	-	194,724	-	9,364	143,634	347,722
Other comprehensive income - exchange differences on translating foreign operations	-	-	-	-	(388,116)	-	(13,635)	(401,751)
Proceeds of share issue of share capital	3,224,347	10,735,568	-	-	-	-	-	13,959,915
Reclassification of share based payment reserve on expired share options	-	-	(514,279)	-	-	514,279	-	-
	3,224,347	**10,735,568**	(514,279)	194,724	(388,116)	**(2,865,135)**	**(517,936)**	**9,869,173**
Balance as at 31 December 2018	**17,240,017**	**39,205,318**	**41,807**	**(18,329)**	**(656,622)**	**(29,399,788)**	**409,171**	**26,821,574**
Loss for the year	-	-	-	-	-	(3,500,004)	(403,112)	(3,903,116)
Adjustment arising from change in non-controlling interest	-	-	-	-	-	(1,726,162)	19,267	(1,706,895)
Other comprehensive income - exchange differences on translating foreign operations	-	-	-	-	84,351	-	1,747	86,098
Disposal of subsidiary	-	-	-	-	(300,671)	-	-	(300,671)
Proceeds of share issue of share capital	2,292,333	3,545,118	-	-	-	-	-	5,837,451
Deferred vendor liability – equity settled	-	-	421,471	-	-	-	-	421,471
Share options and warrants issued during the year	-	-	1,041,235	-	-	-	-	1,041,235
	2,292,333	**3,545,118**	**1,462,706**	**-**	**(216,320)**	**(5,226,166)**	**(382,098)**	**1,475,573**
Balance as at 31 December 2019	**19,532,350**	**42,750,436**	**1,504,513**	**(18,329)**	**(872,942)**	**(34,625,954)**	**27,073**	**28,297,147**
Note	18	18	20	19	21		22	

The notes on pages 49-75 form part of the financial statements.

The financial statements were approved by the Board of Directors on 22 September 2020 and signed on its behalf by:

On behalf of the Board

Christian Schaffalitzky **Noel O'Keeffe**

COMPANY STATEMENT OF CHANGES IN EQUITY

COMPANY	Share capital	Share premium	Share based payment reserve	Foreign currency translation reserve	Retained deficit	Total equity
All figures are stated in Sterling	£	£	£	£	£	£
Balance at 1 January 2018	**14,015,670**	**28,469,750**	**514,279**	**14,723**	**(16,434,811)**	**26,579,611**
Loss for the year	-	-	-	-	(2,356,473)	(2,356,473)
Other comprehensive loss - exchange differences on translating foreign operations	-	-	-	(14,723)	-	(14,723)
Reclassification of share based payment reserve on expired share options	-	-	(514,279)	-	514,279	-
Proceeds of issue of share capital	3,224,347	10,735,568	-	-	-	13,959,915
	3,224,347	**10,735,568**	**(514,279)**	**(14,723)**	**(1,842,194)**	**11,588,719**
Balance at 31 December 2018	**17,240,017**	**39,205,318**	**-**	**-**	**(18,277,005)**	**38,168,330**
Loss for the year					(1,832,539)	(1,832,539)
Share options and warrants issued during the year	-	-	977,575	-	-	977,575
Proceeds of issue of share capital	2,292,333	3,545,118	-	-	-	5,837,451
	2,292,333	**3,545,118**	**977,575**	**-**	**(1,832,539)**	**4,982,477**
Balance at 31 December 2019	**19,532,350**	**42,750,436**	**977,575**	**-**	**(20,109,544)**	**43,150,807**
Note	17	17	19	20		

The accompanying notes on pages 49-75 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 22 September 2020 and signed on its behalf by:

On behalf of the Board

Christian Schaffalitzky **Noel O'Keeffe**

CONSOLIDATED STATEMENT OF CASH FLOWS

All figures are stated in Sterling

	Notes	GROUP **31 December 2019** **Audited** **£**	 31 December 2018 Audited £
Cash flows from operating activities			
Loss for the period before taxation		(3,903,116)	(4,036,713)
Adjustments for:			
Impairment of intangible assets		-	912,892
Foreign exchange(gain)/loss		-	(270,881)
Profit from the loss of control of subsidiary		(320,349)	-
Profit from the disposal of subsidiary		(270,639)	-
Investments acquired not for cash	12	(37,661)	-
Warrants and Options issued	20	1,041,235	-
Depreciation on property, plant and equipment	9	20,596	6,805
Cost settled through the issue of shares		721,555	126,966
		(2,748,379)	**(3,260,931)**
Movement in working capital			
Increase in debtors	15	(402,661)	(30,303)
Increase in creditors	23	758,545	35,480
		355,884	**5,177**
Net cash outflows from operating activities		**(2,392,495)**	**(3,255,754)**
Cash flows from financing activities			
Proceeds of issue of share capital	18	981,708	3,100,000
Repayment of borrowings	24	-	(200,000)
Proceeds from borrowings	24	952,465	251,565
Net cash proceeds from financing activities		**1,934,173**	**3,151,565**
Cash flows from investing activities			
Cash forgone on disposal of subsidiary		(8,329)	-
Purchase of property, plant and equipment	9	-	(21,494)
Net cash flows investing activities		**(8,329)**	**(21,494)**
Net decrease in cash		**(466,651)**	**(125,683)**
Cash at beginning of period		654,158	766,586
Exchange movement		(88,907)	13,255
Cash at end of the period	16	**98,600**	**654,158**
Continuing operations		91,634	654,158
Assets classified as held for sale		6,966	-

The accompanying notes on pages 49-75 form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

All figures are stated in Sterling

	Notes	COMPANY 31 December 2019 Audited £	31 December 2018 Audited £
Cash flows from operating activities			
Loss for the period before taxation		(1,832,539)	(2,356,473)
Adjusted for:			
Foreign exchange movement		-	12,437
Share based payments		977,575	104,302
Expenses settled in shares		211,788	
Impairment of investment in subsidiary		-	1,633,628
		(633,175)	**(606,106)**
Movement in working capital			
(Increase) / Decrease in debtors	15	(27,690)	131
Increase in creditors	23	170,655	8,336
		142,965	**8,467**
Net cash outflows from operating activities		**(490,210)**	**(597,639)**
Cash flows from financing activities			
Proceeds of issue of share capital	18	981,708	2,750,000
Repayment of borrowings	24	-	(200,000)
Proceeds from borrowings	24	544,955	251,565
Net cash proceeds from financing activities		**1,526,663**	**2,801,565**
Cash flows from investing activities			
Net cash flow from acquisition of subsidiaries		-	(75,000)
Cash advances to Group Companies	25	(1,044,038)	(2,095,642)
Net cash used in investing activities		**(1,044,038)**	**(2,170,642)**
Net (decrease)/increase in cash		**(7,585)**	**33,284**
Cash at beginning of period		**38,974**	**5,690**
Cash at end of the period	16	**31,389**	**38,974**

The accompanying notes on pages 49-75 form an integral part of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

Kibo Energy PLC ("the Company") is a Company incorporated in Ireland. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group").

The principal activities of the Company and its subsidiaries are related to the exploration for and development of multi-asset energy projects in Sub Saharan Africa, and the United Kingdom.

The individual financial statements of the Company ("Company financial statements") have been prepared in accordance with the Companies Act 2014 which permits a Company that publishes its Company and Group financial statements together, to take advantage of the exemption in Section 293 of the Companies Act 2014, from presenting to its members its Company Income Statement and related notes that form part of the approved Company financial statements.

Statement of Compliance

As permitted by the European Union, the Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU (IFRS).

The IFRS adopted by the EU as applied by the Company and the Group in the preparation of these financial statements are those that were effective at 31 December 2019.

Statement of Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, other than the adoption of IFRS 16 in the current financial period.

Basis of Preparation

The Group and Company financial statements are prepared on the historical cost basis. The accounting policies have been applied consistently by Group entities, except for the adoption of new standards and interpretations which became effective in the current year. The Group and Company financial statements have been prepared on a going concern basis as explained in the notes to the financial statements.

The individual financial information of each Group entity is measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial information of the Group is presented in Pounds Sterling, which is the presentation currency for the Group. The functional currency of each of the Group entities is the local currency of each individual entity.

Going Concern

The Group currently generates no revenue and had net assets of £28,297,147 (2018: £26,821,574) as at 31 December 2019.

The Directors have reviewed budgets, projected cash flows and other relevant information, and on the basis of this review and the below, they are confident that the Company and the Group will have adequate financial resources to continue in operational existence for the foreseeable future.

In the event that the Company is not able to raise further funding, and before any mitigating actions are taken, the Company has sufficient funds for its present working capital requirements through to the end of February 2021. The Directors though continue to review the Group's options to secure additional funding for its general working capital requirements, alongside its ongoing review of potential acquisition targets and corporate development needs. The Directors are confident in this light that such funding will be available, although there is no guarantee as to the terms of such funding or that such funding will be available. In addition, any equity funding may be subject to shareholder approvals in line with legal and regulatory requirements as appropriate. As a result, the Directors continue to monitor and manage the Company's cash and overheads carefully in the best interests of its shareholders.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Whilst the Directors continue to consider it appropriate to prepare the financial statements on a going concern basis the above constitutes a material uncertainty that shareholders should be aware of.

Use of Estimates and Judgements

The preparation of financial statements in conformity with EU IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

In particular, there are significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

The following key areas of estimation uncertainty exist:

- Valuation of mining licence and intangible assets; and
- Valuation of investment in associate.

The following key areas of judgement exist:

- Recognition and measurement of exploration and evaluation expenditure;
- Share based payment transactions;
- Fair value determination of unlisted investments measured at fair value through other comprehensive income; and
- Consolidation of Joint Venture interest.

Valuation of mining licence and intangible assets– significant estimate concerning valuation
The Group holds a number of mining rights and intangible assets. These assets are considered unique and a fair market price is not easily obtainable. In instances where these assets were acquired by means of shares issued, management has applied the provisions of IFRS 2 to value the assets based on the fair value of the instruments granted.

Valuation of investment in associate– significant estimate concerning valuation
Following the disposal of the controlling interest held in Mabesekwa Coal during the current financial period, the remaining interest in the Mabesekwa Coal indicated the existence of significant influence, thus the remaining equity investment is recognised as an investment in associate. The principal asset held by Mabesekwa Coal comprises a mining licence for a prospective coal asset where previous work had identified an indicative resource. The asset is considered to be unique and a fair market price is not easily obtainable. The overall value of the investment in associate, however, was separately reviewed by the independent directors, as announced to the market on various occasions.

Exploration and evaluation expenditure – significant judgement concerning the choice of accounting policy
In line with the Group's accounting policy, all the exploration and evaluation expenditure has been charged to profit or loss, as in the judgement of the Directors the commercial viability of the mineral deposits had not been established. If a policy of capitalisation of exploration expenditure had been adopted an amount of £897,039 would have been capitalised in the current year (2018: £779,443).

Share- based payments – significant judgment concerning the method of valuation and key inputs applied
In order to calculate the charge for share-based payments as required by IFRS 2, the Group makes estimates principally relating to the assumptions used in its option-pricing model. Refer to Note 20 for details on valuation of share-based payments, including options granted and warrants granted.

Fair value determination of unlisted investments measured at fair value through other comprehensive income
The fair value of financial instruments that are not traded in an active market has been determined using the cost approach, being the amount that would be required to replace the asset.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation of Joint Venture interest
In the prior year Kibo entered into a Joint Venture Agreement ("JV") acquiring a 65% equity interest in the Benga Power Plant Project ("BPPP"). Although the agreement refers to the existence of a 65% equity stake, and Kibo's ability to appoint three of five management committee members, all decisions presented in front of the management committee requires absolute agreement by all committee members before it stands, failing which it would result in a decision to be made between the two respective CEO's of the participating entities in the JV. Furthermore, the participating interest only allows to partake in the net revenue of the JV.

Consolidation

The consolidated annual financial statements comprise the financial statements of Kibo Energy Plc and its subsidiaries for the year ended 31 December 2019, over which the Company has control.

Control is achieved when the Company:
- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstance indicate that there are changes to one or more of the three elements of control listed above.

In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intragroup balances and any unrealised gains or losses or income or expenses arising from intragroup transactions are eliminated in preparing the Group financial statements, except to the extent they provide evidence of impairment.

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognised at their fair values at acquisition date.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

Non-controlling interest arising from a business combination is measured either at their share of the fair value of the assets and liabilities of the acquiree or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations.

Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

Upon the loss of control, the Company derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any resulting gain or loss is recognised in profit or loss. If the Company retains any interest in the previous subsidiary, such interest is measured at fair value at the date that control is lost.

Any gain from the acquisition of a subsidiary or gain/loss from the disposal of subsidiary will be recognised through profit and loss in the current financial period.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations involving entities under common control

Business combinations involving entities under common control comprise business combinations where both entities remain under the ultimate control of the holding company before and after the combination, and that control is not transitory. The group applies merger accounting for all its common control transactions from the date that it obtains control. In terms of this:

- the assets and liabilities of the acquiree are recorded at their existing carrying amounts (not fair value);
- if necessary, adjustments are made to achieve uniform accounting policies;
- intangible assets and contingent liabilities are recognised only to the extent that they were recognised by the acquiree in accordance with applicable IFRS;
- no goodwill is recognised. Any difference between the acquirer's cost of investment and the acquiree's equity is presented separately directly in equity as a common control reserve (CCR) on consolidation;
- any non-controlling interest is measured as a proportionate share of the carrying amounts of the related assets and liabilities (as adjusted to achieve uniform accounting policies); and
- any expenses of the combination are written off immediately in profit or loss, except for the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are recognised within equity.

When control is lost, resulting in the common control of entities, the balance of CCR recognised in respect of that acquisition is realised directly to retained earnings on the effective date when control is lost.

Intangible Assets

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets but they are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired, and it is subsequently carried at cost less accumulated impairment losses. Intangible assets comprise the acquisition of rights to explore in relation to the Group's exploration and evaluation activities. Intangible assets comprise fair value allocated to exploration projects purchased through business combination for which no useful life has been accurately determined.

Irrespective of whether there is any indication of impairment, the Group also tests intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

Investments in associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognised in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of the impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the statement of comprehensive income.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Exploration & Evaluation Assets

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

- researching and analysing historical exploration data;
- gathering exploration data through topographical, geochemical and geophysical studies;
- exploratory drilling, trenching and sampling;
- determining and examining the volume and grade of the resource;
- surveying transportation and infrastructure requirements; and
- conducting market and finance studies.

Exploration and evaluation expenditure is charged to the Statement of Profit or Loss as incurred except in the following circumstances, in which case the expenditure may be capitalised:

- In respect of minerals activities:
  - the exploration and evaluation activity is within an area of interest which was previously acquired as an asset acquisition or in a business combination and measured at fair value on acquisition; or
  - the existence of a commercially viable mineral deposit has been established.

Capitalised exploration and evaluation expenditure considered to be tangible is recorded as a component of property, plant and equipment at cost less impairment charges. Otherwise, it is recorded as an intangible.

Intangible assets all relate to exploration and evaluation expenditure which are carried at cost with an indefinite useful life and therefore are reviewed for impairment annually and when there are indicators of impairment. Where a potential impairment is indicated, assessment is performed for each area of interest in conjunction with the group of operating assets (representing a cash generating unit) to which the exploration is attributed. Exploration areas at which reserves have been discovered but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is under way or planned.

Impairment

Non-financial assets

Assets are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit or Loss immediately.

Property, Plant and Equipment

Property, Plant and Equipment is stated at cost, less accumulated depreciation.

Cost includes expenditure that is directly attributable to the acquisition of the items of property, plant and equipment. The cost of self-constructed items of property, plant and equipment includes the cost of materials and direct labour, any other costs directly attributable to bringing the items of property, plant and equipment to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

- Office equipment between 12.5% to 37.5% straight line;
- Plant & machinery at 20% straight line;
- Furniture & fixtures at 12.5% straight line;
- Motor vehicles at 25% straight line;
- Right of Use assets straight line over the lease term; and
- I.T. Equipment at 20% straight line

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Useful lives are affected by technology innovations, maintenance programmes and future economic benefits. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

On disposal of property, plant and equipment the cost and the related accumulated depreciation and impairments are removed from the financial statements and the net amount, less any proceeds, is taken to the Statement of Comprehensive Income.

Right-of-use assets

The Group has adopted IFRS 16 for the first time during the period ended 31 December 2019.

IFRS 16 replaces IAS 17 Leases (IAS 17), IFRIC 4 Determining whether an Arrangement contains a Lease (IFRIC 4), SIC 15 Operating Leases-Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard establishes a new definition and criteria to identify whether a contract is, or contains, a lease as well as principles for the recognition, measurement, presentation and disclosure of leases. For lessee accounting, a single accounting model is introduced that requires lessees to recognise assets and liabilities for all leases.

The Group has elected to apply the modified retrospective approach, where the Right of Use assets equal the lease liabilities, classified as part of trade and other payables, on transition. There is no restatement of comparative information and the cumulative effect of initially applying IFRS 16 is recognised as an adjustment to the opening balance of retained earnings.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's weighted average incremental borrowing rate as of 1 January 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 ranged from 10.25% to 11.5% per annum.

The associated Right of Use assets for the property leases were measured on a modified retrospective basis, with the new rules applied effective 1 January 2019. The right of use assets were measured at the amount equal to the lease liability on adoption date.

In applying IFRS 16 for the first time, the group applied the following practical expedients permitted by the standard:

- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January as short term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at transition date;
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Employee benefits

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Pre-paid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are made more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Short-term benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonuses or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Foreign Currencies

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated annual financial statements are presented in Sterling, which is the Group's presentation currency. This is also the functional currency of the Company and is considered by the Board also to be appropriate for the purposes of preparing the Group financial statements.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss.

Group companies
The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- monetary assets and liabilities for each Statement of Financial Position presented are presented at the closing rate at the date of that Statement of Financial Position. Non-monetary items are measured at the exchange rate in effect at the historical transaction date and are not translated at each Statement of Financial Position date;

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- income and expenses for each Statement of Profit or Loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction): and
- all resulting exchange differences are recognised as a separate component of equity. On consolidation, exchange differences arising from the translation of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future are taken to shareholders equity. When a foreign operation is sold, such exchange differences are recognised in the Statement of Profit or Loss as part of the gain or loss on sale.

Finance income and expense

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets, and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of listed securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, unwinding of discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets and losses on forward exchange contracts that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.
Foreign currency gains and losses are reported on a net basis.

Earnings per Share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Financial Instruments

Recognition
Financial instruments comprise loans receivable, trade and other receivables, cash and cash equivalents, trade and other payables, other financial liabilities and bank overdrafts.

Financial assets and liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Classification
The Group classifies financial assets on initial recognition as measured at amortised cost as the Group's business model and objective is to hold the financial asset in order to collect the contractual cash flow and the contractual terms allows for cash flows on specified dates for the payment of the principal amounts outstanding.

Financial liabilities are classified at amortised cost.

Financial assets	**Classification**
Loans to Group Companies	Financial assets at amortised cost
Trade and other receivables	Financial assets at amortised cost
Cash and Cash Equivalents	Financial assets at amortised cost

Financial liabilities	**Classification**
Loans from Group Companies	Financial liabilities at amortised cost
Trade and other payables	Financial liabilities at amortised cost
Borrowings	Financial liabilities at amortised cost
Bank overdraft	Financial liabilities at amortised cost

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial assets are classified as current if expected to be realised or settled within 12 months from the reporting date; if not, they are classified as non-current. Financial liabilities are classified as non-current if the Group has an unconditional right to defer payment for more than 12 months from the reporting date.

Measurement on Initial recognition
All financial assets and liabilities are initially measured at fair value, including transaction costs.

Subsequent measurement
Financial assets held at amortised cost are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Foreign exchange gains and losses and impairments are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

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

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

Financial liabilities are derecognised when the obligations specified in the contracts are discharged, cancelled or expire.
On de-recognition of a financial asset/liability, any difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

Impairment of Financial Assets not carried at Fair value
Under IFRS 9 the Group calculates its allowance for credit losses as expected credit losses (ECLs) for financial assets measured at amortised cost. ECLs are a probability weighted estimate of credit losses.

To calculate ECLs the Group groups trade receivables and loans to Group companies by customer type and ageing. The Group applies the standard ECL approach to determine the ECL for trade receivables loans to Group companies. This results in calculating lifetime expected credit losses for trade receivables and loans to Group companies.

Share based payments

For such grants of share options qualifying as equity-settled share based payments, the fair value as at the date of grant is calculated using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that are likely to vest, except where forfeiture is only due to market based conditions not achieving the threshold for vesting.

Share capital

Incremental costs directly attributable to the issue of ordinary shares are recognised directly in equity.

Segment reporting

The Group determines and presents operating segments based on the information that is internally provided to the Chief Executive Officer, who is the chief operating decision maker. A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of the other segments. The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the reporting business units.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

NEW STANDARDS AND INTERPRETATIONS

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group and which have not been applied in these financial statements, were in issue but were not yet effective. In some cases these standards and guidance have not been endorsed for use in the European Union.

Standard	Effective date, annual period beginning on or after
IAS 1 Presentation of Financial Statements	
Definition of Material: The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.	1 January 2020
Classification of Liabilities as Current or Noncurrent: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.	1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	
Definition of Material: The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.	1 January 2020

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

The Group expects to adopt all relevant standards and interpretations as and when they become effective.

Standards and interpretations which are effective in the current period (Changes in accounting policies):

The Group has adopted all new accounting standards that became effective in the current reporting period. IFRS 16 Leases ("IFRS 16") is the only new standard which is applicable to the Group's operations at this stage.

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognizes depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows.

The group leases, as lessee, offices in South Africa and Tanzania. The table below shows the financial impact of associated with the recognition and measurement of the Right to Use Asset and corresponding Lease liabilities at 1 January 2019:

Right of use asset recognised	11,011
Lease liability recognised	(11,011)
Depreciation expensed	1,943
Effect of discounting using the weighted average incremental borrowing rate at 1 January 2019	(601)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. Segment analysis

IFRS 8 requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments that meet specific criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the Chief Operating decision maker. The Chief Executive Officer is the Chief Operating decision maker of the Group.

Management currently identifies individual projects as operating segments. These operating segments are monitored and strategic decisions are made based upon their individual nature, together with other non-financial data collated from exploration activities. Principal activities for these operating segments are as follows:

2019 Group	**Benga Power**	**Mabesekwa Independent Power**	**Mbeya Coal to Power**	**Mast Energy Development**	**Haneti**	**Lake Victoria Gold**	**Corporate**	**31 December 2019 (£) Group**
Administrative cost	(88,396)	(37,384)	(272,399)	(32,467)	(8,670)	(228,770)	(2,683,616)	(3,351,702)
Listing and Capital raising fees	-	-	-	-	-	-	(300,297)	(300,297)
Exploration expenditure	(16,252)	(17,393)	(456,205)	(306,000)	(46,799)	(54,390)	-	(897,039)
Investment and other income	-	-	4,179	9	-	1,649	640,085	645,922
Loss after tax	**(104,648)**	**(54,777)**	**(724,425)**	**(338,458)**	**(55,469)**	**(281,511)**	**(2,343,828)**	**(3,903,116)**

2018 Group	**Benga Power**	**Mabesekwa Independent Power**	**Mbeya Coal to Power**	**Mast Energy Development**	**Haneti**	**Lake Victoria Gold**	**Corporate**	**31 December 2018 (£) Group**
Administrative cost	(18,247)	(21,612)	(231,919)	(20,000)	(12,202)	(308,082)	(1,433,551)	(2,045,612)
Impairment of intangible assets	-	-	-	-	-	-	(912,892)	(912,892)
Listing and Capital raising fees	-	-	-	-	-	-	(336,807)	(336,807)
Exploration expenditure	(1,347)	-	(700,356)	-	(10,163)	(67,577)	-	(779,443)
Investment and other income	-	-	18,678	-	18,671		693	38,042
Profit/ (Loss) after tax	**(19,594)**	**(21,612)**	**(913,597)**	**(20,000)**	**(3,694)**	**(375,659)**	**(2,682,557)**	**(4,036,714)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2019 Group	Benga Power	Mabesekwa Independent Power	Mbeya Coal to Power	Mast Energy Development	Haneti	Lake Victoria Gold	Corporate	31 December 2019 (£) Group
Assets								
Segment assets	835	9,697,694	15,965,122	3,129,305	3,938	23,745	1,035,616	29,856,255
Liabilities								
Segment liabilities	36,195	8,940	206,421	234,175	-	35,093	1,459,755	1,980,579
Other Significant items								
Depreciation	655	-	19,941	-	-	-	-	20,596

2018 Group	Benga Power	Mabesekwa Independent Power	Mbeya Coal to Power	Mast Energy Development	Haneti	Lake Victoria Gold	Corporate	31 December 2018 (£) Group
Assets								
Segment assets	1,378	9,364,008	16,110,495	300,100	355	98,521	1,248,415	27,123,272
Liabilities								
Segment liabilities	9,559	6,411	104,730	8,000	8,378	123,869	40,751	301,698
Other Significant items								
Depreciation	681	-	6,124	-	-	-	-	6,805

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Geographical segments

The Group operates in six principal geographical areas – Corporate (Ireland, Cyprus, South Africa & United Kingdom) and Mining (Tanzania, and Botswana).

	Tanzania	Botswana	Cyprus	Ireland, United Kingdom, South Africa	31 December 2019 (£)
Carrying value of segmented assets	69,017	9,377,323	15,868	20,394,047	29,856,255
Loss after tax	(515,746)	(18,220)	(1,029,079)	(2,340,071)	(3,903,116)

	Tanzania	Botswana	Cyprus	Ireland, United Kingdom, South Africa	31 December 2018 (£)
Carrying value of segmented assets	260,448	-	9,365,454	17,497,370	27,123,272
Loss after tax	(664,948)	-	(88,294)	(3,283,471)	(4,036,713)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. Investment and other Income

	31 December 2019 (£)	31 December 2018 (£)
Foreign exchange gains	-	13,948
Other income	54,862	24,094
Profit on disposal of subsidiaries	591,060	-
	645,922	**38,042**

Profit on disposal of subsidiaries in the amount of £591,060 comprises £320,371 on the disposal of 50% equity interest held in Kibo Energy Botswana (Pty) Ltd, which includes the impact associated with the de-recognition of the intangible assets relating to the Mabesekwa Coal to Power Project and subsequent recognition of the remaining equity interest in the Mabesekwa Coal to Power Project at its fair value, together with £270,689 on the disposal of 95% equity interest held in Mzuri Exploration Services Ltd (Tanzania).

3. Loss on ordinary activities before taxation

Operating loss is stated after the following key transactions:	31 December 2019 (£) Group	31 December 2018 (£) Group
Depreciation of property, plant and equipment of Group financial statements	20,596	6,805
Auditors' remuneration for audit of Group and Company financial statements	45,000	45,000
Auditors' remuneration audit of the financial statements of the company's subsidiaries	140,765	22,000

4. Staff costs (including Directors)

	Group 31 December 2019 (£)	Group 31 December 2018 (£)	Company 31 December 2019 (£)	Company 31 December 2018 (£)
Wages and salaries	644,903	663,470	273,632	353,484
Share based remuneration	405,345	-	202,060	-
	1,050,248	**663,470**	**475,692**	**353,484**

The average monthly number of employees (including executive Directors) during the period was as follows:

	Group 31 December 2019 (£)	Group 31 December 2018 (£)	Company 31 December 2019 (£)	Company 31 December 2018 (£)
Exploration activities	10	10	1	1
Administration	6	6	1	1
	16	**16**	**2**	**2**

5. Directors' emoluments

	Group 31 December 2019 (£)	Group 31 December 2018 (£)	Company 31 December 2019 (£)	Company 31 December 2087 (£)
Basic salary and fees – paid in cash	323,306	441,558	273,632	353,484
Share based payments	225,182	-	202,060	-
	548,488	**441,558**	**475,692**	**353,484**

The emoluments of the Chairman were £43,588 (2018: £15,963).
The emoluments of the highest paid director were £245,291 (2018: £198,552).

Directors received shares in the value of £151,003 during the year (2018: £ NIL) in lieu of settlement of salaries not settled in cash due to the cash flow constraints experienced during the reporting period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Share warrants to the value of £74,179 (2018: £Nil) were issued to directors during the year.

Key management personnel consist only of the Directors. Details of share options and interests in the Company's shares of each director are shown in the Directors' report. The following table summarises the remuneration applicable to each of the individuals who held office as a director during the reporting period:

31 December 2019	Salary and fees settled in cash £	Salary and fees settled in shares £	Warrants issued £	Total £
Christian Schaffalitzky	17,517	17,483	8,588	43,588
Louis Coetzee	168,522	51,480	25,289	245,291
Noel O'Keeffe	49,674	15,505	7,616	72,796
Lukas Maree	57,626	20,185	9,915	87,726
Wenzel Kerremans	11,333	3,667	1,801	16,801
Andreas Lianos	18,634	42,683	20,970	82,287
Total	**323,306**	**151,003**	**74,179**	**548,488**

31 December 2018	Salary and fees settled in cash £	Salary and fees settled in shares £	Warrants issued £	Total £
Christian Schaffalitzky	15,963	-	-	15,963
Louis Coetzee	198,552	-	-	198,552
Noel O'Keeffe	88,039	-	-	88,039
Lukas Maree	54,947	-	-	54,947
Wenzel Kerremans	13,272	-	-	13,272
Andreas Lianos	70,785	-	-	70,785
Total	**441,558**	**-**	**-**	**441,558**

6. Taxation

Current tax

	31 December 2019 (£)	31 December 2018 (£)
Charge for the period in Ireland, Republic of South Africa, Cyprus, United Kingdom and Republic of Tanzania	-	-
Total tax charge	-	-

The difference between the total current tax shown above and the amount calculated by applying the standard rate of Irish corporation tax of 12.5% to the loss before tax is as follows:

	2019 (£)	2018 (£)
Loss on ordinary activities before tax	(3,903,116)	(4,036,713)
Income tax expense calculated at 12.5% (2018: 12.5%)	(487,890)	(504,589)
Income which is not taxable	(80,740)	-
Expenses which are not deductible	-	114,111
Losses available for carry forward	568,630	390,478
Income tax expense recognised in the Statement of Profit or Loss	-	-

The effective tax rate used for the December 2019 and December 2018 reconciliations above is the corporate rate of 12.5% payable by corporate entities in Ireland on taxable profits under tax law in that jurisdiction.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

No provision has been made for the 2019 deferred taxation as no taxable income has been received to date, and the probability of future taxable income is indicative of current market conditions which remain uncertain. At the Statement of Financial Position date, the Directors estimate that the Group has unused tax losses of £28,903,316 (2018: £25,000,200) available for potential offset against future profits which equates to an estimated potential deferred tax asset of £3,612,915 (2018: £3,125,024). No deferred tax asset has been recognised due to the unpredictability of the future profit streams. Losses may be carried forward indefinitely in accordance with the applicable taxation regulations ruling within each of the above jurisdictions.

7. Loss of parent Company

As permitted by Section 293 of the Companies Act 2014, the Statement of Profit or Loss of the parent Company has not been separately disclosed in these financial statements. The parent Company's loss for the financial period was £1,832,539 (2018: £2,356,473).

8. Loss per share

Basic loss per share
The basic loss and weighted average number of ordinary shares used for calculation purposes comprise the following:

Basic Loss per share	**31 December 2019 (£)**	**31 December 2018 (£)**
Loss for the period attributable to equity holders of the parent	(3,500,004)	(3,388,778)
Weighted average number of ordinary shares for the purposes of basic loss per share	849,795,672	565,932,121
Basic loss per ordinary share (GBP)	**(0.004)**	**(0.006)**

As there are no instruments in issue which have a dilutive impact, the dilutive loss per share is equal to the basic loss per share, and thus not disclosed separately.

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9. Property, plant and equipment

GROUP	Furniture and Fittings	Motor Vehicles	Office Equipment	I.T Equipment	Plant & Machinery	Right of use assets	Total
Cost	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**
Opening Cost as at 1 January 2018	115,792	199,966	38,408	26,694	7,417	-	388,277
Disposals	-	(114,927)	-	-	-	-	(114,927)
Additions	1,354	16,396	1,118	2,164	462	-	21,494
Exchange movements	5,837	5,340	1,419	1,658	942	-	15,196
Closing Cost as at 31 December 2018	**122,983**	**106,775**	**40,945**	**30,516**	**8,821**	**-**	**310,040**
Opening cost at 1 January 2019	-	-	-	-	-	11,011	11,011
Disposals	(112,286)	(82,615)	(34,255)	(24,514)	-	-	(253,669)
Additions	-	-	-	-	-	56,930	56,930
Exchange movements	(8,162)	924	(1,619)	(1,005)	2,441	-	(7,422)
Closing Cost as at 31 December 2019	**2,535**	**25,084**	**5,071**	**4,997**	**11,262**	**67,941**	**116,890**

	Furniture and Fittings	Motor Vehicles	Office Equipment	I.T Equipment	Plant & Machinery	Right of use assets	Total
Accumulated Depreciation ("Acc Depr")	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**
Acc Depr as at 1 January 2018	114,798	199,966	34,232	24,214	7,417	-	380,627
Disposals	-	(114,927)	-	-	-	-	(114,927)
Depreciation	314	3,712	1,254	1,063	462	-	6,805
Exchange Movements	7,075	5,341	2,032	1,905	942	-	17,295
Acc Depr as at 31 December 2018	**122,187**	**94,092**	**37,518**	**27,182**	**8,821**	**-**	**289,800**
Disposals	(111,482)	(82,615)	(31,851)	(22,552)	(116)	-	(248,616)
Depreciation	99	5,553	1,119	605	481	12,739	20,596
Exchange movements	(8,269)	1,172	(2,395)	(1,880)	2,077	-	(9,295)
Acc Depr as at 31 December 2019	**2,535**	**18,202**	**4,391**	**3,355**	**11,263**	**12,739**	**52,485**

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Carrying Value	Furniture and Fittings (£)	Motor Vehicles (£)	Office Equipment (£)	I.T Equipment (£)	Plant & Machinery (£)	Right of use assets (£)	Total (£)
Carrying value as at 31 December 2018	**796**	**12,683**	**3,427**	**3,334**	**-**	**-**	**20,240**
Carrying value as at 31 December 2019	**-**	**6,882**	**680**	**1,641**	**-**	**55,202**	**64,405**

The Group leases various offices in the United Kingdom, Cyprus, South Africa and Tanzania. Lease contracts vary between 3 years and 4 years. Leases are re-negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants on the Group.

Leased assets may not be used as security for borrowing purposes.

The financial impact associated with the adoption of IFRS 16: Leases on the Statement of Profit or Loss in the current financial period is as follows:	Group 31 December 2019 (£)	Company 31 December 2019 (£)
Depreciation	12,739	-
Interest expense	858	-
Lease expenses	(7,818)	-
	5,779	-

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10. Intangible assets

Intangible assets consist of separately identifiable prospecting and exploration assets or intellectual property (Bordersley Power) acquired either through business combinations or through separate asset acquisitions. These intangible assets are recognised at the respective fair values of the underlying asset acquired, or where the fair value of the underlying asset acquired is not readily available, the fair value of the consideration.

The following reconciliation serves to summarise the composition of intangible assets as at period end:

	Mabesekwa Coal to Power Project (£)	**Mbeya Coal to Power Project (£)**	**Lake Victoria Project (£)**	**Bordersely Power (£)**	**Total (£)**
Valuation as at 1 January 2018	**-**	**15,896,105**	**1,700,000**	**-**	**17,596,105**
Acquisition of the Mabesekwa Coal Project	9,376,312	-	-	-	9,376,312
Impairment of prospecting asset	-	-	(912,892)	-	(912,892)
Carrying value as at 1 January 2019	**9,376,312**	**15,896,105**	**787,108**	**-**	**26,059,525**
Disposals of the Mabesekwa Coal Project	(9,376,312)	-	-	-	(9,376,312)
Acquisition of Bordersley Power Ltd	-	-	-	2,595,000	2,595,000
Assets classified as held for sale	-	-	(787,108)		(787,108)
Carrying value as at 31 December 2019	**-**	**15,896,105**	**-**	**2,595,000**	**18,491,105**

Intangible assets are not amortised, due to the indefinite useful life which is attached to the underlying prospecting rights and/ or intellectual property acquired, until such time that active mining operations/ power generation commence, which will result in the intangible asset being amortised over the useful life of the relevant project.

Intangible assets with an indefinite useful life are assessed for impairment on an annual basis, against the prospective fair value of the intangible asset. The valuation of intangible assets with an indefinite useful life is reassessed on an annual basis through valuation techniques applicable to the nature of the intangible assets.

One or more of the following facts or circumstances indicate that an entity should test an intangible asset for impairment:

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

In assessing whether a write-down is required in the carrying value of a potentially impaired intangible asset, the asset's 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. The valuation techniques applicable to the valuation of the abovementioned intangible assets comprise a combination of fair market values, discounted cash flow projections and historic transaction prices.

The following key assumptions influence the measurement of the intangible assets' recoverable amounts, through utilising the value in use calculation performed:
currency fluctuations and exchange movements applicable to model;

- commodity prices related to ore reserve and forward looking statements;
- expected growth rates in respect of production capacity;
- cost of capital related to funding requirements;
- applicable discounts rates, inflation and taxation implications;

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- future operating expenditure for extraction and mining of measured mineral resources; and
- co-operation of key project partners going forward.

Through review of the project specific financial, operational, market and economic indicators applicable to the above intangible assets, as well as consideration of the various elements which contribute toward the indication of impairment of exploration and evaluation assets, it was concluded no impairment was necessary in the 2019 financial period. A summary of the assessment performed for each of the intangible assets are detailed below.

Mbeya Coal to Power Project
The Mbeya Coal to Power Project situated in the Mbeya region of Tanzania, which comprises the Mbeya Coal Mine, a potential 1.5Mt p/a mining operation, and the Mbeya Power Plant, a planned 300MW mine-mouth thermal power station. The Mbeya Coal Mine has a defined 120.8 Mt NI 43-101 thermal coal resource.

A Definitive Feasibility Study has been conducted on the project which underpinned its value and confirmed an initial rate of return of 69.2%. The 300MW mouth-of-mine thermal power station has long term scalability with the potential to become a 1000MW plant. The completed full Power Feasibility Study highlighted an annual power output target of 1.8GW based on annual average coal consumption of 1.5Mt.

An Integrated Bankable Feasibility Study report for the entire project indicated total potential revenues of US$ 7.5-8.5 billion over an initial 25-year mine life, post-tax equity IRR between 21-22%, debt pay-back period of 11-12 years and a construction period of 36 months.

Subsequent to the completion of a compulsory tender process through TANESCO on the development of the Mbeya Coal to Power Project, the Group was informed that its bid to secure a Power-Purchase Agreement was unsuccessful in February 2019.

Further engagement with TANESCO has subsequently culminated in the receipt of a formal notice from TANESCO inviting the Group it to develop the Mbeya Coal to Power Project for the export market and thereby enabling the Company to engage with the African Power Pools regarding potential off-take agreements.

As at year end, taking into account the various aspects listed above, the Group concluded that none of the impairment indicators had been met in relation to the Mbeya Coal assets.

Lake Victoria Project
The Group entered into an agreement during August 2019 with Lake Victoria Gold Limited ("LVG") covering the proposed disposal of 100% of the equity interest held by Katoro in its wholly owned subsidiary, Reef Miners Limited ("Reef"), which owns the Imweru gold project and the Lubando gold project in northern Tanzania.

As at year end, the conditions precedent relating to the disposal had not been completed, and the project has thus been classified as assets classified as held for sale (refer also Note 17).

Mabesekwa Coal Independent Power Project
On 3 April 2018, the Group completed the acquisition of an 85% interest in the Mabesekwa Coal Independent Power Project, located in Botswana. This acquisition was in line with the Group's strategy of positioning itself as a strategic regional electricity supplier in Southern Africa and creates many synergies with the MCPP in Tanzania.

As a result of the acquisition, 153,710,030 ordinary shares in Kibo were issued to Sechaba Natural Resources Limited ("Sechaba"). Sechaba retained a 15% interest in the Mabesekwa Coal Independent Power Project. The intangible asset was recognised at the fair value of the consideration paid, which emanates from the fair value of the equity instruments issued as at transaction date, being £9,376,312.

The Mabesekwa Coal Independent Power Project ("MCIPP") is located approximately 40km east of the village of Tonata and approximately 50km southeast of Francistown, Botswana's second largest city. Certain aspects of the Project have been advanced previously by Sechaba Natural Resources Limited ("Sechaba"), including water and land use permits and environmental certification. Mabesekwa consists of a 300Mt subset of the current insitu 777Mt Coal Resource.

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A pre-feasibility study on a coal mine and a scoping study on a coal fired thermal power plant has been completed. Kibo is in possession of a Competent Persons Report on the project, which includes a SAMREC-compliant Maiden Resource Statement on the excised 300 Mt portion of the Mabesekwa coal deposit.

In September 2019, Kibo and Shumba Energy Limited ("Shumba") signed a binding Heads of Agreement to reorganise the arrangements for the MCIPP and its associated coal asset in Botswana.

Under the reorganisation the MCIPP retained assets will be consolidated back into KEB and Kibo's interest in KEB will be reduced to 35% to maintain Kibo's look-through interest in the MCIPP resource and make sundry adjustments to recognise Kibo's project expenditure. A variety of shareholders' and joint development agreements govern the management of the various entities, including minority interest protections, with details of Kibo's final interests in these entities and the MCIPP resource to be advised upon completion of the reorganisation.

In exchange for the increase in the equity interest held by Shumba, Shumba would forego the previous claim it had against a portion of the MCIPP coal resources, thereby increasing the value of the interest held by KEB.

The transaction became effective on 5 December 2019 when Kibo concluded a shareholders agreement with KEB and Shumba whereby Kibo, through its wholly owned subsidiaries, Kibo Mining Cyprus Limited and Kibo Energy Botswana Limited would decrease their equity interest in KEB from 85% to 35%, effectively halving their interest in the MCIPP project.

As a result of the reorganisation, Kibo lost control of KEB and therefore derecognised the intangible asset previously recorded and simultaneously recognised an investment in associate equal to the fair value of the remaining interest retained in KEB (refer Note 11).

Bordersley Power Ltd
Kibo Energy PLC initially acquired an indirect 100% equity interest in shovel-ready reserve power generation project, Bordersley, which will comprise a 5MW gas-fuelled power generation plant for the consideration of £175,000 settled through the issue of shares.

Thereafter, Kibo acquired all of St' Anderton's direct and indirect interests (Royalty Agreements) in the Bordersley power project described above giving it a 100% economic and 100% equity interest in Bordersley (the 'Acquisition'). Consideration for the Acquisition consists of the allotment and issue of 46,067,206 ordinary shares in the capital of Kibo to St' Anderton at an issue price of £0.0525 per share and payable in five tranches ('Consideration Shares') such that the full consideration is only payable in the event that Bordersley is progressively derisked.

The issue price of the Consideration Shares and the associated number to be issued to St' Anderton was determined by using the methodology set out in the original MED vendor agreement as guidance, and was calculated as c. £2,420,000 comprising:

- 100% of the net present value of the Project Royalties (being the royalty equal to 5% of the gross revenue less gas and trading costs) amounting to c. £370,000; and

- 40% of the net present value of the Project Revenue (being net profit before tax) flowing to St' Anderton from Bordersley through MED amounting to c. £2,050,000.

11. Investment in associate

	Group (£)		Company (£)	
	2019	**2018**	**2019**	**2018**
Balance at the beginning of the year	-	-	-	-
Associate acquired during the period	9,696,683	-	-	-
Balance at the end of the year	**9,696,683**	**-**	**-**	**-**

The Group retained a 35% equity interest in Kibo Energy Botswana (Pty) Ltd as a result the reorganisation of its interests in the Mabesekwa Coal Independent Power Plant as disclosed in Note 10.

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The value of the remaining equity interest in Kibo Energy Botswana (Pty) Ltd was determined based on the fair value of the proportionate equity interest retained in the in the enlarged resource following the restructuring.

Summarised financial information of the associate is set out below:

	Group (£) 2019	Group (£) 2018
Non-Current assets	9,376,312	-
Current assets	1,011	-
Loss for the year	(18,220)	-

Kibo Energy Botswana (Pty) Ltd's principal place of business is Plot 2780, Extension 9, Gaborone, Botswana.

12. Other financial assets

At fair value through other comprehensive income

	Group (£)		Company (£)	
	2019	2018	2019	2018
Lake Victoria Gold Limited	37,661	-	-	-
	37,661	-	-	-

The investment represents 700,000 ordinary shares in Lake Victoria Gold Limited, incorporated in Australia, with a value of AUS$70,000. The shares were issued to subsidiary Katoro Gold Plc in recognition of the company granting the extension to receipt of the first tranche of monies due under the term sheet. The shares were issued on 15 October 2019 and recorded using the spot rate between the British pound and Australian dollar at that date.

As the shares were received for no consideration, other income of £37,661 was recognised when accounting for this transaction.

13. Acquisition and Disposal of interests in other entities

Mabesekwa Coal Independent Power Project

In September 2019, Kibo and Shumba Energy Limited ("Shumba") signed a binding Heads of Agreement to reorganise the arrangements for the MCIPP and its associated coal asset in Botswana.

Under the reorganisation the MCIPP retained assets will be consolidated back into Kibo Energy Botswana (Pty) Ltd ("KEB") and Kibo's interest in KEB will be reduced to 35% to maintain Kibo's look-through interest in the MCIPP resource and make sundry adjustments to recognise Kibo's project expenditure. A variety of shareholders' and joint development agreements govern the management of the various entities, including minority interest protections, with details of Kibo's final interests in these entities and the MCIPP resource to be advised upon completion of the reorganisation.

In exchange for the increase in the equity interest held by Shumba, Shumba would forego the previous claim it had against a portion of the MCIPP coal resources, thereby increasing the value of the interest held by KEB.

The transaction became effective on 5 December 2019 when Kibo concluded a shareholders agreement with KEB and Shumba whereby Kibo, through its wholly owned subsidiaries, Kibo Mining Cyprus Limited and Kibo Energy Botswana Limited would decrease their equity interest in KEB from 85% to 35%, effectively halving their interest in the MCIPP project.

As a result of the reorganisation, Kibo lost control of KEB and therefore derecognised the intangible asset previously recorded and simultaneously recognised an investment in associate equal to the fair value of the remaining interest retained in KEB (refer Note 11).

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The financial impact associated with the disposal of Mabesekwa Coal Independent Power Project ("MCIPP"):

	Group (£)	
	2019	**2018**
Opening balance as at January	9,376,312	-
Acquisition of 85% interest in MCIPP	-	9,376,312
Fair value re-measurement of remaining equity interest held in MCIPP recognised as part of profit on disposal of subsidiary	320,371	-
Closing balance as at December	**9,696,683**	**9,376,312**

Benga Power Plant Project

Kibo entered into a Joint Venture Agreement with Mozambique energy company Termoeléctrica de Benga S.A. to participate in the further assessment and potential development of the Benga Independent Power Project ('BIPP'). The assets associated with the acquisition were transferred into a newly incorporated entity in which Kibo and Termoeléctrica hold initial participation interests of 65% and 35% respectively, which Kibo obtained for no consideration on commencement. As disclosed in the significant judgement section of the financial results, Kibo is not able to exercise control over the operations of the newly incorporated entity, therefore the investment is recognised as a Joint Venture for financial reporting purposes, which requires the recognition of the participants' interest in the net revenue of the Joint Venture's operations.

In order to maintain its initial participation interest Kibo is required to ensure funding of a maximum amount of £1 million towards the completion of a Definitive Feasibility Study.

Bordersley Power Ltd

Kibo Energy PLC initially acquired an indirect 100% equity interest in shovel-ready reserve power generation project, Bordersley, which will comprise a 5MW gas-fuelled power generation plant for the consideration of £175,000 settled through the issue of shares.

Thereafter, Kibo acquired all of St' Anderton's direct and indirect interests (Royalty Agreements) in the Bordersley power project described above giving it a 100% economic and 100% equity interest in Bordersley (the 'Acquisition'). Consideration for the Acquisition consists of the allotment and issue of 46,067,206 ordinary shares in the capital of Kibo to St' Anderton at an issue price of £0.0525 per share and payable in five tranches ('Consideration Shares') such that the full consideration is only payable in the event that Bordersley is progressively derisked.

As there were no separately identifiable assets and/or liabilities acquired, the purchase price was allocated toward the Intellectual Property acquired, in the amount of £2,595,000, as disclosed in Note 10.

Mzuri Exploration Services Ltd (Tanzania)

Kibo entered into a sale of share agreement whereby Kibo disposed of 95% of its equity interest in Mzuri Exploration Services Limited ("MXS") and its subsidiary Protocol Mining & Exploration Limited ("Protocol") to the current senior management of Mzuri Exploration Services Limited for no consideration.

The financial impact associated with the disposal of Mzuri Exploration Services Ltd:

	2019
Property, plant and equipment	3,187
Trade and other receivables	111,317
Cash and cash equivalents	8,329
Foreign currency translation reserve	(300,671)
Trade and other payables	(68,352)
Taxation payable	(24,499)
Net equity on date of disposal	**(270,689)**
Net proceeds on disposal	-
Profit on disposal of subsidiary	**(270,689)**

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14. Goodwill

MAST Energy Development Limited
In the previous financial period the Group acquired a 60% equity interest in MAST Energy Development Limited for £300,000, settled through the issue of 5,714,286 ordinary shares in Kibo effective on 19 October 2018. The acquisition of MAST Energy Development Limited falls within the ambit of IFRS 3: Business Combinations. The net assets acquired were valued at Nil, with the resultant purchase price being allocated to Goodwill on date of acquisition.

Various "shovel ready" sites have already been identified in the UK, capable of sustaining gas fired power generators and ancillary structures from 20MW upwards. Financial modelling indicates projected IRRs of 13-16% and NPVs of GBP16-19 million for the initial assets.

Goodwill is assessed for impairment on an annual basis, against the recoverable amount of underlying Cash Generating Unit ("CGU"). The recoverable amount of the CGU, is the higher of its fair value less cost to sell and its value in use. The valuation techniques applicable to the valuation of the abovementioned CGU comprise a combination of fair market values, discounted cash flow projections and historic transaction prices.

Through review of the project specific financial, operational, market and economic indicators applicable to the above CGU, as well as consideration of the various elements which contribute toward the indication of impairment of similar projects, it was concluded no impairment was necessary in the 2019 financial period.

15. Trade and other receivables

	Group 2019 (£)	Group 2018 (£)	Company 2019 (£)	Company 2018 (£)
Amounts falling due over one year:				
Amounts owed by group undertakings	-	-	-	333,495
Amounts falling due within one year:				
Other debtors	380,693	89,349	361,467	282
	380,693	**89,349**	**361,467**	**333,777**

Included in other debtors is an amount of £354,688 relating to amounts not received by year end in connection with a share placing in October 2019. Subsequent to year end, this full amount outstanding has been received and settled.

The nature of amounts owed by Group undertakings is such that the expected recovery thereof is in excess of one year, and is thus classified as amounts falling due after one year.

The carrying value of current trade and other receivables approximates their fair value.

Amounts owed by Group undertakings represent inter-company loans between the Company and its subsidiaries. They have no fixed repayment terms, bear no interest and are unsecured, resulting in the recognition of the receivable as a non-current asset due to settlement being extended beyond 12 months.

During the period the Board resolved to capitalise inter-company loans and convert the respective loans owed by subsidiaries into share capital in order to adhere to international transfer pricing regulation and this resulted in a corresponding decrease in amounts owed by group undertakings.

Trade and other receivables pledged as security

None of the above stated trade and other receivables were pledged as security at period end. Credit quality of trade and other receivables that are neither past due nor impaired can be assessed by reference to historical repayment trends of the individual debtors.

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16. Cash

	Group (£)		Company (£)	
Cash consists of:	2019	2018	2019	2018
Short term convertible cash reserves	**91,634**	**654,158**	**31,389**	**38,974**
	91,634	**654,158**	**31,389**	**38,974**

Cash has not been ceded, or placed as encumbrance toward any liabilities as at year end.

17. Assets classified as held for sale

On 22 August 2019, the Group entered into a term sheet with Lake Victoria Gold Limited ("LVG") covering the disposal of 100% of the equity interest held by subsidiary Katoro Gold Plc in its wholly owned subsidiary, Reef Miners Limited ("Reef"), which owns the Imweru gold project and the Lubando gold project in northern Tanzania. Although the sale and purchase agreement with LVG has not been entered into to date, and LVG have requested extensions on the payment tranches to be made in accordance with the term sheet, the Board feels that the sale of Reef is in the best interest of the Company at this time and the directors are of the opinion that the sale is highly probable. The assets, together with the associated liabilities of Reef have therefore been classified as held for sale.

The proceeds of the disposal are expected to exceed the net carrying amount of the relevant assets and liabilities, and accordingly no impairment loss has been recognised on the assets classified as held for sale.

The major classes of assets and liabilities in the disposal group classified as held for sale are as follows:

Assets	
Intangible assets	787,108
Cash and cash equivalents	6,966
	794,074
Liabilities	
Trade and other payables	11,257

18. Share capital - Group and Company

	2019	2018
Authorised equity		
1,000,000,000 Ordinary shares of €0.015 each	-	€15,000,000
2,000,000,000 Ordinary shares of €0.001 each	€2,000,000	
1,000,000,000 deferred shares of €0.014 each	€14,000,000	-
3,000,000,000 deferred shares of €0.009 each	€27,000,000	€27,000,000
	€43,000,000	**€42,000,000**
Allotted, issued and fully paid shares		
(2019: 1,257,276,078 Ordinary shares of €0.001 each)	£326,468	-
(2018: 640,031,069 Ordinary shares of €0.015 each)	-	£7,982,942
1,291,394,535 Deferred shares of €0.009 each	£9,257,075	£9,257,075
805,053,798 Deferred shares of €0.014 each	£9,948,807	-
	£19,532,350	**£17,240,017**

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	Number of Shares	Ordinary Share Capital (£)	Deferred Share Capital (£)	Share Premium (£)	Treasury shares (£)
Balance at 31 December 2018	**640,031,069**	**7,982,942**	**9,257,075**	**39,205,318**	**-**
Shares issued during the period	617,245,009	2,292,333	-	3,545,118	-
Capital re-organisation	-	(9,948,807)	9,948,807	-	-
Balance at 31 December 2019	**1,257,276,078**	**326,468**	**19,205,882**	**42,750,436**	**-**

All ordinary shares issued have the right to vote, right to receive dividends, a copy of the annual report, and the right to transfer ownership of their shares.

During the year, the Company resolved to reduce the nominal value of the ordinary shares in issue from €0.015 to €0.001, whilst retaining the same number of shares. Under the capital re-organisation, each ordinary share was converted into one new deferred share of €0.014 each and one new ordinary share of €0.001 each.
The Deferred Shares will not entitle holders to receive notice of, or attend or vote at any general meeting of the Company or to receive a dividend or other distribution or to participate in any return on capital on a winding up other than the nominal amount paid following a substantial distribution to the holders of the Ordinary Shares in the Company. Accordingly, for all practical purposes the Deferred Shares will be valueless, and it is the board's intention at the appropriate time, to purchase the Deferred Shares at an aggregate consideration of €1.

19. Control reserve

The transaction with Opera Investments PLC in 2017 represented a disposal without loss of control. Under IFRS this constitutes a transaction with equity holders and as such is recognised through equity as opposed to recognising goodwill. The control reserve represents the difference between the purchase consideration and the book value of the net assets and liabilities acquired in the transaction with Opera Investments.

20. Share based payments reserve

The following reconciliation serves to summarise the composition of the share based payment reserve as at period end:

	Group (£)	
	2019	**2018**
Opening balance of share based payment reserve	**41,807**	**556,086**
Issue of share options and warrants	1,041,235	-
Deferred vendor liability settled through the issue of shares	421,471	
Reclassification of share based payment reserve on expired share options	-	(514,279)
	1,504,513	**41,807**

	Company (£)	
	2019	**2018**
Opening balance of share based payment reserve	**-**	**514,279**
Issue of share options and warrants	977,575	-
Reclassification of share based payment reserve on expired share options	-	(514,279)
	977,575	**-**

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Share options and Warrants

Share Options
During the current year, Katoro Gold Plc, a subsidiary of Kibo, implemented a share option plan whereby the Board and Management of the Company were issued 14,944,783 Ordinary shares, being 10% of the Company's issued share capital on 8 February 2019, at 1.3 pence per share. The options have an expiry date of the seventh anniversary date of the date of grant, with 50% vesting on issue and the remaining 50% vesting in one year.

The fair value of the share options issued have been determined using the Black-Scholes option pricing model.

The inputs to the Black-Scholes model were as follows:

Description of key input	**Key Assumptions**
Share Options granted	14,944,783
Stock price	1.3p
Exercise price	1.3p
Risk free rate	0.4%
Volatility	82%
Expiry Date	7 years
Weighted average remaining contractual life	6 years

Expected volatility was determined using the historic average volatility in the company's share price over the past 2 years.

Warrants
The Group has the following warrants over its Ordinary Shares:

- 1,208,333 warrants to Beaufort's (Beaufort Securities Limited, the former broker to the Group) in respect of the placing fees. Each warrant shall entitle Beaufort to subscribe for one new Ordinary Share and shall be exercisable at 6 pence per share for up to five years;
- 10,000,000 warrants to African Battery Metals Plc in respect of the Nickel project facilitation fees. The warrants were issued over 2 tranches. The first tranche of 2,500,000 warrants were issued upon signature of the Option Agreement between the parties on 15 March 2019, with the remaining 7,500,000 issued on 15 May 2019. These warrants are exercisable within 3 years of issue date at a price of 1.25 pence per share.
- 663,333,420 warrants were issued with the share placing completed on 21 October 2019. Each share issued for this placing includes one warrant exercisable at 0.8 pence per share for the period of 18 months and half a warrant exercisable at 1.0 pence per share for the period of 36 months from the date of issue.

The fair value of the warrants issued have been determined using the Black-Scholes option pricing model.
The inputs to the Black-Scholes model were as follows:

Description of key input	**Key Assumptions** ***Beaufort***	**Key Assumptions** ***African Battery Metals Plc***	**Key Assumptions** ***Kibo Energy Plc October 2019 placing***	**Key Assumptions** ***Kibo Energy Plc October 2019 placing***
Date issued	April 2017	May 2019	October 2019	October 2019
Warrants granted	1,208,333	10,000,000	442,222,280	221,111,140
Stock price	6p	1.3p	0.45p	0.5p
Exercise price	6p	1.25p	0.8p	1p
Risk free rate	0.1%	0.4%	0.4%	0.4%
Volatility	70%	82%	99%	99%
Expiry Date	5 years	3 years	18 months	3 years
Weighted average remaining contractual life	2.3 years	2.3 years	1.25 years	2.75 years

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Expected volatility was determined using the historic average volatility in the company's share price over the past 2 years.

Expenses settled through the issue of shares

The Group recognised the following expense related to equity settled share based payment transactions:

	2019 (£)	2018 (£)
Geological expenditure settled	100,559	22,616
Listing and capital raising fees	252,854	104,302
Statutory fees	144,013	-
Shares and warrants issued to directors and staff	405,345	-
	902,771	**126,918**

At 31 December 2019 the Group had 14,944,783 share options and 663,333,420 warrants outstanding.

	Date of Grant	Exercise start date	Expiry date	Exercise Price	Number Granted	Exercisable as at 31 December 2019
Options	8 Feb 2019	8 Feb 2019 (50%) 8 Feb 2020 (50%)	7 Feb 2026	1.3p	14,944,783	7,472,392
Warrants	04 Nov 2019	04 Nov 2019	03 May 2021	0.8p	442,222,280	442,222,280
	04 Nov 2019	04 Nov 2019	03 Nov 2022	1.0p	221,111,140	221,111,140
Total Contingently Issuable shares					**663,333,420**	**663,333,420**

Reconciliation of the quantity of share options in issue:

	Group		Company	
	2019	**2018**	**2019**	**2018**
Opening balance	**-**	**14,399,333**	**-**	**14,399,333**
New share options issued	14,944,781	**-**	**-**	**-**
Expiration of share options	-	(14,399,333)	-	(14,399,333)
	14,944,781	**-**	**-**	**-**

Reconciliation of the quantity of warrants in issue:

	Group		Company	
	2019	**2018**	**2019**	**2018**
Opening balance		**10,000,000**	**-**	**10,000,000**
New warrants issued	663,333,420	-	663,333,420	-
Warrants lapsed	-	(10,000,000)	-	(10,000,000)
	663,333,420	**-**	**663,333,420**	**-**

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Deferred vendor liability

The amount due to vendors represents the balance of the purchase consideration owing in respect of the acquisition of Bordersley Power Limited from St' Anderton on Vaal Limited. The liability will be settled through the issue of ordinary shares in the Company, in four equal tranches of 6,000,000 at an issue price of £0.0525 each, as the project is progressively derisked, as detailed below:

- Upon receiving confirmation from Mast Energy Development that a preliminary notice to proceed with construction of the Bordersley power site has been issued by the Owners Engineer for the construction and commissioning of the Bordersley site;
- Upon receiving confirmation from Mast Energy Development that a final notice to proceed with construction of the Bordersley power site has been issued by the Owners Engineer for the construction and commissioning of the Bordersley site;
- Upon receiving confirmation from Mast Energy Development that the Owners Engineer for the construction and commissioning of the Bordersley site has commenced with commissioning of the Bordersley power plant; and
- Upon receiving confirmation from Mast Energy Development that the Owners Engineer for the construction and commissioning of the Bordersley site has confirmed steady state production at the Bordersley power plant.

The fair value of the deferred vendor liability is calculated in accordance with the anticipated purchase consideration payable, at the fair value of the shares on the date of the transaction.

The amount payable has been settled subsequent to year end.

21. Translation reserves

The foreign exchange reserve relates to the foreign exchange effect of the retranslation of the Group's overseas subsidiaries on consolidation into the Group's financial statements, taking into account the financing provided to subsidiary operations is seen as part of the Group's net investment in subsidiaries.

	Group		Company	
	2019 (£)	**2018 (£)**	**2019 (£)**	**2018 (£)**
Opening balance	**(656,622)**	**(268,506)**	**-**	**14,723**
Movement during the period	(216,320)	(388,116)	-	(14,723)
Closing balance	**(872,942)**	**(656,622)**	**-**	**-**

22. Non-controlling interest

The non-controlling interest carried forward relates to the minority equity attributable to Katoro Gold PLC and its subsidiaries.

	Group	
	2019 (£)	**2018 (£)**
Opening balance	**409,171**	**927,107**
Change of interest in subsidiary without loss of control	19,267	(9,364)
Additional capital raised	-	152,998
Loss for the year allocated to non-controlling interest	(401,365)	(661,570)
Closing balance of non-controlling interest	**27,073**	**409,171**

The summarised financial information for significant subsidiaries in which the non-controlling interest has an influence, namely Katoro Gold PLC as at ended 31 December 2019, is presented below:

	Katoro plc Group 2019 (£)	**Katoro plc Group 2018 (£)**
Statement of Financial position		
Total assets	295,116	622,231
Total liabilities	(117,402)	(175,499)
Statement of Profit and Loss		
Revenue for the period	-	-
Loss for the period	(668,659)	(479,205)

Statement of Cash Flow		
Cash flows from operating activities	(580,727)	(465,669)
Cash flows from investing activities	-	-
Cash flows from financing activities	202,934	313,560

In March 2019 the Company entered into an agreement, whereby it would reacquire the residual 2.5% interest held by Sanderson Capital Partners for the amount of £1,706,895. As the transaction was a change in the Group's ownership interest in a subsidiary that did not result in the Group losing control of the subsidiary, the impact of the transaction was recognised directly in equity.

23. Trade and other payables

	Group 2019 (£)	Group 2018 (£)	Company 2019 (£)	Company 2018 (£)
Amounts falling due within one year:				
Trade payables	1,024,126	301,698	265,727	95,072
	1,024,126	**301,698**	**265,727**	**95,072**

The carrying value of current trade and other payables equals their fair value due mainly to the short term nature of these receivables.

24. Borrowings

	Group 2019 (£)	Group 2018 (£)	Company 2019 (£)	Company 2018 (£)
Amounts falling due within one year:				
Short term loans	523,725	-	294,955	-
	523,725	**-**	**294,955**	**-**

	Group 2019 (£)	Group 2018 (£)	Company 2019 (£)	Company 2018 (£)
Reconciliation of borrowings:				
Opening balance	-	1,210,768	-	1,210,768
Raised during the year	1,613,715	251,565	544,955	251,565
Repaid during the year	-	(200,000)	-	(200,000)
Settled through the issue of shares	(1,090,000)	(1,262,333)	(250,000)	(1,262,333)
Closing balance	**523,725**	**-**	**294,955**	**-**

Short term loans

Short term loans relate to the unsecured interest free loan facility from Sanderson Capital Partners Limited which is repayable either through the issue of ordinary shares of payment of cash in the Company.

25. Investment in group undertakings

Breakdown of investments at 31 December 2019

	Subsidiary undertakings (£)
Kibo Mining (Cyprus) Limited	40,048,442
Sloane Developments Limited	2,643,558
Katoro Gold Plc	626,643
Total cost of investments	**43,318,643**

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Breakdown of investments at 31 December 2018

	Subsidiary undertakings (£)
Kibo Mining (Cyprus) Limited	37,406,177
Sloane Developments Limited	-
Katoro Gold Plc	484,474
Total cost of investments	**37,890,651**

	Subsidiary undertakings (£)
Investments at Cost	
At 1 January 2018	3,468,224
Additions in Kibo Mining (Cyprus) Limited	35,706,177
Additions in Katoro Gold PLC	349,878
Provision for impairment	(1,633,628)
At 31 December 2018 (£)	**37,890,651**
Additions in Kibo Mining Cyprus Limited	2,642,265
Additions in Sloane Developments Limited	2,643,558
Additions in Katoro Gold PLC	142,169
Provision for impairment	-
At 31 December 2019 (£) *	**43,318,643**

At 31 December 2019 the Company had the following undertakings:

Description	Subsidiary, associate or Joint Venture	Activity	Incorporated in	Interest held (2019)	Interest held (2018)
Directly held Investments					
Sloane Developments Limited	Subsidiary	Holding Company	United Kingdom	100%	100%
Kibo Mining (Cyprus) Limited	Subsidiary	Treasury Function	Cyprus	100%	100%
Katoro Gold Plc	Subsidiary	Mineral Exploration	United Kingdom	55.53%	57%
Indirectly held Investments					
MAST Energy Development Limited	Subsidiary	Power Generation	United Kingdom	60%	60%
Bordersley Power Limited	Subsidiary	Power Generation	United Kingdom	100%	-
Kibo Gold Limited	Subsidiary	Holding Company	Cyprus	55.53%	57%
Savannah Mining Limited	Subsidiary	Mineral Exploration	Tanzania	55.53%	57%
Reef Miners Limited	Subsidiary	Mineral Exploration	Tanzania	55.53%	57%
Kibo Nickel Limited	Subsidiary	Holding Company	Cyprus	55.53%	100%
Eagle Exploration Limited	Subsidiary	Mineral Exploration	Tanzania	55.53%	100%
Mbeya Holdings Limited	Subsidiary	Holding Company	Cyprus	100%	97,5%
Mbeya Development Limited	Subsidiary	Holding Company	Cyprus	100%	97,5%
Mbeya Mining Company Limited	Subsidiary	Holding Company	Cyprus	100%	97,5%
Mbeya Coal Limited	Subsidiary	Mineral Exploration	Tanzania	100%	100%
Mzuri Power Limited	Subsidiary	Holding Company	Cyprus	100%	100%
Mbeya Power Tanzania Limited	Subsidiary	Power Generation	Tanzania	100%	97,5%
Kibo Mining South Africa (Pty) Ltd	Subsidiary	Treasury Function	South Africa	100%	100%
Kibo Exploration Limited	Subsidiary	Treasury Function	Tanzania	100%	100%
Kibo MXS Limited	Subsidiary	Holding Company	Cyprus	100%	100%
Tourlou Limited	Subsidiary	Holding Company	Cyprus	0%	100%
Mzuri Exploration Services Limited	Investment	Exploration Services	Tanzania	4.78%	100%

Protocol Mining Limited	Investment	Exploration Services	Tanzania	4.78%	100%
Jubilee Resources Limited	Subsidiary	Mineral Exploration	Tanzania	100%	100%
Kibo Energy Botswana Limited	Subsidiary	Holding Company	Cyprus	100%	100%
Kibo Energy Botswana (Pty) Ltd	Associate	Mineral Exploration	Botswana	35%	100%
Kibo Energy Mozambique Limited	Subsidiary	Holding Company	Cyprus	100%	100%
Pinewood Resources Limited	Subsidiary	Mineral Exploration	Tanzania	100%	100%
Makambako Resources Limited	Subsidiary	Mineral Exploration	Tanzania	100%	100%

The Group has applied the approach whereby loans to Group undertakings and trade receivables from Group undertakings were capitalised to the cost of the underlying investments. The capitalisation results in a decrease in the exchange fluctuations between Group companies operating from various locations.

26. Related party transactions

Related parties of the Group comprise subsidiaries, joint ventures, significant shareholders, the Board of Directors and related parties in terms of the listing requirements.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

Board of Directors/ Key Management

Name	Relationship (Directors of:)
A. Lianos	River Group, Boudica Group and Namaqua Management Limited

Other entities over which directors/key management or their close family have control or significant influence:

River Group	River Group provide corporate advisory services and is the Company's Designated Advisor.
Boudica Group	Boudica Group provides secretarial services to the Group.
St Anderton on Vaal Limited	St Anderton on Vaal Limited provides consulting services to the Group. The directors of St Anderton on Vaal Limited are also directors of Mast Energy Developments Limited.

Kibo Mining Plc is a shareholder of the following companies and as such are considered related parties:

Directly held subsidiaries:
- Sloane Developments Limited
- Kibo Mining (Cyprus) Limited
- Katoro Gold Plc

Indirectly held subsidiaries:
- Kibo Gold Limited
- Kibo Mining South Africa Limited
- Savannah Mining Limited
- Reef Mining Limited
- Kibo Nickel Limited
- Eagle Exploration Mining Limited
- Mzuri Energy Limited
- Rukwa Holdings Limited
- Mbeya Development Company Limited
- Mbeya Mining Company Limited
- Mbeya Coal Limited
- Mzuri Power Limited
- Kibo Exploration Limited
- Mbeya Power Tanzania Limited
- Kibo MXS Limited
- Kibo Energy Mozambique Limited

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Pinewood Resources Limited
Makambako Resources Limited
Jubilee Resources Limited
Kibo Energy Botswana Limited
MAST Energy Developments Limited
Bordersley Power Limited

The transactions during the period between the Company and its subsidiaries included the settlement of expenditure to/from subsidiaries, working capital funding, and settlement of the Company's liabilities through the issue of equity in subsidiaries. The loans to/ from group companies do not have fixed repayment terms and are unsecured.

The following transactions have been entered into with related entities, by way of common directorship, throughout the financial period.

River Group was paid £35,384 (2018: £46,145) for designated advisor services, corporate advisor services and corporate financer fees during the year settled through cash. No fees are payable to River Group as at year end. The expenditure was recognised in the Company as part of administrative expenditure.

St Anderton on Vaal Limited was paid £297,000 (2018: £nil) during the year for consulting services rendered to Mast Energy Developments Limited.

During the year, Namaqua Management Limited or its nominees, was paid £472,153 (2018: £629,293) for the provision of administrative and management services. £247,836 was payable at the year-end (2018: £NIL).

The Boudica Group was paid £32,400 (2018: £38,038) for corporate services during the current financial period. No fees are payable to Boudica Group at year end.

27. Financial Instruments and Financial Risk Management

The Group and Company's principal financial instruments comprises cash at hand and in bank. The main purpose of these financial instruments is to provide finance for the Group and Company's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

It is, and has been throughout the 2019 and 2018 financial period, the Group and Company's policy not to undertake trading in derivatives.

The main risks arising from the Group and Company's financial instruments are foreign currency risk, credit risk, liquidity risk, interest rate risk and capital risk. Management reviews and agrees policies for managing each of these risks which are summarised below.

	2019 (£)		**2018 (£)**	
Financial instruments of the Group are:	**Loans and receivables**	**Financial liabilities**	**Loans and receivables**	**Financial liabilities**
Financial assets at amortised cost				
Trade and other receivables	380,693	-	89,349	-
Cash	91,634	-	654,158	-
Financial liabilities at amortised cost				
Trade payables	-	1,024,126	-	301,698
Borrowings	-	523,725	-	-
	472,327	**1,547,851**	**743,507**	**301,698**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2019 (£)		2018 (£)	
Financial instruments of the Company are:	**Loans and receivables**	**Financial liabilities**	**Loans and receivables**	**Financial liabilities**
Financial assets at amortised cost				
Trade and other receivables – non current	-	-	333,495	-
Trade and other receivables – current	361,467	-	282	-
Cash	31,389	-	38,975	-
Financial liabilities at amortised cost				
Trade payables – current	-	227,237	-	95,072
Borrowings	-	294,955	-	-
	392,856	**522,192**	**372,752**	**95,072**

Foreign currency risk
The Group undertakes certain transactions denominated in foreign currencies and exposures to exchange rate fluctuations therefore may arise. Exchange rate exposures are managed by continuously reviewing exchange rate movements in the relevant foreign currencies. The exposure to exchange rate fluctuations for the Group/Company is limited to foreign currency translation of subsidiaries, which is not material, as the Group/Company does not hold any significant foreign denominated monetary assets or liabilities.

At the period ended 31 December 2019, the Group had no outstanding forward exchange contracts.

Exchange rates used for conversion of foreign subsidiaries undertakings were:

	2019	**2018**
ZAR to GBP (Spot)	0.0542	0.0545
ZAR to GBP (Average)	0.0543	0.0593
USD to GBP (Spot)	0.7623	0.7871
USD to GBP (Average)	0.7837	0.7499
EURO to GBP (Spot)	0.8537	0.0095
EURO to GBP (Average)	0.8772	0.8848

The executive management of the Group monitor the Group's exposure to the concentration of fair value estimation risk on a monthly basis.

Group Sensitivity Analysis
As the Group/Company has no material monetary assets denominated in foreign currencies, the impact associated with a change in the foreign exchange rates is not expected to be material to the Group/Company.

Credit risk
Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. As the Group does not, as yet, have any sales to third parties, this risk is limited.

The Group and Company's financial assets comprise receivables and cash and cash equivalents. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Group and Company's exposure to credit risk arise from default of its counterparty, with a maximum exposure equal to the carrying amount of cash and cash equivalents in its consolidated statement of financial position. Expected credit losses were not measured on a collective basis. The various financial assets owed from group undertakings were evaluated against the underlying asset value of the investee, taking into account the value of the various projects undertaken during the period, thus validating, as required the credit loss recognised in relation to amounts owed by group undertakings.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are connected or related entities.

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Financial assets exposed to credit risk at period end were as follows:

Financial instruments	Group (£) 2019	Group (£) 2018	Company (£) 2019	Company (£) 2018
Trade & other receivables	380,693	89,349	361,467	333,777
Cash	91,634	654,158	31,389	38,974

Liquidity risk management
Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group and Company's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Cash forecasts are regularly produced to identify the liquidity requirements of the Group.

The Group and Company's financial liabilities as at 31 December 2019 were all payable on demand.

Group (£)	Less than 1 year	Greater than 1 year
At 31 December 2019		
Trade and other payables	1,024,126	-
Borrowings	523,725	-
At 31 December 2018		
Trade and other payables	301,698	-
Company (£)		
At 31 December 2019		
Trade and other payables	265,727	-
Borrowings	294,955	-
At 31 December 2018		
Trade and other payables	95,072	-

Interest rate risk
The Group and Company's exposure to the risk of changes in market interest rates relates primarily to the Group and Company's holdings of cash and short term deposits.

It is the Group and Company's policy as part of its management of the budgetary process to place surplus funds on short term deposit in order to maximise interest earned.

Group Sensitivity Analysis:
Currently no significant impact exists due to possible interest rate changes on the Company's interest bearing instruments.

Capital risk management
The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust or issue new shares or raise debt. No changes were made in the objectives, policies or processes during the period ended 31 December 2019. The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained losses as disclosed in the consolidated statement of changes in equity.

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Fair values
The carrying amount of the Group and Company's financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair value.

Hedging
At 31 December 2019, the Group had no outstanding contracts designated as hedges.

28. Post Statement of Financial Position events

Investment in Katoro Gold PLC

Following Kibo's investment in Katoro Gold PLC during 2019 by subscribing to its October 2019 placing for 1.8 million shares issued at a price of 1p (£18,000), the Company subsequently exercised the warrants attached to these shares at their exercise price of 1.5p and receiving an additional 1.8 million Katoro shares in February 2020. Kibo's equity interest in Katoro at the date of this report is 29.70%.

Issue of Convertible Loan Note

In July 2020, the Company secured a £1 million facility ("the Facility") from a consortium of lenders. The Facility, in the form of a convertible loan note issued by Kibo, will provide sufficient working capital to allow it proceed with reaching key development milestones, particularly for the Benga and Mast Energy Developments Limited projects over the next twelve months. At an EGM held on 24 August 2020, shareholders approved resolutions to increase the authorised share capital of the Company which was required to fully avail of the Facility and meet all related funding costs. The Company is now fully enabled to avail of the Facility. Refer to the Going Concern paragraph on page 24 for further details.

Share Issues

During 2020 to date, Kibo issued an additional 135,526,399 shares comprising 29,214,110 to contractors & service providers for agreed invoice payments at share prices of 0.45p & 0.2p; 8,000,000 as final payment to MED with regard to acquisition costs for Bordersley, at a share price 5.25p; and 98,312,289 shares in payment of first drawdown fee, legal fee, arrangement fee and issue of conversion shares with regard to the Facility at share prices ranging from 0.22p to 0.27p.

Increased Investment in Mast Energy Developments and Listing of Sloane on the LSE

In August 2020, Sloane Developments Limited, a 100% owned UK Kibo subsidiary, acquired from St Anderton on Vaal Limited ('St Anderton') the remaining 40% interest in Mast Energy Developments Ltd ('Mast Energy'), that it did not already hold, in exchange for 36,917,076 new Ordinary Shares in Sloane. Accordingly, Sloane (to be renamed Mast Energy Ltd) will at completion of the share exchange transaction own a 100% interest in Mast Energy alongside its 100% interest in Bordersley Power Ltd as it seeks to develop a portfolio of flexible power plants in the UK. St Anderton will at completion hold 26.11% of Sloane, with Kibo holding the remaining 73.89%. Sloane has made an application to the LSE for admission to the Standard List which will be accompanied by an IPO to raise funds to advance Mast Energy's energy portfolio in the UK.

Settlement and Termination of Convertible Loan Note and Placing

Kibo settled all outstanding amounts due under the Convertible Loan Note ("CLN"), announced on 25 June 2020 and reached agreement with the holders of the CLN to terminate the CLN with immediate effect. The Company has further undertaken a successful placing to raise GBP1,450,000 before costs through the Company's broker ETX Capital, at a placing price of 0.2p per placing share, with 1 warrant attached for every two placing shares, exercisable at 0.4p each over 36 months.

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29. Commitments and Contingencies

Benga Power Project

Kibo entered into a Joint Venture Agreement (the 'Benga Power Joint Venture' or 'JV') with Mozambique energy company Termoeléctrica de Benga S.A. to participate in the further assessment and potential development of the Benga Independent Power Project ('BIPP'). In order to maintain its initial participation interest Kibo is required to ensure funding of a maximum amount of £1 million towards the completion of a Definitive Feasibility Study, however this expenditure is still discretionary.

Other than the commitments and contingencies noted above, the Group does not have identifiable material commitments and contingencies as at the reporting date. Any contingent rental is expensed in the period in which it is incurred.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Accounting policy

Headline earnings per share (HEPS) is calculated using the weighted average number of ordinary shares in issue during the period and is based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 1/2019 issued by the South African Institute of Chartered Accountants (SAICA).

Reconciliation of Headline earnings per share

Headline loss per share

Headline loss per share comprises the following:

Reconciliation of headline loss per share:	**31 December 2019 (£)**	**31 December 2018 (£)**
Loss for the period attributable to normal shareholders	**(3,500,004)**	**(3,388,778)**
Adjustments		
Impairment of the Intangible Assets	-	912,892
Profit on disposal of subsidiaries	(591,060)	-
Headline loss for the period attributable to normal shareholders	**(4,091,064)**	**(2,475,886)**
Headline loss per ordinary share	(0.005)	(0.004)
Weighted average number of shares in issue:	849,795,672	565,932,121

Headline loss per share, on a per-share basis:

Reconciliation of headline loss per share:	**31 December 2019 (£)**	**31 December 2018 (£)**
Loss for the period attributable to normal shareholders	**(0.0041)**	**(0.0059)**
Adjustments		
Impairment of the Intangible Assets	-	0.0016
Profit on disposal of subsidiaries	(0.0007)	-
Headline loss for the period attributable to normal shareholders	**(0.0048)**	**(0.0043)**
Headline loss per ordinary share	(0.005)	(0.004)

In order to accurately reflect the weighted average number of ordinary shares for the purposes of basic earnings, dilutive earnings and headline earnings per share as at year end, the weighted average number of ordinary shares was adjusted retrospectively.