KIBO ENERGY PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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CORPORATE DIRECTORY

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

COMPANY SECRETARY: Noel O'Keeffe

REGISTERED OFFICE:
17 Pembroke Street Upper
Dublin 2, Ireland

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

AUDITORS
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Clanwilliam Place
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
Link Registrars Ltd
2 Grand Canal Square
Dublin 2
D02 A342

South Africa
JSE Investor Services (Pty) Ltd
13th Floor
19 Ameshoff Street
Braamfontein
South Africa

PRINCIPAL BANKERS:
Allied Irish Banks Plc
Tuam Road
Galway
Ireland

BROKER:
Hybridan LLP
2 Jardine House
The Harrovian Business Village
Bessborough Road
Harrow, Middlesex HA1 3EX

UK PUBLIC RELATIONS:
St. Brides Partners Ltd
Claydons Barns
11 Towcester Road
Whittlebury
Northants NN12 8XU

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
UK NOMINATED ADVISER:	**RFC Ambrian Limited** Level 48, Central Park 152-158 St Georges Terrace Perth, WA 6000
JSE DESIGNATED ADVISER:	**River Group** Unit 2, 211 Kloof Street Waterkloof Pretoria, South Africa
WEBSITE:	www.kibo.energy
CONTACT:	info@kibo.energy
DATE OF INCORPORATION:	17 January 2008
REGISTERED NUMBER:	451931

CHAIRMAN'S REPORT

I am pleased to provide a review of our activities during the period and to present our full-year audited accounts for 2020.

Kibo's strategy remains to develop utility-level and standalone, sustainable, affordable energy solutions through the design, build, construction and operation of clean energy solutions, integrated with renewable and intelligent storage solutions. A cornerstone of this strategy is the integration of suitable, sustainable renewable technologies with proven clean low-cost coal base load technology in all our project development plans, with the assumption that base load energy plays a very important role in addressing the increasing demand for affordable, reliable and sustainable electricity in our geographic focus areas.

As we support the global strategic concept of sustainability, we continue to seek best of breed environmentally friendly technological solutions, working with our strategic development partners through existing collaboration agreements.

In this regard, during the year, we advanced the development of our key projects: the Benga Power Plant Project ("BPPP" or "Benga Project") in Mozambique; the Mabesekwa Coal Independent Power Project ("MCIPP" or "Mabesekwa Project") in Botswana; and the Mbeya Coal to Power Project ("MCPP") in Tanzania.

A key focus area, the entry into the UK's Reserve Power Market, has taken shape with the recent listing of MAST Energy Developments Plc ("MED") on the 14 April 2021. We have now sent MED off on its own path, as we did with Katoro Gold some years ago.

As we look back on 2020, while we set a solid platform for continued work in FY 2021, we were undoubtedly impacted by the ongoing impact of Covid-19. While the MCPP and MCIPP projects were most materially impacted, they remain in good standing and we continue to explore how we can extract best value from them.

In Mozambique, we made great strides developing the Benga Project, increasing our future off take potential by more than 100% through the inclusion of the Baobab development in the Benga portfolio.

We were also pleased with the progress of MED, and with its IPO and admission now completed, and Kibo's retention of the majority shareholding it continues to provide, now more than ever the prospect of short term revenue and real opportunities to participate in the development of alternative energy solutions.

On the corporate side, keeping the Company funded presented on-going challenges due to the low share price and the general uncertainty created by the Covid-19 pandemic. We have however steadied the ship and can see clearer waters ahead in 2021. In this regard, a £1 million convertible loan note facility with a first drawdown tranche of £300,000 in August was replaced with a broker sponsored placing with ETX Capital Limited in September for total proceeds of £1,450,000, meeting our working capital requirement to allow us to reach key development milestones, particularly for the Benga and MED projects, during the second half of 2020.

Being able to secure funding during this difficult period is testament to the belief in our company by investors and other stakeholders.

The result for the reporting period amounted to a loss of £6,417,237 for the year ended 31 December 2020 (31 December 2019: £3,903,116) as detailed further in the Statement of Profit or Loss and Other Comprehensive Income, and further details on financial activities are detailed elsewhere in the Annual Report.

In addition to our interest of c. 55.4% in MED, I would also like to mention our investment in Katoro Gold PLC (AIM: KAT/www.katorogold.com), which currently stands at 25.37%. Katoro is making excellent advances pursuing robust development opportunities in battery base metals and gold projects.

Both of these companies have a short term view to production and revenue and we look forward to their accelerated project plans for FY 2021.

We are optimistic and positive about the Kibo Group of companies. We have used 2020 to consolidate and refine planning and look forward to a year of success in FY 2021.

In closing, I would like to acknowledge the support of our shareholders, especially those who have helped the Company directly through the past year. Also I would like to thank our Board and management under the strong leadership of our CEO, Louis Coetzee, for their hard work in guiding the Company through this challenging period.

CHAIRMAN'S REPORT

They continue to show the skill and leadership to realise our strategy of becoming a successful global developer of sustainable energy projects in an industry in this transitional phase from fossil fuels to renewable energy generation.

Christian Schaffalitzky
Chairman
10 June 2021

REVIEW OF ACTIVITIES

Introduction

Kibo aims to be a significant regional broad based energy developer of sustainable power solutions, integrating clean–burning fossil fuel, renewable generation and energy storage technology. Its operational objectives for the period focused on project development and delivery as well as accelerating the integration of solutions that enable the Company to ultimately transition from using clean fossil fuel technology to renewable energy technology solutions and the implementation of a sustainable funding model to enable these objectives.

During FY 2020, Kibo continued to advance its African and UK energy projects, albeit at a slower pace than originally scheduled due to the impact of the Covid-19 pandemic on field operations. The Company has continued to maintain its business relationships and operational capability during this difficult period and is well positioned to quickly accelerate its development schedules in a post pandemic world.

Operations

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

The MCPP remains a key project, being fully developed, funding ready and still acknowledged by the Tanzanian Government. The project suffered a minor setback from what we believe to be clumsy tendering procedure and efforts are on the way to get the project back on track in Tanzania. The untimely passing of the Tanzanian President unfortunately put a stop to all statutory proceedings.

The project, with its 120 Mt Coal Resource*, developed to a 1,5 million tonnes per annum mine, holds seven mining rights over the coal resource that will provide fuel to the 300 MW MCPP thermal power plant. The MCPP Environmental Impact Assessment certification for both mine and power station remain valid.

The Company continues to work closely with the Tanzanian Government, partners and other stakeholders to identify and investigate alternative commercial opportunities both within Tanzania and regionally.

**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.*

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

The Benga project, located in the Tete province of Mozambique, is the Company's highest development priority; it holds a 65% interest in the project with the remaining 35% held by a local company, Termoeléctrica de Benga.

The project was developed for a c. 150 MW PPA with local state electric utility Electricidade de Moçambique ('EDM'). An updated Memorandum of Understanding was signed with EDM during 2020, which provides for its continued support and commitment to negotiate a PPA for power off-take for the national grid.

The project is now in the process of being upgraded to accommodate a c. 20O MW additional private commercial off taker in the form of the Tete Steel and Vanadium Project with Baobab Resources Ltd ('Baobab'). To date, the DFS was updated and optimised to satisfy EDM and Baobab's power off-take requirements with the incorporation of a grid impact assessment and integration studies as well as an updated technical and financial review of the project during the second half 2020. The proposed power plant footprint was also increased with the acquisition of additional land increasing the project site by 345 hectares principally to provide for the incorporation of renewable energy technologies on-site. Discussions are also ongoing with regards to providing auxiliary power requirements for the first phase of a 250,000 tpa steel rolling mill of the Baobab Tete Steel Project, on a build, own and operate basis.

The Benga project is a key enabler of Tete Steel and Vanadium project, which in turn is a key enabler of the Mozambique Revuboe Industrial Free Zone ('RIFZ'), intended to bolster the economy in the resources rich Tete Province.

REVIEW OF ACTIVITIES

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

MED, intending to participate in the UK Reserve Market, is an exciting addition to the Kibo stable.

The recent listing of the Company's now 55.42% subsidiary MED Plc on the London Stock Exchange on 14 April 2021 where it raised c. £5m as part of an IPO, will enable it to accelerate development and commissioning of its existing flexible power sites and allow acquisition of additional sites. MED's target is to assemble a portfolio of well-located flexible power sites in the UK, commencing with c. 50 MW in year one and building up to a portfolio of up to 300 MW of flexible power generating capacity over the next few years.

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

Kibo negotiated a major re-structuring and expansion of its Botswana energy asset holdings in September 2019 in collaboration with Shumba Energy Limited. The binding Heads of Agreement saw Kibo assume a 35% interest in the total 761 Mt Mabesekwa Coal Resource* while maintaining its 85% interests in the existing MCIPP project 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 with electricity output directed solely to a petrochemical plant being developed by Shumba and other parties. The project is aligned with Shumba's progress and therefore assumes a low development priority in the Kibo portfolio.

**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*

Corporate

During 2020, the Company undertook various funding initiatives to ensure the ongoing development of its projects. As part of this process, it embarked on aggressive austerity measures to preserve cash whilst being able to continue with core activities and raised c. GBP 1.4 million.

In preparation for, and to facilitate the listing of the MED Plc on the London Stock Exchange, recently completed, the Company undertook corporate restructuring within and between the Kibo and MED group companies during 2020. The latter part of 2020 was spent in preparation of the intended MED IPO, which was completed within budget and time. A regrettable delay in FCA approval pushed the time line out by more than three months.

Louis Coetzee
Chief Executive Officer
10 June 2021

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 business model spans the Group's financial, technical and operational areas and is continually updated as its project portfolio expand. 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. Company management's direct engagement with shareholders and investors at live physical events has been curtailed during 2020 and 2021 to date as a result of the on-going Covid-19 pandemic but it intends to resume normal engagement when the pandemic has passed.

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 commenced replicating its stakeholder liaison model and CSR commitment in Tanzania on its other African projects in Botswana and Mozambique although progress on this has been delayed by the impact Covid-19 on travel and field operations during 2020 .

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 17. 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 25 provides further details on the committee's activities during 2020.

The Company maintains a Risk Register which is updated quarterly. This document is the cornerstone of the its Risk Management Policy and a 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 four 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 and Capital Projects Director who dedicate 100% of their time to the Group. 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 2020 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 14. 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.

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 and grows its operations, 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 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.

CORPORATE GOVERNANCE REPORT

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

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 is 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.

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.

CORPORATE GOVERNANCE REPORT

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.

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 Christiaan Schutte (Capital Projects Director), Louis Scheepers (COO) and Pieter Krügel (CFO).

CORPORATE GOVERNANCE REPORT

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 / Charlotte Hollinshead Tel: +44 (0) 207236 1177)

The Company's Audit Committee Report is presented on page 25 and provides further details on the committee's activities during 2020, 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.

CORPORATE GOVERNANCE REPORT

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. The Company established a new executive position of Director of Capital Projects during 2020 to which a suitably qualified and experienced candidate was appointed. The Company continued to update its Plans, Policies and Procedures itemised at 9 above during 2020 to ensure it remains in compliance with the QCA Code.

Christian Schaffalitzky
Chairman
Governance Committee
10 June 2021

DIRECTORS' REPORT

The Board of Directors present their Annual Report together with the audited annual financial statements for the year ended 31 December 2020 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 four 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)
Christiaan Schutte- Director of Capital Projects (executive)
Andreas Lianos - Financial Director (non-executive)
Noel O'Keeffe - Technical Director (non-executive)
Lukas Maree – (non-executive director)
Wenzel Kerremans - (non-executive director)

Christian Schaffalitzky, BA (Mod), FIMMM, PGeo, CEng, Age 67 – 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. He is also on the board of MetalNRG and several private resource ventures.

Louis Coetzee, BA, MBA, Age 57 – Chief Executive Officer (executive)
Louis Coetzee has over 27 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 Executive Chairman of AIM-listed Katoro Gold PLC and Non-Executive Chairman of LSE (Standard List) Mast Energy Developments Plc in which Kibo has a significant shareholdings.

Noel O'Keeffe, BSc (Hons), Geology, MBA, CG (Affiliated), Age 57 – 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 a Cyprus company, River Capital plc.

DIRECTORS' REPORT

Lukas Marthinus Maree, BLC, LLB, Age 59 – (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.

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 63 – (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 54 –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.

Chris Schutte B(Eng) Mech, MBL, Age 59 – Capital Projects' Director (Executive)
Chris has more than 30 years' experience in the Energy Sector in Southern Africa. This includes 27 years working for Eskom (Electricity Utility in South Africa) in various positions including Power Station Manager and Senior General Manager. He also worked for Tongaat Hulet as Energy Consultant developing a bagasse fired power station. In 2012 he joint an Energy Development Company that works in Mozambique and is Aim listed. He was appointed as non-executive director and later as Executive Director for a period of 5 years. Chris has extensive experience in power station development, construction and management. He also understands the Southern African energy environment and has extensive of experience in EPC processes and negotiations.

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 continued to pursue its business strategy as an energy development company with further development progress of its energy projects in Africa and the UK during the period . These sections should be reviewed for a detailed account of the Company's business activities during 2020. To enhance its ability to pursue business strategy, the Company expanded its Board to seven directors in 2020 with the appointment of Mr. Christiaan Schutte as executive director of capital projects. The Company continued to further its feasibility studies towards mining and thermal coal plant development on its African projects.

DIRECTORS' REPORT

While our focus remains on addressing the acute power deficits in Sub-Saharan Africa and meeting the requirement for flexible reserve power plants in the UK, our strategy remains focussed on including sustainable power options into our solutions. This has seen us continue our 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.

In Mozambique, our Benga Power Plant Project ('BPPP'), in which we have a 65% interest continues to enjoy strong local support where it is backed by local state electric utility Electricidade de Moçambique ('EDM'). We signed an updated Memorandum of Understanding with EDM during 2020 which provides for their continued support for the project and commitment to negotiate a power purchase agreement for power off-take for the national grid. With a Definitive Feasibility Study based on a 150 MW coal-fired power plant already in place, an additional power off-take opportunity was realised with the signing of 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 DFS was updated and optimised to satisfy EDM and Baobab's power off-take requirement with the incorporation of a grid impact assessment and integration studies as well as an updated technical and financial review of the project during the second half 2020. The proposed power plant footprint was also increased with the acquisition of additional land increasing the project site by 345 hectares principally to provide for the incorporation of renewable energy technologies on-site.

Further complementing 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 300MW power plant. This project 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.

In the UK, Kibo has realised a strategic development opportunity in the reserve power marker, thereby supporting the country's energy mix with much needed flexible energy projects through development of a portfolio of small-scale power generation assets. Kibo holds c. 55% interest in MAST Energy Developments Plc ('MED'). MED which recently completed a successful listing (standard listing) and IPO on the London Stock Exchange on the 14 April 2021 is now well positioned to pursue its strategy of becoming an important UK player in the supply of flexible power to the national grid. It is anticipated that MED will commission 50MW installed power by end of year 1, and build up to 300MW in the portfolio over the next few years.

We remain focused on delivering on our objective of building a leading-edge multi-asset energy development company and I believe we have the requisite quality assets, skill set, team and partners and development plan to do this. The Covid-19 global backdrop continues to create unforeseen challenges but having reacted quickly to minimise this disruption through our business continuity programme, 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.

Post Statement of Financial Position events

Warrant Exercise and Share Issues

During 2021 to date, Kibo issued an additional 188,431,556 shares all of which resulted from the exercise of a similar amount of warrants by warrant holders whereupon they received one Kibo share for each warrant exercised. The warrants were exercisable at prices of £0.002 to £0.004 and yielded proceeds of £697,726 to the Company. The Company also issued 65,276,346 shares at a deemed share price of £0.0026 to Sanderson Capital Partners Limited in payment of 50% of the outstanding balance of £339,437 on a Debt Factoring Agreement original signed on the 20 December 2016. The remaining balance of £169,718.5 is to be paid in cash of which £25,000 has already been paid.

Listing of Mast Energy Developments Plc on the LSE

On the 14 April 2021, Mast Energy Developments Plc listed on the London Stock Exchange. Coincident with listing, Kibo's 100% shareholding in MED of 104,496,960 shares held through its wholly owned subsidiary Kibo Mining (Cyprus) Limited reduced to 55.42%. This resulted from the execution of a share sale agreement whereby MED's wholly owned subsidiary, Sloane Developments Limited purchased the 40% minority interest in Mast Energy

DIRECTORS' REPORT

Projects Limited that it did not already hold from Guernsey company St. Anderton on Vaal Ltd in exchange for 36,917,076 newly issued shares in MED. MED also issued an additional 47,150,000 new shares to subscribers to the IPO.

This resulted in Kibo Mining (Cyprus) Limited holding 104,496,960 of the 188,564,036 shares issued in MED post IPO (55.42% shareholding).

Migration of Companies Dematerialised Shares to Euroclear Bank

On the 22 February 2021, the shareholders of Kibo approved resolutions to permit the migration of the Company's dematerialised shares held through CREST to Euroclear Nominees Limited. This was required to allow shareholders continue to hold the Company shares in dematerialised form following the UK's exit from the EU. The migration successfully occurred on the 12 March 2021.

2nd Production-Ready Site Approaching Operational Status for Commercial Production

Sloane Developments Ltd ('Sloane'), has progressed the acquisition transaction announced in the RNS of 7 September 2020, to the point where it is now finalizing a definitive Share Purchase Agreement ("SPA") to acquire 100% of the 9MW flexible gas power project (the 'Acquisition').

The decision was largely influenced by the rapid progress made in getting the site ready to commence with commercial production. Latest reports from the project vendor and onsite engineers state that the site will be in electricity generation readiness pending finalization of the SPA. The site and equipment will then settle into steady state electricity generation and commensurate revenue creation as planned for the project life cycle.

Kibo advances Benga power project

Kibo and its local JV partners recently attended a workshop with EDM in Maputo to discuss and agree the next steps towards the ultimate finalization of a PPA. During the meeting the final optimised definitive feasibility study, inclusive of the updated grid integration study, and a summary of an updated draft financial model was presented and discussed as the fundamentals that will guide and focus the further course of the PPA process. This will ensure that a final result is obtained at the earliest opportunity possible.

The very productive discussions during the workshop, amongst others, also included an agreement reached between the parties to integrate specific EDM inputs into the Financial Model and the immediate initiation of a formal EPC process towards finalizing an advanced Financial Model that reflects firm numbers on key commercial parameters.

Agreement to co-develop renewable projects in South Africa

The Company entered into an agreement with South Africa-based Industrial Green Solutions (Pty) Ltd ('IGES') to jointly develop a portfolio of Waste to Energy projects in South Africa ('the Agreement') with an initial target of generating more than 50 megawatts of electricity for sale to industrial users. The Agreement, which is subject to the satisfaction of certain conditions, is in line with Kibo's strategy to integrate renewable energy into its project pipeline, which includes three utility-scale power generation and mining projects.

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 construction 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)

	10/06/21	**31/12/20**	**31/12/19**
Directors & Secretary			
Christian Schaffalitzky	6,004,842	6,004,842	6,004,842
Noel O'Keeffe	7,037,047	7,037,047	7,037,047
Louis Coetzee	19,505,996	19,505,996	19,505,996
Lukas Maree	7,419,800	7,419,800	7,419,800
Wenzel Kerremans	1,191,241	1,191,241	1,191, 241
Andreas Lianos	17,073,663	17,073,663	17,073,663
Christiaan Schutte	-	-	n/a

Warrants (held directly and indirectly)

	10/06/21	**31/12/20**	**31/12/19**
Directors & Secretary			
Christian Schaffalitzky	1,942,500	5,827,500	5,827,500
Louis Coetzee	5,720,000	17,160,000	17,160,000
Noel O'Keeffe	1,722,800	5,168,400	5,168,400
Lukas Maree	2,242,800	6,728,400	6,728,400
Wenzel Kerremans	407,500	1,222,500	1,222,500
Andreas Lianos	4,742,500	14,227,500	14,227,500
Christiaan Schutte	-	-	n/a

DIRECTORS' REPORT

The above warrants in issue are exercisable at a price of £0.006 at any time up to 3 November 2022.

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 2020 were:

Director Name	Position	Number of Meetings Attended	Number of Meetings Eligible to Attend
Christian Schaffalitzky	Chairman	24	25
Louis Coetzee	Chief Executive Officer	25	25
Andreas Lianos	Non-Executive Financial Director	23	25
Noel O'Keeffe	Non-Executive Technical Director	25	25
Lukas Maree	Executive Director	21	25
Wenzel Kerremans	Non-Executive Director	22	25
Christiaan Schutte	Executive Director (appointed 9 Nov 20)	2	3

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
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 2020 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 2020 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

DIRECTORS' REPORT

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 2020 were:

Director Name	Position	Number of Meetings Attended	Number of Meetings Eligible to Attend
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 2020 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

	10/06/21	31/12/20	31/12/19
Sanderson Capital Partners Ltd	13.43%	11.03%	13.96%
Sechaba Natural Resources Limited	-	-	10.19%
Yakoub Yakoubov	3.64%	3.06%	4%
David Ryan	-	3.22%	-
Pegasus Pirouette Capital London Ltd	3.14%	-	-

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 (2019: £ nil).

Going Concern
In the past the Group has raised funds via equity contributions from new and existing shareholders, thereby ensuring the Group remains a going concern until such time that revenues are earned through the sale or development and mining of a mineral deposit. 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 Group can meet financial obligations as and when they fall due.

The Group currently generates no revenue and had net assets of £26,558,688 as at 31 December 2020 (31 December 2019: £28,297,147). As at year end, the Group had liquid assets in the form of cash and cash equivalent and other financial asset balances receivable of £256,760 and £115,886 respectively. The Group further improved its liquid assets position post year-end following from the successful capital raising as further expanded on in note 28.

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.

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.

COVID-19 Update
Subsequent to year end, there has been a gradual easing of COVID-19 related restrictions throughout the areas in which the Group operates, resulting in an increase in mobility and operational activities in Mozambique, Tanzania and South Africa. With the roll-out of the vaccination programs continuing in various jurisdictions in which the Group operates, it is expected that the impact of COVID-19 in the 2021 financial year will gradually subside to a point where operational activities will return to what will be the new normal going forward.

DIRECTORS' REPORT

The safety and wellbeing of Kibo's employees and contractors is the highest priority for the Company at this time. Accordingly, in response to the COVID-19 pandemic, and in line with government guidelines, a business continuity programme has been put in place, where employees are being asked to work from home, and limit travel.

The situation and guidance being given in respect of COVID-19 is an evolving one, which the Board will continue to actively monitor.

In this unprecedented time, it is our priority and responsibility to ensure the safety of our team. We will continue to provide updates on our business and operations as necessary. Finally, we would like to take this opportunity to send our very best wishes to all during this difficult time.

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 (2019: £ 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 7.

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.

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.

DIRECTORS' REPORT

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 119 Witch-Hazel Avenue, Highveld Technopark, Centurion 0157, South Africa.

Auditors
The auditors, Crowe Ireland, were re-appointed as the Company's auditors at the last Annual General Meeting and have indicated their willingness to continue in office in accordance with section s383(2) of the Companies Act 2014.

Provision of information to the auditor
Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- So far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- That Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditor are aware of that information.

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
10 June 2021

Noel O'Keeffe
10 June 2021

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 2020.

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.

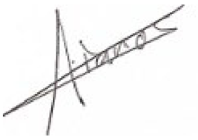
The external auditors attended meetings to discuss the planning and conclusions of their work and met with members of the committee. The committee was able to call for information from management and consult with the external auditors directly as required.

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 2020 and audit planning for the year ended 31 December 2020. Members of the committee reviewed with the independent auditor its judgements as to the acceptability of the Company's accounting principles.

AUDIT COMMITTEE REPORT

Since the year end the committee has met further with the auditors to consider the 2020 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. In addition, the committee monitors the auditor firm's independence from Company management and the Company.



Andreas Lianos
Chairman
Audit Committee
10 June 2021

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 2020, 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 2020 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 2020 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 the Section headed Going Concern on page 40 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 40, the uncertainty surrounding the availability of funds to finance ongoing working capital requirements and the financing of commercial projects of the Group through to the stage of cash generation 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.

Our responsibilities with respect to Going Concern are described further the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of this report while the directors' responsibilities are described further in the Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements section.

Overview of our audit approach
Our application of materiality
In planning and performing our audit we use the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. Materiality is used as to help establish our areas of audit focus and to evaluate the impact of misstatements identified in the course of the audit.

Materiality for the Group financial statements as a whole was set at £320,000 (2019: £170,000) This was based on 5% of the Group loss for the year. Parent company materiality was set at £240,000 (2019: £218,000) based on 0.5% of total assets of the Company.

INDEPENDENT AUDITOR'S REPORT

We use Performance Materiality to determine the nature and extent of our audit testing. Performance Materiality is a measure based on overall audit materiality (as above) adjusted downwards for the judgements we make as to entity risk and specific risks around each audit area, having regard to the internal control environment.

For certain items such as related party transactions and directors' remuneration disclosures, we may reduce performance materiality further.

All errors identified in excess of 5% of Materiality (£16,000) (2019: £8,500) are reported to the Audit Committee. Other errors below this threshold may be reported to the Audit Committee on qualitative grounds, if we believe warranted.

Overview of the scope of our audit
The Group operates in six main jurisdictions: Ireland, the UK, Cyprus, Tanzania, Bostwana and Mozambique. The audit of Kibo Energy plc was conducted from Ireland. The transactions undertaken in Ireland are Corporate and administrative in nature, principally capital fund raising and associated costs, professional fees and the administration and incurrence of exploration and development expenditure on behalf of subsidiaries.

We engaged member firms of the Crowe international network to undertake work on the UK, Cyprus and Tanzanian subsidiaries under our direction. Following discussions at the planning stage, we issued instructions to the network firms that set out the significant risks to be addressed and the information we required to be reported. We further reviewed and discussed their working papers on key findings, as well as obtaining information directly from management on matters accounted for at subsidiary level but significant at group level.

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. 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 2020 totalled £18.8m (2019: £18.8m). No impairment was recognised during the year. We considered the risk whether indicators of impairment may exist.	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; - 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 applicable standards and with the accounting policies as set out.

INDEPENDENT AUDITOR'S REPORT

Continued Consolidation of Katoro Gold Plc Group after Reduction in Shareholding below 50% During the year, Kibo's shareholding in Katoro Gold plc moved from a 56% interest in the ordinary share capital to a 29% interest. Management have reviewed whether this reduction in shareholding should result in the de-recognition of the Katoro Gold plc Group as a subsidiary and have concluded that Kibo continues to exercise a level of control that meets the requirements under IFRS 10: Consolidated Financial Statements, and have continued to consolidate the results of Katoro Gold plc Group into the Group results of Kibo for 2020.	Our procedures to obtain comfort that the accounting treatment adopted by the company is reasonable, included: - Obtaining evidence to support the shareholding in Katoro Gold plc at the year end and to establish that the factors identified by the company to suggest that Kibo exercises control over Katoro Gold plc are accurate; - Discussing and challenging management on the extent to which control is exercised by individual directors in Katoro Gold plc, in their capacity as directors as representatives of Kibo; - Ensuring that the accounting for Katoro Gold pc as a subsidiary is in line with IFRS 10, Consolidated Financial Statements; - Assessing whether the disclosures in relation to the basis of the decision to continue to consolidate are compliant with the relevant financial reporting requirements. *Our findings* We have obtained sufficient comfort that the Group has accounted for its interest in Katoro Gold plc in accordance with the applicable standards and with the accounting policies as set out.

Carrying value of the Associate Undertaking In 2019, Kibo restructured its holding in Kibo Energy Botswana to a 35% interest of an enlarged resource. As a result, it is accounted for as investment in an associate at £9.7m (2019: £9.7). The carrying value of the associate is underpinned by the interest of the Group in the Mabesekwa MCIPP Project and no movement on the carrying value of the associate was recognised in the year, nor any impairment provision recognised. We considered the risk whether indicators of impairment may exist.	Our procedures to obtain comfort that the balance of the associate asset is not materially misstated, included: - Obtaining evidence to support the lack of movements in the associate carrying value arising from share of profit or loss for the year; - 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; - Assessing whether the disclosures in relation to the accounting for the associate are compliant with the relevant financial reporting requirements. *Our findings* We have obtained sufficient comfort that the Group has accounted for its investment in the associate in accordance with applicable standards and with the accounting policies as set out.

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.

INDEPENDENT AUDITOR'S REPORT

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.

INDEPENDENT AUDITOR'S REPORT

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 23, 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:

- 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.

INDEPENDENT AUDITOR'S REPORT

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

for and on behalf of
Crowe Ireland
Chartered Accountants and Statutory Audit Firm
Marine House
Clanwilliam Place
Dublin 2
10 June 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

All figures are stated in Sterling		GROUP	
		31 December 2020	31 December 2019
		Audited	Audited
	Note	£	£
Revenue		-	-
Administrative expenses		(3,393,687)	(2,922,927)
Listing and capital raising fees		(1,027,658)	(729,072)
Exploration expenditure		(2,052,202)	(897,039)
Operating loss	3	**(6,473,547)**	**(4,549,038)**
Investment and other income	2	78,945	645,922
Share of loss from associate	11	(332)	-
Finance costs		(22,303)	-
Loss before tax	3	**(6,417,237)**	**(3,903,116)**
Taxation	6	-	-
Loss for the period		**(6,417,237)**	**(3,903,116)**
Other comprehensive loss:			
Items that may be classified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		152,635	86,098
Exchange differences reclassified on disposal of foreign operation		121,670	-
Other Comprehensive loss for the period net of tax		**274,305**	86,098
Total comprehensive loss for the period		**(6,142,932)**	**(3,817,018)**
Loss for the period		**(6,417,237)**	**(3,903,116)**
Attributable to the owners of the parent		(4,726,286)	(3,500,004)
Attributable to the non-controlling interest		(1,690,951)	(403,112)
Total comprehensive loss for the period		**(6,142,932)**	**(3,817,018)**
Attributable to the owners of the parent		(4,451,981)	(3,415,653)
Attributable to the non-controlling interest		(1,690,951)	(401,365)
Loss Per Share			
Basic loss per share	8	(0.003)	(0.004)
Diluted loss per share	8	(0.003)	(0.004)

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 50-80 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 10 June 2021 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 2020	31 December 2019
		Audited	Audited
	Note	£	£
Assets			
Non-Current Assets			
Property, plant and equipment	9	2,118	64,405
Intangible assets	10	18,491,105	18,491,105
Investments in associates	11	9,696,351	9,696,683
Other financial assets	12	-	37,661
Goodwill	14	300,000	300,000
Total non-current assets		**28,489,574**	**28,589,854**
Current Assets			
Other financial asset	12	-	-
Trade and other receivables	15	115,886	380,693
Cash	16	256,760	91,634
Total current assets		**372,646**	**472,327**
Assets classified as held for sale	17	-	**794,074**
Total Assets		**28,862,220**	**29,856,255**
Equity and Liabilities			
Equity			
Called up share capital	18	20,411,493	19,532,350
Share premium account	18	44,312,371	42,750,436
Control reserve	19	(18,329)	(18,329)
Share based payment reserve	20	1,728,487	1,504,513
Translation reserve	21	(598,637)	(872,942)
Retained deficit		(39,019,856)	(34,625,954)
Attributable to equity holders of the parent		**26,815,529**	**28,270,074**
Non-controlling interest	22	(256,841)	27,073
Total Equity		**26,558,688**	**28,297,147**
Liabilities			
Current Liabilities			
Trade and other payables	23	1,444,986	1,024,126
Borrowings	24	858,546	523,725
Total Current Liabilities		**2,303,532**	**1,547,851**
Liabilities directly associated with assets held for sale	17	-	**11,257**
Total Equity and Liabilities		**28,862,220**	**29,856,255**

The accompanying notes on pages 50-80 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 10 June 2021 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 2020	31 December 2019
		Audited	Audited
		£	£
Non-Current Assets			
Investments in group undertakings	25	46,664,160	43,318,643
Total Non- current assets		**46,664,160**	**43,318,643**
Current Assets			
Trade and other receivables	15	39,085	361,467
Cash	16	141,788	31,389
Total Current assets		**180,873**	**392,856**
Total Assets		**46,845,033**	**43,711,499**
Equity and Liabilities			
Equity			
Called up share capital	18	20,411,493	19,532,350
Share premium	18	44,312,371	42,750,436
Share based payment reserves	20	977,575	977,575
Retained deficit		(19,419,674)	(20,109,544)
Total Equity		**46,281,765**	**43,150,817**
Liabilities			
Current Liabilities			
Trade and other payables	23	218,877	265,727
Borrowings	24	344,391	294,955
Total liabilities		**563,268**	**560,682**
Total Equity and Liabilities		**46,845,033**	**43,711,499**

Equity includes a profit for the year of the parent company of £689,870 (2019: loss of £1,832,539).

The accompanying notes on pages 50-80 form integral part of these financial statements.

The financial statements were approved by the Board of Directors on 10 June 2021 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	Warrants and 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 2019	**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	-	-	-	-	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**
Loss for the year	-	-	-	-	-	(4,726,286)	(1,690,951)	(6,417,237)
Other comprehensive income - exchange differences	-	-	-	-	152,635	-	-	152,635
Shares issued	871,984	1,149,095	-	-	-	-	-	2,021,079
Shares issued to pay deferred vendor liability	7,159	412,840	(421,471)	-	-	-	-	(1,472)
Warrants issued by Katoro Gold plc	-	-	419,667	-	-	-	-	419,667
Share Options issued by Katoro Gold plc	-	-	225,778	-	-	-	-	225,778
Change in shareholding without a loss of control	-	-	-	-	-	332,384	1,407,037	1,739,421
Disposal of subsidiary	-	-	-	-	121,670	-	-	121,670
	879,143	**1,561,935**	**223,974**	**-**	**274,305**	**(4,393,902)**	**(283,914)**	**(1,738,459)**
Balance as at 31 December 2020	**20,411,493**	**44,312,371**	**1,728,487**	**(18,329)**	**(598,637)**	**(39,019,856)**	**(256,841)**	**26,558,688**
Note	18	18	20	19	21		22	

The notes on pages 50-80 form part of the financial statements.

The financial statements were approved by the Board of Directors on 10 June 2021 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 2019	**17,240,017**	**39,205,318**	**977,575**	**-**	**(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
Proceeds of issue of share capital	2,292,333	3,545,118	-	-	-	5,837,451
	2,292,333	**3,545,118**	**977,575**	**-**	**(1,832,549)**	**4,982,487**
Balance at 31 December 2019	**19,532,350**	**42,750,436**	**977,575**	**-**	**(20,109,544)**	**43,150,817**
Profit for the year	-	-	-	-	689,870	689,870
Shares issued	871,984	1,149,095	-	-	-	2,021,079
Shares issued to pay deferred vendor liability	7,159	412,840	-	-	-	419,999
	879,143	**1,561,935**	**-**	**-**	**689,870**	**3,130,948**
Balance at 31 December 2020	**20,411,493**	**44,312,371**	**977,575**	**-**	**(19,419,674)**	**46,281,765**
Note	18	18	20	21		

The accompanying notes on pages 50-80 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 10 June 2021 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 2020 Audited £	GROUP 31 December 2019 Audited £
Cash flows from operating activities			
Loss for the period before taxation		(6,417,237)	(3,903,116)
Adjustments for:			
Loss/(Profit) from the loss of control of subsidiary		-	(320,349)
Loss/(Profit) from the disposal of subsidiary		102,414	(270,639)
Investments acquired not for cash	12	-	(37,661)
Warrants and options issued		697,006	1,041,235
Loss from equity accounted associate		332	-
Exploration and development expenditure on a Joint Operation		1,122,676	-
Impairment of financial asset receivable		640,821	-
Depreciation on property, plant and equipment	9	5,686	20,596
Profit on sale of property, plant and equipment		(53,574)	-
Cost settled through the issue of shares		436,076	721,555
		(3,465,800)	**(2,748,379)**
Movement in working capital			
Decrease/(Increase) in debtors	15	108,872	(402,661)
Increase in creditors	23	982,244	758,545
		1,091,116	**355,884**
Net cash outflows from operating activities		**(2,374,684)**	**(2,392,495)**
Cash flows from financing activities			
Proceeds of issue of share capital		2,277,000	981,708
Proceeds from borrowings		1,370,000	952,465
Net cash proceeds from financing activities		**3,647,000**	**1,934,173**
Cash flows from investing activities			
Cash advanced to Joint Venture		(1,122,676)	-
Cash received/(forefeited) on disposal of subsidiary		76,716	(8,329)
Cash received on sale of plant and equipment		58,628	-
Net cash flows investing activities		**(987,332)**	**(8,329)**
Net increase/(decrease) in cash		**284,984**	**(466,651)**
Cash at beginning of period		91,634	654,158
Exchange movement		(119,858)	(88,907)
Cash at end of the period	16	**256,760**	**98,600**
Continuing operations		256,305	91,634
Assets classified as held for sale		-	6,966

The accompanying notes on pages 50-80 form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

All figures are stated in Sterling

		COMPANY	
		31 December 2020	31 December 2019
		Audited	Audited
	Notes	£	£
Cash flows from operating activities			
Profit/(Loss)for the period before taxation		689,870	(1,832,539)
Adjusted for:			
Inter-company sales capitalised		(174,000)	-
Reversal of impairment loss		(1,586,957)	-
Share based payments		200,562	977,575
Expenses settled in shares		198,000	211,788
		(672,525)	**(633,175)**
Movement in working capital			
Decrease / (Increase) in debtors	15	322,382	(27,690)
(Decrease)/ Increase in creditors	23	(46,851)	170,655
		275,531	**142,965**
Net cash outflows from operating activities		**(396,994)**	**(490,210)**
Cash flows from financing activities			
Proceeds of issue of share capital	18	940,000	981,708
Proceeds from borrowings	24	590,000	544,955
Net cash proceeds from financing activities		**1,530,000**	**1,526,663**
Cash flows from investing activities			
Cash advances to Group Companies	25	(1,022,607)	(1,044,038)
Net cash used in investing activities		**(1,022,607)**	**(1,044,038)**
Net (decrease)/increase in cash		**110,399**	**(7,585)**
Cash at beginning of period		**31,389**	**38,974**
Cash at end of the period	16	**141,788**	**31,389**

The accompanying notes on pages 50-80 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 2020.

Statement of Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements 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 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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 profit or loss; and
- Consolidation of Joint Venture interest;
- Consolidation of Associate 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 prior 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 pending mining licence for a prospective coal asset and coal resources 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 £2,052,202 would have been capitalised in the current year (2019: £897,039).

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 profit or loss
The fair value of financial instruments that are not traded in an active market has been determined using the value of the underlying projects to which those investments relate. The carrying value of the unlisted investment has been reviewed for impairment based on the values of the projects carried in the sub-subsidiary value of the underlying projects to which those investments relate.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation of Joint Venture interest
In the 2018 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 of Associate interest
In the current year Kibo's effective equity interest in Katoro Gold Plc ("Katoro") decreased to 25.37%. Following the decrease in the direct equity interest held by Kibo in Katoro, the Group reassessed whether or not it continues to exercise sufficient power over Katoro to control the Company. Kibo, through its representatives (Directors & Senior Management) on the Board of Directors of Katoro, continues to exercise de-facto control over the operational activities of Katoro, as it has the ability to use its power to affect its returns from Katoro. On that basis the directors consider it appropriate to fully consolidate the results of Katoro Gold plc Group in 2020.

Consolidation

The consolidated annual financial statements comprise the financial statements of Kibo Energy PLC and its subsidiaries for the year ended 31 December 2020, 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.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights.

In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:
- The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights;
- Substantive potential voting rights held by the company and by other parties;
- Other contractual arrangements; and
- Historic patterns in voting attendance.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 and corresponding lease liability

For any new contracts entered into the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use

At lease commencement date, the group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the group, and any lease payments made in advance of the lease commencement date. The group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

date, the group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the group's incremental borrowing rate. In determining the present value of the lease liability the group has used its incremental borrowing rate of prime as the rate implicit in the lease was not readily available. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade payables.

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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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;
- 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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	
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
Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.	1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	
Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.	1 January 2023
IAS 37 Onerous Contracts — Cost of Fulfilling a Contract *The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).*	1 January 2022
Annual Improvements to IFRS Standards 2018–2020 *IFRS 1 – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.* *IFRS 9 – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf* *IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.*	1 January 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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):

None of these standards which became effective during the period which are applicable to the Group, have had a material impact.

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:

2020 Group	**Benga Power**	**Mabesekwa Independent Power**	**Mbeya Coal to Power**	**Mast Energy Project & Sloane Developme nt**	**Haneti**	**Lake Victoria Gold**	**Blyvoor Joint Venture**	**Corporate**	**31 December 2020 (£) Group**
Administrative cost	(17,677)	(10,182)	(39,424)	(219,821)	(13,745)	(909,306)	(16,053)	(2,190,113)	(3,416,321)
Listing and Capital raising fees	-	-	-	(161,743)	-	-	-	(865,915,)	(1,027,658)
Exploration expenditure	(260,170)	(8,557)	(112,762)	(276,000)	(133,906)	(59,041)	(1,201,768)	-	(2,052,204)
Investment and other income		-	53,600	-	-	2,628	6,943	15,775	78,946
Loss after tax	**(277,847)**	**(18,739)**	**(98,586)**	**(657,564)**	**(147,651)**	**(965,719)**	**(1,210,878)**	**(3,040,253)**	**(6,417,237)**

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)	(2,683,617)	(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)**	**(724,424)**	**(338,458)**	**(55,469)**	**(281,511)**	**(2,343,829)**	**(3,903,116)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2020 Group	Benga Power	Mabesekwa Independent Power	Mbeya Coal to Power	Mast Energy Development	Haneti	Lake Victoria Gold	Blyvoor Joint Venture	Corporate	31 December 2020 (£) Group
Assets									
Segment assets	27,022	9,696,351	15,902,052	2,895,204	16,410	2,543	17,340	305,298	28,862,220
Liabilities									
Segment liabilities	93,245	10,297	152,155	470,507	66,731	21,603	5,738	1,483,256	2,303,532
Other Significant items									
Depreciation	141	-	5,117	-	-	-		427	5,685

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

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	South Africa	Ireland, United Kingdom	31 December 2020 (£)
Carrying value of segmented assets	21,910	9,696,351	76,398	19,744	19,047,817	28,862,220
Loss after tax	(180,570)	(332)	(3,741,808)	(1,196,471)	(1,298,056)	(6,417,237)

	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)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. Other Income

	31 December 2020 (£)	31 December 2019 (£)
Other income	25,371	54,862
Profit on sale of subsidiary	-	591,060
Profit on sale of plant and equipment	53,574	-
	78,945	**645,922**

3. Loss on ordinary activities before taxation

Operating loss is stated after the following key transactions:	31 December 2020 (£) Group	31 December 2019 (£) Group
Depreciation of property, plant and equipment of Group financial statements	5,685	20,596
Impairment of other financial assets – receivable from Lake Victoria Gold	640,821	-
Impairment of other financial assets – unlisted investment in Lake Victoria Gold	37,661	-
Loss on disposal of subsidiary-Reef Miners(Pty) Ltd	102,414	-
Group auditors' remuneration for audit of Group and Company financial statements	45,000	45,000
Subsidiaries auditors remuneration audit of the financial statements of the company's subsidiaries	158,122	140,765

4. Staff costs (including Directors)

	Group 31 December 2020 (£)	Group 31 December 2019 (£)	Company 31 December 2020 (£)	Company 31 December 2019 (£)
Wages and salaries	1,028,318	644,903	38,595	273,632
Share based remuneration	225,778	405,345	-	202,060
	1,254,096	**1,050,248**	**38,595**	**475,692**

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

	Group 31 December 2020 (£)	Group 31 December 2019 (£)	Company 31 December 2020 (£)	Company 31 December 2019 (£)
Exploration activities	10	10	1	1
Administration	6	6	1	1
	16	**16**	**2**	**2**

5. Directors' emoluments

	Group 31 December 2020 (£)	Group 31 December 2019 (£)	Company 31 December 2020 (£)	Company 31 December 2019 (£)
Basic salary and fees	434,823	323,306	38,595	273,632
Share based payments	-	225,182	-	202,060
	434,823	**548,488**	**38,595**	**475,692**

The emoluments of the Chairman were £27,837 (2019: £43,588).

The emoluments of the highest paid director were £170,190 (2019: £245,291).

Following from the terms and conditions related to further funding advances from financiers, with effect from June 2020, the Directors agreed to reduce their salaries by 40%.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Directors received shares in the value of £Nil during the year (2019: £151,003) in lieu of settlement of salaries not settled in cash.

Share warrants to the value of £Nil (2019: £74,179) 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 2020	**Salary and fees**	**Salary and fees settled in shares**	**Warrants issued**	**Total**
	£	**£**	**£**	**£**
Christian Schaffalitzky	27,837	-	-	27,837
Louis Coetzee	170,190	-	-	170,190
Noel O'Keeffe	66,085	-	-	66,085
Lukas Maree	78,892	-	-	78,892
Wenzel Kerremans	16,702	-	-	16,702
Andreas Lianos	62,168	-	-	62,168
Christiaan Schutte	12,949	-	-	12,949
Total	**434,823**	**-**	**-**	**434,823**

31 December 2019	**Salary and fees**	**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**

Director salaries and fees accrued as at 31 December 2020 amount to £474,267 (2019: £224,672).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. Taxation

Current tax

	31 December 2020 (£)	31 December 2019 (£)
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 corporation tax for various jurisdictions to the loss before tax is as follows:

	2020 (£)	2019 (£)
Loss on ordinary activities before tax	**(6,417,237)**	**(3,903,116)**
Income tax expense calculated at blended rate of 14.9% (2019: 12.5%)	(956,752)	(487,890)
Income which is not taxable	(1,515,818)	(80,740)
Expenses which are not deductible	2,919,587	-
Losses available for carry forward	(447,017)	568,630
Income tax expense recognised in the Statement of Profit or Loss	-	-

The effective tax rate used for the December 2020 and December 2019 reconciliations above is the corporate rate of 14.9% and 12.5% payable by corporate entities on taxable profits under tax law in that jurisdiction respectively.

No provision has been made for the 2020 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 £35,320,553 (2019: £28,903,316) available for potential offset against future profits which equates to an estimated potential deferred tax asset of £4,569,667 (2019: £3,612,915). 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. Profit/(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 profit for the financial period was £689,870 (2019: Loss of £1,832,539).

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 2020 (£)	31 December 2019 (£)
Loss for the period attributable to equity holders of the parent	(4,726,286)	(3,500,004)
Weighted average number of ordinary shares for the purposes of basic loss per share	1,546,853,959	849,795,672
Basic loss per ordinary share (GBP)	(0.003)	(0.004)

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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 2019	122,983	106,775	40,945	30,516	8,821	11,011	321,051
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**
Opening cost at 1 January 2020	2,535	25,084	5,071	4,997	11,262	67,941	116,890
Disposals	-	(7,972)	-	-	-	(67,941)	(75,913)
Additions	-	-	-	-	-		-
Exchange movements	(99)	(981)	(101)	(8)	(2,661)	-	(3,850)
Closing Cost as at 31 December 2020	**2,436**	**16,131**	**4,970**	**4,989**	**8,601**	**-**	**37,127**

	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 2019	**122,187**	**94,092**	**37,518**	**27,182**	**8,821**	**-**	**289,800**
Disposals	(111,482)	(82,615)	(31,851)	(22,552)	(116)	-	(248,615)
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**	**4,392**	**3,355**	**11,263**	**12,739**	**52,486**
Disposals	-	(6,606)		-	-	(12,739)	(19,345)
Depreciation	-	5,117	141	427	-	-	5,685
Exchange movements	(99)	(1,428)	(135)	507	(2,662)	-	(3,817)
Acc Depr as at 31 December 2020	**2,436**	**15,285**	**4,398**	**4,289**	**8,601**	**-**	**35,009**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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 2019	**-**	**6,882**	**679**	**1,642**	**-**	**55,202**	**64,405**
Carrying value as at 31 December 2020	**-**	**846**	**572**	**700**	**-**	**-**	**2,118**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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 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 1 January 2020	**-**	**15,896,105**	**-**	**2,595,000**	**18,491,105**
Impairments	-	-	-	-	-
Carrying value as at 31 December 2020	**-**	**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;
- future operating expenditure for extraction and mining of measured mineral resources; and
- co-operation of key project partners going forward.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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 2020 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 been met, and the disposal has thus been completed. (refer to 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.

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.

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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 to 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

Mabesekwa Coal Independent Power Plant

	Group (£)		Company (£)	
	2020	**2019**	**2020**	**2019**
Balance at the beginning of the year	9,696,683	-	-	-
Associate acquired during the period	-	9,696,683	-	-
Share of loss for the year	(332)			
Balance at the end of the year	**9,696,351**	**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 on initial recognition, 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 (£) 2020	Group (£) 2019
Non-Current assets	8,396,296	9,376,312
Current assets	869	1,011
Loss for the year	(1,107)	(18,220)

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

12. Other financial assets

	Group (£)		Company (£)	
	2020	2019	2020	2019
Other financial assets consists of:				
Lake Victoria Gold receivable	640,821	-	-	-
Impairment following from increase in credit risk	(640,821)	-	-	-
	-	-	-	-

Lake Victoria Gold Receivable

On 30 June 2020, the last condition precedent related to the disposal of Reef Miners Limited ("Reef") as per the SPA, comprising the Imweru gold project and the Lubando gold project in northern Tanzania, was met resulting in the effective disposal of the subsidiary to Lake Victoria Gold Limited ("LVG").

The amount receivable from Lake Victoria Gold will be due and payable on the following dates:

1. US$100,000 upon the satisfaction of the Condition Precedent;
2. US$100,000 upon registration of Reef in the name of LVG;
3. US$100,000 four months from the date of the SPA;
4. US$200,000 nine months from the date of the SPA; and
5. US$500,000 upon the earlier of the commissioning of the first producing mine of LVG in the Tanzania or the date 24 months from the date of the SPA.

As at 31 December 2020, funds of $100,000 have been received from Lake Victoria Gold in respect of the sale of Reef Miners Limited ("Reef")

The receivable in Lake Victoria Gold has been fully impaired due to the significant increase in credit risk, which is as a result of payments 1,3 and 4 not being received as they become due and is still outstanding after the year end.

Blyvoor Joint Operations

On 30 January 2020, the Group entered into a Joint Venture Agreement with Blyvoor Gold Mines (Pty) Ltd, whereby Katoro Gold plc and Blyvoor Gold Mines (Pty) Ltd would become 50/50 participants in a unincorporated Joint Venture.

In accordance with the requirements of the Joint Venture Agreement, the Katoro Group was to provide a ZAR15.0 million loan (approximately £790,000) to the JV ('the Katoro Loan Facility'), which will fund ongoing development work on the Project.

As at year end, the Group has advanced funding in the amount of £1,201,767 of which 100% relates to expenditure allocated to the Joint Venture operations, carried by the Katoro Gold plc Group.

The Katoro Loan Facility shall form part of the development capital project financing that Katoro shall procure in accordance with its obligations contained in the Agreement, as detailed below, provided that:

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- the balance of the Katoro Loan Facility then outstanding shall be subordinated to third party creditors participating in the development capital project financing;
- the Katoro Loan Facility will bear interest at the 12-month London Inter-Bank Offered Rate, or its successor; and
- the Katoro Loan Facility will be repayable within 12 months after:
  - the last third-party creditor participating in the project financing shall have been paid; or
  - any earlier date on which the Parties may agree.

At fair value through profit or loss

	Group (£)		Company (£)	
	2020	**2019**	**2020**	**2019**
Opening balance	37,661	-	-	-
Fair value adjustment through profit or loss	(37,661)	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 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. The investment in Lake Victoria Gold has been fully impaired due to the significant increase in credit risk of Lake Victoria Gold Limited. In the prior year annual financial statements the disclosure in the accounting policies and the notes to the annual financial statements erroneously referred to the investments as being carried at fair value through other comprehensive income.

13. Acquisition and Disposal of interests in other entities

Reef Miners Limited - Imweru and Lubando gold project - 2020

On 30 June 2020, the last condition precedent related to the disposal of Reef Miners Limited ("Reef"), comprising the Imweru gold project and the Lubando gold project in northern Tanzania, was met, resulting in the effective disposal of the subsidiary to Lake Victoria Gold Limited ("LVG"). The assets and corresponding liabilities of Reef was recognised as part of the assets classified held for sale in the comparative financial period.

The following disposal of the subsidiary was recognised in the 2020 financial statements:

	Group (£)
Intangible assets	(787,108)
Cash and cash equivalents	(336)
Trade and other payables	9,136
Net assets value disposed off	**(778,308)**
Foreign currency translation reserve reclassified through profit or loss	(121,670)
Proceeds from disposal	797,564
Loss on disposal of subsidiary	**(102,414)**
Impairment of other financial asset receivable	(640,821)
Total loss	**(743,235)**

Mabesekwa Coal Independent Power Project - 2019

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.

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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.

Benga Power Plant Project – 2019
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 - 2019
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.

14. Goodwill

MAST Energy Development Limited - 2019
In the previous financial period the Group acquired a 60% equity interest in MAST Energy Project Limited, previously known as 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 2020 financial period.

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15. Trade and other receivables

	Group 2020 (£)	Group 2019 (£)	Company 2020 (£)	Company 2019 (£)
Amounts falling due within one year:				
Other debtors	115,886	380,693	39,085	361,467
	115,886	**380,693**	**39,085**	**361,467**

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.

16. Cash

	Group (£)		Company (£)	
Cash consists of:	2020	2019	2020	2019
Short term convertible cash reserves	256,760	91,634	141,788	31,389
	256,760	**91,634**	**141,788**	**31,389**

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 in the comparative financial period.

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

Assets	**2019**
Intangible assets	787,108
Cash and cash equivalents	6,966
	794,074
Liabilities	
Trade and other payables	11,257

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The disposal of Reef Miners Limited ("Reef") to Lake Victoria Gold Limited ("LVG") was completed effective from 30 June 2020, thus the assets classified as held for sale have been disposed of in the current financial period. Refer to note 13 for further detail on these transactions. The consideration receivable related to the disposal of Reef, amounting to £797,564 was receivable in cash, with no non-cash element receivable.

The following loss from disposal of the subsidiary was recognised in the 2020 financial statements:

	Group (£)
Intangible assets	(787,108)
Cash and cash equivalents	(336)
Trade and other payables	9,136
Net assets value disposed off	**(778,308)**
Foreign currency translation reserve reclassified through profit or loss	(121,670)
Proceeds from disposal – receivable outstanding as at year end	720,848
Proceeds from disposal – cash received	76,716
Loss on disposal of subsidiary	**(102,414)**
Impairment of financial asset receivable	(640,821)
Total loss	**(743,235)**

18. Share capital - Group and Company

	2020	**2019**
Authorised equity		
5,000,000,000 Ordinary shares of €0.001 each	€5,000,000	€2,000,000
1,000,000,000 deferred shares of €0.014 each	€14,000,000	€14,000,000
3,000,000,000 deferred shares of €0.009 each	€27,000,000	€27,000,000
	€46,000,000	**€43,000,000**
Allotted, issued and fully paid shares		
(2020: 2,221,640,835 Ordinary shares of €0.001 each)	£1,205,611	-
(2019: 1,257,276,078 Ordinary shares of €0.001 each)	-	£326,468
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	£9,948,807
	£20,411,493	**£19,532,350**

	Number of Shares	**Ordinary Share Capital (£)**	**Deferred Share Capital (£)**	**Share Premium (£)**	**Treasury shares (£)**
Balance at 31 December 2019	**1,257,276,078**	**326,468**	**19,205,882**	**42,750,436**	**-**
Shares issued during the period	964,364,757	879,143	-	1,561,935	-
Balance at 31 December 2020	**2,221,640,835**	**1,205,611**	**19,205,882**	**44,312,371**	**-**

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 period, the Company resolved to increase the Ordinary Share capital from five billion Ordinary Shares to eight billion Ordinary Shares to ensure sufficient authorised Ordinary Share capital available to issue more Ordinary Shares when required.

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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 (£)	
	2020	**2019**
Opening balance of share based payment reserve	**1,504,513**	**41,807**
Issue of share options and warrants	645,445	1,041,235
Deferred vendor liability settled through the issue of shares	(421,471)	421,471
Reclassification of share based payment reserve on expired share options	-	-
	1,728,487	**1,504,513**

	Company (£)	
	2020	**2019**
Opening balance of share based payment reserve	977,575	-
Issue of share options and warrants	-	977,575
Reclassification of share based payment reserve on expired share options	-	-
	977,575	**977,575**

Share options and Warrants

Share Options
During the prior 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.

During the current year, the company implemented a share option plan whereby the Board and Management of the Company were grant options over a total of 17,300,000 new ordinary shares of £0.01each in the capital of the Company. The Options are exercisable at 2.6 pence per Ordinary Share, constituting a c. 10% premium to the Company's recent closing share price on 28 August 2020. The Options have an expiry date of the seventh anniversary from the date of grant of 28 August 2020, 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**	**Key Assumptions**
Date issued	February 2019	August 2020
Options granted	14,944,783	17,300,000
Stock price	1.3p	2.4p
Exercise price	1.3p	2.6p
Risk free rate	0.4%	0.3%
Volatility	82%	142.84%
Time to maturity	7 years	7 years

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Expected volatility was determined using the historic average volatility in the company's share price over the past 2 to 3 years.

The weighted average fair value for the share options granted during year is 2.26p.

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;
- 10,000,000 warrants to various funders in respect of placing and subscription of 10,000,000 ordinary shares of 1.0p each issued on 2 October 2019. Each warrant shall entitle the fundraisers to subscribe for a further new Ordinary Share at a price of 1.5p, with a life to expiry of 2 years.4,800,000 of these warrants have been exercised by 31 December 2020,with only 5,200,000 warrants left;
- 17,200,000 warrants to various funders in respect of placing and subscription of 17,200,000 ordinary shares of 1.0p each issued on 31 March 2020. Each warrant shall entitle the fundraisers to subscribe for a further new Ordinary Share at a price of 2.0p, with a life to expiry of 2 years;
- 36,666,666 warrants to various funders in respect of placing and subscription of 73,333,333 ordinary shares of 1.0p each issued on 25 June 2020. Each warrant shall entitle the fundraisers to subscribe for a further new Ordinary Share at a price of 3.0p, with a life to expiry of 3 years. The Directors also participated in the Fundraise, of which they acquired 3,333,333 ordinary shares and 1,666,666 warrants.
- 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.
- 362,500,000 warrants were issued with the share placing completed on 17 September 2020. For every two shares issued for this placing includes one warrant exercisable at 0.4 pence per share for the period of 36 months from the date of issue.
- 240,000,000 warrants were issued with the early termination of convertible loan note completed on 17 September 2020. The warrants are exercisable at 0.25 pence per share for the period of 36 months from the date of issue.
- 10,000,000 warrants were issued to the company's broker for broker fees relating to the share placing completed on 17 September 2020. The warrants are exercisable at 0.2 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** ***Financing shares***	**Key Assumptions** ***Financing shares***	**Key Assumptions** ***Financing shares***	**Key Assumptions** ***Kibo Energy Plc October 2019 placing***
Date issued	April 2017	May 2019	October 2019	March 2020	June 2020	October 2019
Warrants granted	1,208,333	10,000,000	10,000,000	17,200,000	36,666,666	442,222,280
Stock price	6p	1.3p	1.10p	1.35p	1.7p	0.45p
Exercise price	6p	1.25p	1.5p	2p	3p	0.8p
Risk free rate	0.1%	0.4%	0.4%	0.1%	0.1%	0.4%
Volatility	70%	82%	82%	86.44%	148.29%	99%
Time to maturity	5 years	3 years	2 years	2 years	3 years	18 months

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Description of key input	**Key Assumptions** ***Kibo Energy Plc October 2019 placing***	**Key Assumptions** ***Kibo Energy Plc September 2020 placing***	**Key Assumptions** ***Kibo Energy Plc Broker shares***	**Key Assumptions** ***Kibo Energy CLN Termination***
Date issued	October 2019	September 2020	September 2020	September 2020
Warrants granted	221,111,140	362,500,000	10,000,000	240,000,000
Stock price	0.5p	0.25p	0.25p	0.25p
Exercise price	1p	0.4p	0.20p	0.25p
Risk free rate	0.4%	0%	0%	0%
Volatility	99%	144.5%	144.5%	144.5%
Time to maturity	3 years	3 years	3 years	3 years

Expected volatility was determined using the historic average volatility in the company's share price over the past 2 to 3 years.

Expenses settled through the issue of shares

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

	2020 (£)	**2019 (£)**
Geological expenditure settled	663,079	100,559
Listing and capital raising fees	178,000	252,854
Statutory fees	-	144,013
Shares and warrants issued to directors and staff	225,778	405,345
	1,066,857	**902,771**

At 31 December 2020 the Group had 32,244,781 share options and 1,341,308,419 warrants outstanding.

	Date of Grant	**Exercise start date**	**Expiry date**	**Exercise Price**	**Number Granted**	**Exercisable as at 31 December 2020**
Options	8 Feb 2019	08 Feb 2019 (50%) 08 Feb 2020 (50%)	7 Feb 2026	1.3p	14,944,783	14,944,783
	28 Aug 2020	28 Aug 2020 (50%) 28 Aug 2020 (50%)	28 Aug 2027	2.6p	17,300,000	17,300,000
					32,244,781	**32,244,781**
Warrants	04 Nov 2019	04 Nov 2019	03 May 2021	0.4p	442,222,280	442,222,280
	04 Nov 2019	04 Nov 2019	03 Nov 2022	0.6p	221,111,140	221,111,140
	17 Sept 2020	17 Sept 2020	17 Sept 2023	0.4p	362,500,000	362,500,000
	17 Sept 2020	17 Sept 2020	17 Sept 2023	0.25p	240,000,000	240,000,000
	17 Sept 2020	17 Sept 2020	17 Sept 2023	0.2p	10,000,000	10,000,000
	April 2017	April 2017	April 2022	6p	1,208,333	1,208,333
	15 May 2019	15 May 2019	15 May 2022	1.25p	10,000,000	10,000,000
	02 Oct 2019	02 Oct 2019	02 Oct 2021	1.5p	5,200,000	400,000
	31 Mar 2020	31 Mar 2020	31 Mar 2022	2p	17,200,000	17,200,000
	25 Jun 2020	25 Jun 2020	25 Jun 2023	3p	36,666,666	36,666,666
					1,346,108,419	**1,341,308,419**
Total Contingently Issuable shares					**1,378,353,200**	**1,373,553,200**

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Reconciliation of the quantity of share options in issue:

	Group		Company	
	2020	**2019**	**2020**	**2019**
Opening balance	14,944,781	-	-	-
New share options issued	17,300,000	14,944,781	-	-
Expiration of share options	-	-	-	-
	32,244,781	**14,944,781**	-	-

Reconciliation of the quantity of warrants in issue:

	Group		Company	
	2020	**2019**	**2020**	**2019**
Opening balance	663,333,420	-	663,333,420	-
New warrants issued	682,774,999	663,333,420	612,500,000	663,333,420
Warrants exercised	(4,800,000)	-	-	-
	1,341,308,419	**663,333,420**	**1,275,833,420**	**663,333,420**

The weighted average exercise price for warrants exercised in Katoro Gold plc during the year amounted to £0.015 per warrant with a weighted average share price at exercise date of £0.035 per share.

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 during the current year through the issue of ordinary shares.

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	
	2020 (£)	**2019 (£)**	**2020 (£)**	**2019 (£)**
Opening balance	**(872,942)**	**(656,622)**	**-**	**-**
Movement during the period	152,635	(216,320)	-	-
Disposal of subsidiary	121,670	-		
Closing balance	**(598,637)**	**(872,942)**	**-**	**-**

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22. Non-controlling interest

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

	Group	
	2020 (£)	**2019 (£)**
Opening balance	**27,073**	**409,171**
Change of interest in subsidiary without loss of control	1,407,037	19,267
Loss for the year allocated to non-controlling interest	(1,690,951)	(401,365)
Closing balance of non-controlling interest	**256,841**	**27,073**

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 2020, is presented below:

	Katoro plc Group 2020 (£)	Katoro plc Group 2019 (£)
Statement of Financial position		
Total assets	353,682	295,116
Total liabilities	(231,806)	(117,402)
Statement of Profit and Loss		
Revenue for the period	-	-
Loss for the period	(2,561,114)	(668,659)
Statement of Cash Flow		
Cash flows from operating activities	(1,039,035)	(580,727)
Cash flows from investing activities	(1,027,925)	-
Cash flows from financing activities	2,129,800	202,934

23. Trade and other payables

	Group 2020 (£)	Group 2019 (£)	Company 2020 (£)	Company 2019 (£)
Amounts falling due within one year:				
Trade payables	1,444,986	1,024,126	218,877	265,727
	1,444,986	**1,024,126**	**218,877**	**265,727**

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 2020 (£)	Group 2019 (£)	Company 2020 (£)	Company 2019 (£)
Amounts falling due within one year:				
Short term loans	858,546	523,725	344,391	294,955
	858,546	**523,725**	**344,391**	**294,955**

	Group 2020 (£)	Group 2019 (£)	Company 2020 (£)	Company 2019 (£)
Reconciliation of borrowings:				
Opening balance	523,725	-	294,955	-
Raised during the year	1,370,000	1,613,715	590,000	544,955
Repaid during the year	(25,000)	-	(25,000)	-
Consulting fees	276,000	-	-	-
Facilitation fees	264,200	-	250,000	-
Reclassification shareholder contribution to debt	41,155	-	-	-
Settled through the issue of shares	(1,591,534)	(1,090,000)	(765,564)	(250,000)
Closing balance	**858,546**	**523,725**	**344,391**	**294,955**

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Short term loans
Short term loans relate to the unsecured interest free loan facility from Sanderson Capital Partners Limited and various high net worth clients of SI Capital which is repayable either through the issue of ordinary shares or payment of cash by the Company.

25. Investment in group undertakings

Breakdown of investments at 31 December 2020

	Subsidiary undertakings (£)
Kibo Mining (Cyprus) Limited	42,796,376
Mbeya Developments Limited	1,706,896
Katoro Gold Plc	2,160,888
Total cost of investments	**46,664,160**

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**

	Subsidiary undertakings (£)
Investments at Cost	
At 1 January 2019	**37,890,651**
Additions in Kibo Mining (Cyprus) Limited	2,642,265
Additions in Katoro Gold PLC	2,643,558
Provision for impairment	142,169
At 31 December 2019 (£)	**43,318,643**
Additions in Kibo Mining Cyprus Limited	2,747,934
Mbeya Developments Limited	1,706,896
Disposal in Sloane Developments Limited	(2,643,558)
Reversal of impairment in Katoro Gold PLC	1,534,245
Provision for impairment	-
At 31 December 2020 (£) *	**46,664,160**

The reversal of the impairment in Katoro Gold PLC is due to the significant improvement in the share price, which results in the recoverable amount of the investment in Katoro Gold PLC increasing considerably.

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At 31 December 2020 the Company had the following undertakings:

Description	Subsidiary, associate, Joint Ops	Activity	Incorporated in	Interest held (2020)	Interest held (2019)
Directly held Investments					
Kibo Mining (Cyprus) Limited	Subsidiary	Treasury Function	Cyprus	100%	100%
Katoro Gold Plc	Subsidiary	Mineral Exploration	United Kingdom	29.25%	55.53%
Indirectly held Investments					
MAST Energy Development Plc	Subsidiary	Power Generation	United Kingdom	100%	-
Sloane Developments Limited	Subsidiary	Holding Company	United Kingdom	100%	100%
MAST Energy Projects Limited	Subsidiary	Power Generation	United Kingdom	60%	60%
Bordersley Power Limited	Subsidiary	Power Generation	United Kingdom	100%	100%
Kibo Gold Limited	Subsidiary	Holding Company	Cyprus	29.25.%	55.53%
Savannah Mining Limited	Subsidiary	Mineral Exploration	Tanzania	29.25%	55.53%
Reef Miners Limited	Subsidiary	Mineral Exploration	Tanzania	0%	55.53%
Kibo Nickel Limited	Subsidiary	Holding Company	Cyprus	29.25%	55.53%
Eagle Exploration Limited	Subsidiary	Mineral Exploration	Tanzania	29.25%	55.53%
Katoro (Cyprus) Limited	Subsidiary	Mineral Exploration	Cyprus	29.25%	-
Katoro South Africa Limited	Subsidiary	Mineral Exploration	South Africa	29.25%	-
Blyvoor Joint Venture	Joint Operation	Mineral Exploration	South Africa	29.25%	-
Mbeya Holdings Limited	Subsidiary	Holding Company	Cyprus	100%	100%
Mbeya Development Limited	Subsidiary	Holding Company	Cyprus	100%	100%
Mbeya Mining Company Limited	Subsidiary	Holding Company	Cyprus	100%	100%
Mbeya Coal Limited	Subsidiary	Mineral Exploration	Tanzania	100%	100%
Rukwa Holding Limited	Subsidiary	Holding Company	Cyprus	100%	100%
Mbeya Power Tanzania Limited	Subsidiary	Power Generation	Tanzania	100%	100%
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%
Mzuri Exploration Services Limited	Investment	Exploration Services	Tanzania	4.78%	4.78%
Protocol Mining Limited	Investment	Exploration Services	Tanzania	4.78%	4.78%
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%	35%
Kibo Energy Mozambique Limited	Subsidiary	Holding Company	Cyprus	100%	100%
Pinewood Resources Limited	Subsidiary	Mineral Exploration	Tanzania	100%	100%
BENGA Power Plant Limited	Joint Venture	Power Generation	Tanzania	65%	65%
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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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:	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 Katoro (Cyprus) Limited Katoro South Africa Limited Kibo Energy Botswana Limited Kibo Energy Mozambique Limited Eagle Exploration Mining Limited Mzuri Energy Limited Rukwa Holdings Limited Mbeya 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 Pinewood Resources Limited Makambako Resources Limited Jubilee Resources Limited Kibo Energy Botswana Limited MAST Energy Developments Limited MAST Energy Projects Limited Sloane Developments Limited Bordersley Power Limited

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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 £37,500 (2019: £35,384) 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 £276,000 (2019: £297,000) during the year for consulting services rendered to Mast Energy Project Limited.

During the year, Namaqua Management Limited or its nominees, was paid £365,027 (2019: £472,153) for the provision of administrative and management services. £Nil was payable at the year-end (2019: £247,836).

The Boudica Group was paid £Nil (2019: £32,400) 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 trade payables and borrowings. 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 2020 and 2019 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.

	2020 (£)		**2019 (£)**	
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	86,719	-	380,693	-
Cash	256,760	-	91,634	-
Financial liabilities at amortised cost				
Trade payables	-	1,444,986	-	1,024,126
Borrowings	-	858,546	-	523,725
	343,479	**2,303,532**	**472,327**	**1,547,851**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2020 (£)		2019 (£)	
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 – current	27,602	-	361,467	-
Cash	141,788	-	31,389	-
Financial liabilities at amortised cost				
Trade payables – current	-	218,877	-	227,237
Borrowings	-	344,391	-	294,955
	169,390	**563,268**	**392,856**	**522,192**

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 2020, the Group had no outstanding forward exchange contracts.

Exchange rates used for conversion of foreign subsidiaries undertakings were:

	2020	2019
ZAR to GBP (Spot)	0.0499	0.0542
ZAR to GBP (Average)	0.0469	0.0543
USD to GBP (Spot)	0.7325	0.7623
USD to GBP (Average)	0.7798	0.7837
EURO to GBP (Spot)	0.8984	0.8537
EURO to GBP (Average)	0.8894	0.8772

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 (£)**		**Company (£)**	
	2020	**2019**	**2020**	**2019**
Trade & other receivables	86,719	380,693	39,085	361,467
Cash	256,760	91,634	141,788	31,389

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 2020 were all payable on demand.

Group (£)	**Less than 1 year**	**Greater than 1 year**
At 31 December 2020		
Trade and other payables	1,444,986	-
Borrowings	858,546	-
At 31 December 2019		
Trade and other payables	1,024,126	-
Borrowings	523,725	
Company (£)		
At 31 December 2020		
Trade and other payables	218,877	-
Borrowings	344,391	-
At 31 December 2019		
Trade and other payables	265,727	-
Borrowings	294,955	

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 2020. 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 2020, the Group had no outstanding contracts designated as hedges.

28. Post Statement of Financial Position events

Warrant Exercise and Share Issues

During 2021 to date, Kibo issued an additional 188,431,556 shares all of which resulted from the exercise of a similar amount of warrants by warrant holders whereupon they received one Kibo share for each warrant exercised. The warrants were exercisable at prices of £0.002 to £0.004 and yielded proceeds of £697,726 to the Company. The Company also issued 65,276,346 shares at a deemed share price of £0.0026 to Sanderson Capital Partners Limited in payment of 50% of the outstanding balance of £339,437 on a Debt Factoring Agreement original signed on the 20 December 2016. The remaining balance of £169,718.5 is to be paid in cash of which £25,000 has already been paid.

Listing of Mast Energy Developments Plc on the LSE

On the 14 April 2021, Mast Energy Developments Plc listed on the London Stock Exchange. Coincident with listing, Kibo's 100% shareholding in MED of 104,496,960 shares held through its wholly owned subsidiary Kibo Mining (Cyprus) Limited reduced to 55.42%. This resulted from the execution of a share sale agreement whereby MED's wholly owned subsidiary, Sloane Developments Limited purchased the 40% minority interest in Mast Energy Projects Limited that it did not already hold from Guernsey company St. Anderton on Vaal Ltd in exchange for 36,917,076 newly issued shares in MED. MED also issued an additional 47,150,000 new shares to subscribers to the IPO.

This resulted in Kibo Mining (Cyprus) Limited holding 104,496,960 of the 188,564,036 shares issued in MED post IPO (55.42% shareholding).

Migration of Companies Dematerialised Shares to Euroclear Bank

On the 22 February 2021, the shareholders of Kibo approved resolutions to permit the migration of the Company's dematerialised shares held through CREST to Euroclear Nominees Limited. This was required to allow shareholders continue to hold the Company shares in dematerialised form following the UK's exit from the EU. The migration successfully occurred on the 12 March 2021.

2nd Production-Ready Site Approaching Operational Status for Commercial Production

Sloane Developments Ltd ('Sloane'), has progressed the acquisition transaction announced in the RNS of 7 September 2020, to the point where it is now finalizing a definitive Share Purchase Agreement ("SPA") to acquire 100% of the 9MW flexible gas power project (the 'Acquisition').

The decision was largely influenced by the rapid progress made in getting the site ready to commence with commercial production. Latest reports from the project vendor and onsite engineers state that the site will be in electricity generation readiness pending finalization of the SPA. The site and equipment will then settle into steady state electricity generation and commensurate revenue creation as planned for the project life cycle.

Kibo advances Benga power project

Kibo and its local JV partners recently attended a workshop with EDM in Maputo to discuss and agree the next steps towards the ultimate finalization of a PPA. During the meeting the final optimised definitive feasibility study, inclusive of the updated grid integration study, and a summary of an updated draft financial model was presented and discussed as the fundamentals that will guide and focus the further course of the PPA process. This will ensure that a final result is obtained at the earliest opportunity possible.

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The very productive discussions during the workshop, amongst others, also included an agreement reached between the parties to integrate specific EDM inputs into the Financial Model and the immediate initiation of a formal EPC process towards finalizing an advanced Financial Model that reflects firm numbers on key commercial parameters.

Agreement to co-develop renewable projects in South Africa

The Company entered into an agreement with South Africa-based Industrial Green Solutions (Pty) Ltd ('IGES') to jointly develop a portfolio of Waste to Energy projects in South Africa ('the Agreement') with an initial target of generating more than 50 megawatts of electricity for sale to industrial users. The Agreement, which is subject to the satisfaction of certain conditions, is in line with Kibo's strategy to integrate renewable energy into its project pipeline, which includes three utility-scale power generation and mining projects.

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.

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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 1/2021 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 2020 (£)**	**31 December 2019 (£)**
Loss for the period attributable to normal shareholders	**(4,726,286)**	**(3,500,004)**
Adjustments		
Loss/(profit) on disposal of subsidiaries	102,414	(591,060)
Profit on disposal of motor vehicle	(53,574)	-
Headline loss for the period attributable to normal shareholders	**(4,677,446)**	**(4,091,064)**
Headline loss per ordinary share	(0.003)	(0.005)
Weighted average number of shares in issue:	1,546,853,959	849,795,672

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

Reconciliation of headline loss per share:	**31 December 2020 (£)**	**31 December 2019 (£)**
Loss for the period attributable to normal shareholders	**(0.0030)**	**(0.0041)**
Adjustments		
Loss/(profit) on disposal of subsidiaries	0.00003	(0.0007)
Profit on disposal of motor vehicle	(0.00003)	-
Impairments	(0.00008)	
Headline loss for the period attributable to normal shareholders	**(0.00308)**	**(0.0048)**
Headline loss per ordinary share	(0.003)	(0.005)

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.