KIBO ENERGY PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

CONTENTS

CORPORATE DIRECTORY	1
CHAIRMAN'S REPORT	3
REVIEW OF ACTIVITIES	4
CORPORATE GOVERNANCE REPORT	7
DIRECTORS' REPORT	14
DIRECTORS' STATEMENT OF RESPONSIBILITIES	26
AUDIT COMMITTEE REPORT	27
INDEPENDENT AUDITOR'S REPORT	28
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	34
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	35
COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	36
COMPANY STATEMENT OF FINANCIAL POSITION	37
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	38
COMPANY STATEMENT OF CHANGES IN EQUITY	39
CONSOLIDATED STATEMENT OF CASH FLOWS	40
COMPANY STATEMENT OF CASH FLOWS	41
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	42
NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS	55
ANNEXURE 1: HEADLINE EARNINGS PER SHARE	89

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	Non-Executive Director
	Christiaan Schutte	Executive Director Capital Projects

COMPANY SECRETARY: Noel O'Keeffe

REGISTERED OFFICE:
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Dublin 2, Ireland

BUSINESS ADDRESS - IRELAND:
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Galway, Ireland

AUDITORS
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D04 C2N4
Ireland

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

SHARE REGISTRARS:
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Link Registrars Ltd
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Dublin 2
D02 A342

South Africa
JSE Investor Services (Pty) Ltd
13th Floor
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South Africa

PRINCIPAL BANKERS:
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JOINT BROKER:
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JOINT BROKER:
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CORPORATE DIRECTORY

UK PUBLIC RELATIONS:	**Lifa Communications** 32 Fricker Road Illovo, Johannesburg 2169, South Africa
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
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CONTACT:	info@kibo.energy
DATE OF INCORPORATION:	17 January 2008
REGISTERED NUMBER:	451931

CHAIRMAN'S REPORT

I am pleased to provide a review of Kibo Energy plc ("Kibo" or the "Company") and its subsidiaries' (together with Kibo, the "Group") activities during the period and to present our full-year audited accounts for 2021.

As you know we announced a significant strategy shift in June 2021, largely prompted by a global surge in clean energy policies and investment aimed at putting the energy system on track to achieve the global Sustainable Development Goals of the 2030 Agenda for Sustainable Development as was reiterated during COP 26. This made it increasingly difficult to promote and fund our fossil fuel energy projects, notwithstanding intended integration of renewable energy components in the development of these projects.

The underlying strategic concept of the Kibo Strategy assumes long term energy solutions as a key enabler for Sustainability in a circular economy. Kibo therefore restated its strategy to advance the Company as a significant developer of sustainable energy solutions, integrating renewable and alternative generation with energy storage. Kibo will therefore, forthwith, focus on the acquisition, development and operation of a portfolio of sustainable, renewable energy assets and dispose of, or reposition, our fossil fuel utility projects.

The establishment and maintenance of a sustainable project pipeline that will be delivering production assets therefore remains a main high-level target. This requires exclusive focus on the rapidly expanding renewable and clean energy markets to produce a pipeline of new projects in the United Kingdom ("UK) and SADC ("Southern African Development Community") Countries, some of which have already been acquired and currently being integrated into the Company structure.

I am pleased to reflect on the joint investment with South African group Industrial Green Energy Solutions (IGES) to convert un-recyclable plastic to syngas (using pyrolysis) in energy starved South Africa, for industrial power production. We recently announced progress on the first of various projects in the project pipeline and look forward to the anticipated financial close later in 2022 of the first 2.7 MW phase, for which we have a private industrial off-take agreement. Success with this phase will bode well for the rapid expansion of this project to its full c. 8 MW potential. It will also bolster the development of the project pipeline, aimed at a conducive South African energy market segment driven by the demand for Independent Power Producers and recent legislative restrictions on the disposal of certain plastics.As the UK Government sets out to deliver energy security and accelerate the transition to a low carbon economy it understands that it will require urgent and ambitious action at home and abroad. Its strategy continues to be based on the principle that independently regulated, competitive energy markets, are the most cost-effective and efficient way of delivering its objectives. We are also leveraging our growing experience in the waste-to-energy in the pursuit of various waste-to-energy opportunities in the UK-market.

Our renewed strategy will benefit from the Company's experience in the renewable energy sector in recent years. This has been acquired historically through our work in developing renewable energy and storage solutions for integration with its large utility coal projects as well as being the cornerstone promoter behind our 55% AIM subsidiary, Mast Energy Developments plc ("MED"). After MED completed a successful IPO on the London Stock Exchange in 2021, raising £5.54 million to acquire a 50 MW reserve power portfolio in the short to medium term it already has a 9 MW site in production, 5 MW site under construction, 4.4 MW in development and a further four sites totalling 29 MW in an advanced stage of acquisition.

In terms of International Financial Reporting Standards (IFRS), intangible assets with an indefinite life must be tested for impairment on an annual basis. The change in the Group's strategy during 2021 to move toward renewable energy solutions, coupled with global divestments in fossil fuel assets, resulted therein that the Group recognised an impairment of £20,088,240 related to its coal assets. Notwithstanding the impairment, the disposal plans for our legacy fossil fuel assets in Tanzania, Mozambique and Botswana, are progressing well with expressions of interest currently under evaluation. The result for the reporting period amounted to a loss of £23,148,155 for the year ended 31 December 2021 (31 December 2020: £6,417,237) 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. The loss is primarily due to the impairment of non-current assets, referred to above.

In closing, I would like to acknowledge the support of our shareholders and all stakeholders as we position the Company for a next exiting phase of development. I would like to thank our Board, as well as management under the strong leadership of our CEO, Louis Coetzee, for their vision, hard work and tenacity to take advantage of the new opportunities emerging in the green economy by re-positioning Kibo.

Christian Schaffalitzky
Chairman
27 June 2022

REVIEW OF ACTIVITIES

Introduction

Kibo's focus during 2021 was to acquire new projects to underpin its strategy to advance Kibo as a significant developer of sustainable energy solutions, integrating Renewable and Alternative Generation with Energy Storage in the UK and Southern Africa. Leveraging its growing experience in these areas and its partner network, Kibo has been successful in establishing the project portfolio described below.

Operations

Sustineri Energy Joint Venture – Waste-to-Energy Project (South Africa)

On 18 May 2021, we announced 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 with an initial target of generating more than 50 MW of electricity for sale to industrial users which was finalised at the end of July 2021.

Under the terms of this agreement, Kibo has acquired 65% of Sustineri Energy (35% held by IGES), which holds an initial seven waste-to energy project pipeline utilising Pyrolysis technologies to convert waste non-recyclable plastics to syngas for the generation of energy. The Pyrolysis technology will be supplied by a local international technology firm in the form of a waste to energy conversion plant with Syngas stored on site and fed into gas engines to generate electrical power. The agreement, which was completed in July 2021, requires Kibo to fund Sustineri, commencing with an amount of c. £560,000 as an equity loan for the development of this first project ("Project 1") more details of which are given below.

Project 1, the most advanced project, involves the development, construction, and operation of an 8 MW Base Load Waste to Energy Generation facility to be developed in 4 X 2 MW phases over about 3 years for an industrial business park developer in Gauteng, South Africa. A recent 10-year take-or-pay conditional Power Purchase Agreement (`PPA') to generate baseload electricity from the first 2.7 MW phase of the development was signed by the Off taker and announced by the Company in February 2022 together with a further update on this initial project.

An optimised financial model for the first 2.7 MW phase 1 (updated from initial planned 2 MW) of Project 1 has provided an estimated Earnings Before Interest Tax Depreciation & Interest (EBITDA) of c. £18 million over the life of project of which an amount of c. £11.5 million is attributable to the Company and an Internal Rate of Return ("IRR") of between 11% - 14%. The Capital Expenditure (CAPEX) for the project is estimated at c. £8.35 million with financial close anticipated in the fourth quarter of 2022 with construction to commence in the first quarter of 2023 and taking between 11 and 14 months to complete. Project 1 is attracting strong funding interest (project and debt funding) from various investors with whom Sustineri is currently negotiating with a view to meeting its target financial close date in the fourth quarter this year.

The Project will provide the business park with cleaner electricity, by making use of a high temperature pyrolysis process, where selected non-recyclable plastics will undergo thermal degradation to produce high quality syngas, which will in turn feed gas engines to generate both electricity and heat energy. Additionally, there is potential to sell the heat energy generated as a by-product from the gas engines directly to customers inside the industrial park. A fuel feedstock supply agreement is already in place with a waste management operator for 100% of the first phase (2,7MW) of the project and land acquisition and waste licensing is in progress. Air emissions License and grid connection approval processes are in progress.

In addition to Project 1, there are at least 6 other projects at different sites identified and off-take discussions are planned in the short term. These additional projects can yield as much as 50 MW. Kibo will be developing the project portfolio with Lesedi Nuclear Services (Pty) Ltd as strategic partner for EPC and Operations and Management services. For South Africa, the Pyrolysis technology provides a perfect solution to the disposal of plastics in the country, which up until now is high cost and subject to cumbersome procedures and under most recent legislation prohibits the disposal of plastics with a CV (Calorific Value) of more than 20 CV in landfill facilities. As an Independent Power Producer, Sustineri will enable its industrial clients to operate independently from the National Utility, Eskom, and secure stable power supplies.

Billingham Joint Venture – Waste-to-Energy Project (UK)

In September 2021, Kibo signed a Heads of Terms with AIM-listed UK company, EQTEC plc, a world-leading gasification solutions company, to acquire a 54.54% interest in its proposed 25 MW capacity Billingham waste gasification and power plant at Haverton Hill, Teesside, UK. Under the Heads of Terms, it is expected that Kibo will acquire a 54.54% equity stake in a new project company (Project SPV) to be incorporated with EQTEC holding 45.46% with the final holdings to be confirmed following a follow-on shareholders' agreement which is currently being negotiated.

REVIEW OF ACTIVITIES

Billingham is at an advanced stage of development with a concept design for the full plant produced, planning permission approved, grid connection secured & technical due diligence with technology insurance providers completed. The project is expected to annually process 200,000 metric tonnes of non-recyclable everyday municipal solid waste into 25 MW of green electricity, enough to power 50,000 homes. Under the Heads of Terms, Kibo's initial funding contribution will be £3 million paid as an equity subscription, plus convertible shareholder loan facilities, and Kibo will have the option to provide additional convertible shareholder loan facilities to the Project SPV and/or convert future project development fees into further equity in the project in the future.

The Billingham project rights will be held by the Project SPV and will include all technology license agreements, all equipment supply and maintenance agreements with EQTEC and all rights to the site under the existing agreements with third parties. EQTEC will remain as the lead development manager on the Project, providing the design and core Advanced Gasification Technology and subsequently retaining the maintenance portion of the O&M contract upon commissioning.

Legacy Coal Projects – Tanzania, Botswana and Mozambique

Notwithstanding the successful transition toward the renewable energy strategy during the 2021 financial period, the Group continued to pursue the possible development of its Mbeya Coal to Power and Mabaseka Coal to Power Project during 2021, however the increase in global scepticism around the development of fossil fuel projects coupled with expansion toward renewable energy resulted in the phasing out of coal assets across global markets in lieu of renewable energy assets. These factors culminated in the Group performing an impairment assessment, as required by International Financial Reporting Standards (IFRS) for intangible assets with an indefinite life, as the carrying amount of the Mbeya Coal to Power and Mabaseka Coal to Power Project asset is unlikely to be recovered in full of successful development or by sale. Following various consultations with third parties, the Group concluded that the fair value of its coal asset was estimated to be approximately £5,504,216, which is significantly lower than the value in use determined in preceding financial periods as a result of the declining demand for fossil fuel projects and the Group's move toward renewable energy solutions, as executed toward the latter part of the 2021 financial period.

It was therefore concluded that an impairment of £20,088,240 was necessary in the 2021 financial period related specifically to the Mbeya Coal to Power and Mabaseka Coal to Power Projects.

The Group still believes these coal deposits which still offer opportunities for commercialisation to parties with longer term investment horizons commensurate with the further refinement of new clean coal burning technologies and conversion of coal to gas with associated carbon capture systems.

Investments

Mast Energy Developments Plc ("MED") – Reserve Power (UK)

During 2021, Kibo facilitated the IPO on the Official List of the London Stock Exchange plc by way of a Standard Listing of its equity interest in MAST Energy Developments plc, previously a wholly owned subsidiary, with MED raising £5.54 million through Clear Capital Markets Ltd from its IPO. On the date of listing a market capitalisation of £23 million was allocated to MAST Energy Developments. Kibo retains a 55.37% equity interest in MED.

Since its IPO in April 2021, MED has made solid progress towards its target of assembling a portfolio of well-located flexible power sites in the UK of up to 300 MW of flexible power generating capacity within the next two to three years. During 2021 the company acquired and re-commissioned the fully operational 9 MW Pyebridge peaking power plant and a 4.4. MW shovel ready site at Rochdale for the development of a peaking power plant or a battery storage site, both sites being located in the West Midlands of the UK. These sites are in addition to the Bordesley site which is now in the early construction phase for a 5 MW peaking power plant. Together with Pyebridge, Rochdale and Bordersley, MED is at an advanced stage of acquisition on three further UK sites which when completed will bring its total portfolio of projects, operational and under development/construction to 47 MW. Further information on these projects and the latest MED updates can be found on its website at www.med.energy.

Katoro Gold Plc – Mineral Exploration (South Africa & Tanzania)

The Company retains a 21% investment in Katoro Gold plc (AIM: KAT) where progress on its Tanzania and South African projects is being made at a steady pace during 2021. Unfortunately, a planned listing and IPO on the London Stock Exchange for the Blyvoor gold tailings joint venture in South Africa had to be postponed in December when one of the joint venture partners failed to meet all conditions precedent to enable the re-structuring of the joint venture holding structure in preparation for the planned listing.

REVIEW OF ACTIVITIES

While disappointing, Blyvoor remains a substantial gold asset, especially in light of the current gold price upsurge, with a clear path to commercial development clearly indicated, Katoro continues to explore funding options to enable it to construct a mine and put Blyvoor into production as soon as possible.

On its Tanzanian projects, Katoro completed two phases of drilling on its Haneti Nickel-PGM Project in which it holds a 65% interest. The results from a first phase comprising 1,965 meters of rotary air blast drilling completed in April 2021 gave sufficient encouragement for a follow-on 900 meters diamond drilling programme which has recently been completed (February 2022), the results of which enables Katoro to refine the geological modelling and vector in on target areas for next stage work. Katoro also recently announced in March 2022 that it has regained a joint venture interest in the Imweru Gold Project in Tanzania which it had previously sold. It has now cancelled the sale and restructured the transaction as an incorporated joint venture with the previous purchaser, private Australian company, Lake Victoria Gold, to develop the gold asset. The joint venture provides for Lake Victoria Gold to earn up to 80% of the project by arranging all funding, while Katoro retains the remaining 20% as a carried interest. Further information on the Katoro projects and the latest updates can be found on its website at www.katorogold.com.

Corporate

During 2021 the Company issued 709,016,602, new ordinary shares at prices per shares between 0.2p and 0.4p. This comprised issue of 188,431,556 shares in respect of warrant exercises for which the Company received £697,726, a further 90,585,046 shares in settlement of invoices to service providers and in part settlement of outstanding debt and 430,000,000 shares in respect of a share subscription to private subscribers for which proceeds of £860,000 were received.

Since period end and to the date of this report the Company has issued an additional 108,540,021 shares at a price per share of just under 0.2p to service providers, in payment of a facility implementation fee in respect of drawing down the first tranche of a loan facility negotiated with an institutional investor (the "Investor") which was announced in February 2022 and payment in respect of remaining balance on loan (Sanderson settlement) announced in May 2022.

The loan facility noted above (the "Facility") provides for an initial drawdown of £1m (the "Initial Advance") which was availed of on signing of the Facility. Funds advanced under the Facility attract a fixed coupon interest rate of 3.5% and will be repayable with accrued interest, 4 months from the date of drawdown (due on 16 June 2022). The investor shall receive warrants equal to 30% of each drawdown divided by the average of the daily VWAP for each of the 5 consecutive trading days immediately prior to the applicable drawdown date ("Reference Price"), with a 36-month term to expiry from the date of issuance. The warrants are exercisable at a subscription price being equal to 130% of the then prevailing Reference Price. If the share price of the Company is above a 100% premium to the relevant exercise price for 30 consecutive days, then 50% of the warrants will be cancelled, unless otherwise previously exercised. With regards to the Initial Advance, the Investor has received 168,274,625 warrants. In compliance with the Facility terms for the Initial Advance, the Company has issued shares in settlement of a facility implementation fee of £70k in the amount of 39,264,079 new ordinary Kibo shares of €0.001 each at a deemed price of 0.17828 pence per share (the "Implementation Fee Shares").

Kibo settled an outstanding amount of £339,437 pursuant to the Forward Payment Facility signed between Sanderson Capital Partners Ltd and the Company in December 2016, in cash and shares, during the year. The share component comprised £169,718 (50% of the total) for which we issued 65,276,346 new shares at a deemed value of 0.26p per share. The remaining amount outstanding on this loan of £89,788.88 was settled after period end in May 2022 by the issue of 56,118,047 shares at a deemed value of £0.0016.

At an EGM held on 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 Ltd (the "Eurobank Migration"). The Eurobank Migration was required to allow shareholders to continue to hold the Company shares in dematerialised form following the UK's exit from the EU and this successfully completed on the 12 March 2021.

Louis Coetzee
Chief Executive Officer
27 June 2022

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.

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.

3. Consider 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 South Africa, Tanzania, Botswana, Mozambique and the United Kingdom. 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.

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 saw the building and refurbishment of school buildings in two local villages close to its MCPP project in southern Tanzania. As the company has undertaken a strategic shift in its business away from mineral resource projects to renewable energy projects in the last year, it is currently updating its CSR Plan to focus on its new projects in the UK and Africa and implement new initiatives specifically tailored to its new areas of operation.

CORPORATE GOVERNANCE REPORT

Successive phases of this CSR Plan will be implemented commensurate with and contingent on the construction, commissioning and management of its waste-to-energy and solar projects which are still in the early stages of development. These phases will include, inter alia, support of health care, education & employment opportunities, local business development and public infrastructure development.

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 14. The Company relies on internal and external assessments of its systems for managing risk and it believes the continuous implementation of recommendations from these reviews provide the Board with adequate assurance that its systems for managing risks are effective.

The Company's Audit Committee is the primary body that is tasked with identifying, assessing and managing risk. The principal risks identified across all aspects of the Company's operation include, inter alia, risks associated with foreign exchange, strategy, funding, staffing, political stability and commercial activities. The Audit Committee regularly reviews reports from Management across all financial and operational activities enabling it to identify and assess risks and make recommendations to the Board where appropriate for mitigation. Similarly, it also informs the Board where it identifies business opportunities that may be beneficial to the Company. The Audit Committee's other core function is to review and, if in order, recommend the annual financial statement to the Board for approval. Where the Company's auditors have identified risks or any shortcomings in accounting procedures, the Audit Committee brings these to the Board's attention for mitigation and/or rectification. The Audit Committee Report on page 27 provides further details on the committee's activities during 2021.

The Company maintains a Risk Register which is updated quarterly. This document is the cornerstone of 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 two non-executive directors. One of the non-executive directors (Christian Schaffalitzky), the Chairman, is considered by the Board to be an independent director. 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 below.

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

CORPORATE GOVERNANCE REPORT

An agenda and all supporting documentation are 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 seventeen (17) times during the last financial year to 31 December 2021 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.

CORPORATE GOVERNANCE REPORT

Health and Safety Policy & Procedures

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

Environmental Policy

Kibo is committed to high standards of environmental protection across our business. Our goal is to protect people, minimise harm to the environment, integrate biodiversity considerations and reduce disruption to our neighbouring communities. We seek to achieve continuous improvement in our environmental protection performance. The Company will significantly expand and escalate our actions to meet our commitment to environmental protection commensurate with the start of plant construction 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 two 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 member is Noel O'Keeffe.

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 Cobus van der Merwe (CFO) who replaced Pieter Krugel in May 2022.

CORPORATE GOVERNANCE REPORT

Remuneration Committee: Comprises two 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 and the other member is Andreas Lianos.

Audit Committee: Comprises two 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 a non-executive Director. The other member of the Audit Committee is Christian Schaffalitzky.

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 27 and provides further details on the committee's activities during 2021, 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 continued to update its Plans, Policies and Procedures itemised at 9 above during 2021 to ensure it remains in compliance with the QCA Code.

Christian Schaffalitzky
Chairman
Governance Committee
27 June 2022

DIRECTORS' REPORT

The Board of Directors present their Annual Report together with the audited annual financial statements for the year ended 31 December 2021.

The Board comprises a non-executive chairman, two executive directors and two 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 the supervision and control of the Company and is accountable to the shareholders. The Board has reserved decision-making on a variety of matters and is responsible for formulating, reviewing and approving the Company's strategy, budgets, major items of capital expenditure and acquisitions, as well as reviewing the performance of management.

An agenda and all supporting documentation are 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.

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 seventeen (17) times and provided pertinent information to the Executive Committee of the Company.

Directors are entitled, in consultation with the Chairman, to seek independent professional advice about the affairs of the Company, at the Company's expense. The composition, roles and responsibilities of the board committees established by the Company are set out in the Corporate Governance Report.

Board Composition

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 – Chairman of the Audit Committee (non-executive)
Noel O'Keeffe - Technical Director (non-executive)

Christian Schaffalitzky, BA (Mod), FIMMM, PGeo, CEng, Age 68 – 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. He is also on the board of MetalNRG and several private resource ventures.

DIRECTORS' REPORT

Louis Coetzee, BA, MBA, Age 58 – 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 shareholding.

Noel O'Keeffe, BSc (Hons), Geology, MBA, CG (Affiliated), Age 58 – 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.

Andreas (Andrew) Lianos, CA(SA), ACA, ACMA, Age 55 – Chairman of the Audit Committee (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 IPOs 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 60 – 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 Hulett as Energy Consultant developing a bagasse fired power station. In 2012 he joined 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

The Technical Director role of Mr. O'Keeffe is not an executive function, and neither is he a member of the executive committee of the Company. He provides his services as Technical Director on a part time basis independent of his positions as non-executive director.

DIRECTORS' REPORT

Review of Business Developments throughout the year to date

In June 2021 Kibo announced a significant strategy shift, largely prompted by a global surge in clean energy policies and investment aimed at putting the energy system on track to achieve the global Sustainable Development Goals of the 2030 Agenda for Sustainable Development as was reiterated during COP 26. This made it increasingly difficult to promote and fund the fossil fuel energy projects, notwithstanding intended integration of renewable energy components in the development of these projects.

The underlying strategic concept of the Kibo Strategy assumes long term energy solutions as a key enabler for Sustainability in a circular economy. Kibo therefore restated its strategy to advance the Company as a significant developer of sustainable energy solutions, integrating renewable and alternative generation with energy storage. Kibo will therefore, forthwith, focus on the acquisition, development and operationalisation of a portfolio of sustainable, renewable energy assets and dispose of, or reposition, our fossil fuel utility projects.

The establishment and maintenance of a sustainable project pipeline that will be delivering production assets therefore remains a main high-level target. This requires exclusive focus on the rapidly expanding renewable and clean energy markets to produce a pipeline of new projects in the United Kingdom ("UK) and SADC Countries, some of which have already been acquired and currently being integrated into the Company structure.

The joint investment with South African group Industrial Green Energy Solutions (IGES), to convert un-recyclable plastic to syngas (using pyrolysis) in energy starved South Africa for industrial power production, has also progressed further. Kibo recently announced progress on the first of various projects in the project pipeline and look forward to the anticipated financial close later in 2022 of the first 2.7 MW phase, for which Kibo has a private industrial off-take agreement. Success with this phase will bode well for the rapid expansion of this project to its full c. 8 MW potential. It will also bolster the development of the project pipeline, aimed at a conducive South African energy market segment driven by the demand for Independent Power Producers and recent legislative restrictions on the disposal of certain plastics.

As the UK Government set out to deliver energy security and accelerate the transition to a low carbon economy it understands that it will require urgent and ambitious action at home and abroad. The UK's strategy continues to be based on the principle that independently regulated, competitive energy markets, are the most cost-effective and efficient way of delivering its objectives. Kibo is also leveraging its growing experience in the waste-to-energy in the pursuit of various waste-to-energy opportunities in the UK-market.

Kibo's renewed strategy will benefit from the Company's experience in the renewable energy sector in recent years. This has been acquired historically through our work in developing renewable energy and storage solutions for integration with its large utility coal projects as well as being the cornerstone promoter behind our 55% AIM subsidiary, Mast Energy Developments plc ("MED"). After MED completed a successful IPO on the London Stock Exchange in 2021, raising £5.54 million to acquire of a c. 50 MW reserve power portfolio in the short to medium term it already has a 9 MW site in production, 5 MW site under construction, 4.4 MW in development and a further four sites totalling 29 MW in an advanced stage of acquisition.

In terms of International Financial Reporting Standards (IFRS), intangible assets with an indefinite life must be tested for impairment on an annual basis. The change in the Group's strategy during 2021 to move toward renewable energies coupled with global divestments in fossil fuel assets, resulted therein that the Group recognised impairment of £20,088,240 related to its coal assets. Notwithstanding the impairment, the disposal plans for our legacy fossil fuel assets in Tanzania, Mozambique and Botswana, are progressing well with expressions of interest currently under evaluation. The result for the reporting period amounted to a loss of £23,148,155 for the year ended 31 December 2021 (31 December 2020: £6,417,237) 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. The loss is primarily due to the impairment of non-current assets, referred to above

Post Statement of Financial Position events

Settlement of Outstanding Fees to Directors and Management

Kibo settled outstanding fees owing to directors and management through the issue of a 7% convertible loan note redeemable instrument. The convertible instrument provides for the issue of unsecured redeemable convertible loan notes of integral multiples of £1 each to the aggregate amount of £672,824. The subscriptions for the notes shall be used to fund the Company's working capital requirements related to outstanding salaries and fees due to management, directors and former directors who are the sole subscribers to the notes.

DIRECTORS' REPORT

Appointment of Shard Capital Partners LLP as Joint Broker
Kibo appointed Shard Capital Partners LLP as joint broker to the Company with immediate effect, to act alongside Hybridan LLP, who remains the Company's joint broker, and RFC Ambrian Ltd, who remains nominated advisor.

Power Purchase Agreement on South Africa Waste to Energy Project – Sustineri Energy (Pty) Ltd
Kibo entered a 10-year take-or-pay conditional Power Purchase Agreement (`PPA') to generate baseload electricity from a 2.7 MW plastic-to-syngas power plant. The plant will be constructed, commissioned and operated for an Industrial Business Park Developer in Gauteng, South Africa. The project, is the first project under Sustineri Energy (Pty) Ltd, a joint venture in which Kibo holds 65% and the balance of 35% is held by Industrial Green Energy Solutions (Pty) Ltd.

Signing of Funding Facility Agreement with Institutional Investor and Issue of Shares in lieu of Payment
Kibo signed a bridging loan facility agreement with an institutional investor for up to £3m with a term of up to 36 months. The facility provides for an initial drawdown of £1m which is immediately available to the Company on signing of the facility. Funds advanced under the facility will attract a fixed coupon interest rate of 3.5% and will be repayable with accrued interest, 4 months from the date of drawdown.

The Investor shall receive warrants equal to 30% of each drawdown divided by the average of the daily VWAP for each of the 5 consecutive trading days immediately prior to the applicable drawdown date, with a 36-month term to expiry from the date of issuance. The warrants are exercisable at a subscription price being equal to 130% of the then prevailing reference price. If the share price of the Company is above a 100% premium to the relevant exercise price for 30 consecutive days, then 50% of the warrants will be cancelled, unless otherwise previously exercised. With regards to the initial advance, the Investor will receive 168,274,625 warrants.

In compliance with the facility terms for the initial advance, the Company has issued shares in settlement of a facility implementation fee of £70k in the amount of 39,264,079 new ordinary Kibo shares of €0.001 each at a deemed price of 0.17828 pence per share. Additionally, the Company has issued 13,157,895 new ordinary Kibo shares of €0.001 each at 0.19 pence per share to certain providers of financial and technical services in payment of outstanding invoices.

Convertible Instrument Extension of Redemption Date
On 1 March 2022 Kibo agreed an extension of one month for the redemption date of the convertible instrument, with all but one of the subscribers to the notes. The new extended redemption date was revised to be 1 April 2022. The extension included notes in aggregate of £657,985, from the total amount of £672,824. The amount of £14,839 (face value and interest) was settled in cash, in accordance with the terms of the convertible instrument announced on 07 January 2022.

On 1 April 2022 Kibo agreed a further extension of three months for the redemption date of the convertible instrument, with all remaining noteholders. The new extended redemption date will now be 1 July 2022. The further extension includes notes in aggregate of £657,985.

Agreement to deploy at least 1 Gigawatt of Long Duration Energy Storage in Southern Africa
Kibo signed a rolling 5-year Framework Agreement with Enerox GmbH ('CellCube'), to develop and deploy CellCube based Long Duration Energy Storage ("LDES") solutions in selected target sectors in Southern Africa. Under the agreement Kibo has been granted conditional exclusive rights, subject to successful Proof of Concepts ("PoC"), to the marketing, sales, configuration and delivery of CellCube's vanadium redox flow batteries ("VRFB") in the development of its LDES solutions in microgrid applications behind the meter.

Appointment of Group Chief Financial Officer
Kibo appointed Mr. Cobus van der Merwe as Group Chief Financial Officer with effect from the 1st of June 2022.

Settlement of Outstanding Loan and Issue of Shares
Kibo issued 56,118,047 new Kibo shares of €0.001 each at a deemed issue price of £0.0016 per share to Sanderson Capital Partners Limited in full and final settlement of £89,788.88 of the total remaining outstanding amount owing pursuant to the forward payment facility signed between Sanderson Capital Partners Limited and the Company in December 2016.

DIRECTORS' REPORT

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:

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

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 exploration, mining and renewable energy industries are competitive and there is no assurance that, even if commercial opportunities are available to the Company, a profitable market will exist for the sale of such opportunities. There can be no assurance that the quality of the resources will be such that the Company assets can be realised at a profit or, where applicable, support its energy development projects. Factors beyond the control of the Company may affect the marketability of any projects discovered. Commodity 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 extraction, 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.

Regulatory risk
The UK power sector has undergone a number of considerable regulatory changes over the last few years and is now at a state of transition from large fossil-fuel plants to a more diverse range of power generation sources including renewables, small, distributed plants and new nuclear. As a result, there is greater regulatory involvement in the structure of the UK power market than has been the case over the last 20 years. Therefore, there remains a risk that future interventions by Ofgem or Government could have an adverse impact on the underlying assets that the Group manages and/or owns.

Operational risk
Exploration, mining and renewable energy developments are subject to hazards normally encountered in exploration, development, construction and production. 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 should these risks realise outside the allowable risk parameters. The Company will develop and maintain policies appropriate to the stage of development of its various projects.

DIRECTORS' REPORT

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 project execution. The recoverability of the carrying value of exploration, mining and renewable energy assets is dependent on the successful discovery of economically recoverable reserves, the achievement of profitable operations, successful development of the underlying projects to commercial viability 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 resulted in material write downs of the carrying value of the Company's assets.

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 and renewable energy projects is dependent upon several factors including the technical skill of the personnel involved. The commercial viability of a project, once discovered, is also dependent upon a number of factors, including the size, grade and proximity to infrastructure, commodity prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of resources, and environmental protection. In addition, several years can elapse from the initial phase of exploration until commercial operations are commenced.

Development and construction risk
The Group will continue to develop new project sites which includes obtaining planning permission, securing land (under option to lease or freehold), and obtaining energy, gas and grid connections. The Group will also oversee the construction of these projects where needed. Risks to project delivery include damage or disruption to suppliers or to relevant manufacturing or distribution capabilities due to weather, natural disaster, fire, terrorism, pandemic, strikes, or other reasons could impair our ability to deliver projects on time.

Failure to take adequate steps to mitigate the likelihood or potential impact of development and construction setbacks, or to effectively manage such events if they occur, could adversely affect our business or financial results. There are inherent risks that the Group may not ultimately be successful in achieving the full development and construction of every site and sunk costs could be lost. However, the risk is mitigated as the Group targets shovel ready sites that adhere to specific requirements, coupled with experienced senior management team.

Political stability
The Company is conducting its operational activities in Mozambique, Botswana, Tanzania, South Africa 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.

DIRECTORS' REPORT

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)

	27 June 2022	**31 December 2021**	**31 December 2020**
Directors & Secretary			
Christian Schaffalitzky	6,004,842	6,004,842	6,004,842
Lukas Maree	-	-	6,728,400
Wenzel Kerremans	-	-	1,222,500
Noel O'Keeffe	7,037,047	7,037,047	7,037,047
Louis Coetzee	19,505,996	19,505,996	19,505,996
Andreas Lianos	17,073,663	17,073,663	17,073,663
Christiaan Schutte	-	-	-

Warrants (held directly and indirectly)

	27 June 2022	**31 December 2021**	**31 December 2020**
Directors & Secretary			
Christian Schaffalitzky	1,942,500	1,942,500	5,827,500
Louis Coetzee	5,720,000	5,720,000	17,160,000
Noel O'Keeffe	1,722,800	1,722,800	5,168,400
Andreas Lianos	4,742,500	4,742,500	14,227,500
Christiaan Schutte	-	-	-

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 16 and 18 of the annual financial statements.

Convertible Loan Notes (held directly and indirectly)

	27 June 2022	**31 December 2021**	**31 December 2020**
Directors & Secretary			
Christian Schaffalitzky	29,752	-	-
Louis Coetzee	218,904	-	-
Noel O'Keeffe	64,717	-	-
Andreas Lianos	38,782	-	-
Christiaan Schutte	-	-	-

The above notes in issue bear interest at 7% per annum, are unsecured, and convertible into ordinary shares at the option of the note holder on redemption date. Each note represents £1 of debt owing whilst in issue.

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 24 to the annual financial statements.

Subsequent to year end, on 7 January 2022, the Directors of the Company entered into a debt conversion agreement wherein debt in the amount of £352,155 was converted into loan notes as noted above.

DIRECTORS' REPORT

Directors' meetings

The Company held seventeen (17) 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 2021 were:

Director Name	Position	Number of Meetings Attended	Number of Meetings Eligible to Attend
Christian Schaffalitzky	Chairman	17	17
Christiaan Schutte	Executive Director	16	17
Louis Coetzee	Chief Executive Officer	17	17
Andreas Lianos	Non-Executive Director	17	17
Noel O'Keeffe	Non-Executive Technical Director	16	17
Lukas Maree *	Executive Director	9	17
Wenzel Kerremans *	Non-Executive Director	13	17

* Resigned on 30 September 2021

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 2021 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

* Resigned on 30 September 2021

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 2021 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

* Resigned on 30 September 2021

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 2021 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

* Resigned on 30 September 2021

DIRECTORS' REPORT

Significant Shareholdings

According to the latest information available to the Company, in addition to the interests of the directors, at 31 December 2021 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

	27 June 2022	31 December 2021	31 December 2020
Sanderson Capital Partners Ltd	12.79%	13.43%	11.03%
Yakoub Yakoubov	3.54%	3.64%	3.06%
David Ryan	4.28%	-	3.22%
Pegasus Pirouette Capital London Ltd	-	3.14%	-
Charlemont Capital Investments société à responsabilité limitée	3.02%	-	-

Subsidiary Undertakings

Details of the Company's subsidiary undertakings are set out in Note 23 to the annual financial statements.

Political Donations

During the period, the Group made no charitable or political contributions (2020: £ Nil).

Going Concern

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business. In performing the going concern assessment, the Board considered various factors, including the availability of cash and cash equivalents; data relating to working capital requirements for the foreseeable future; cash-flows from operational commencement, available information about the future, the possible outcomes of planned events, changes in future conditions, the current global economic situation due to the Covid-19 pandemic and Ukraine conflict and the responses to such events and conditions that would be available to the Board.

The Board has, inter alia, considered the following specific factors in determining whether the Group is a going concern:

- The significant financial loss for the year amounting to £23,148,155 (2020: £6,417,237);
- Cash and cash equivalents readily available to the Group in the amount of £2,082,906 in order to pay its creditors and maturing liabilities in the amount of £2,198,437 as and when they fall due and meet its operating costs for the ensuing twelve months; and
- Whether the Group has available cash resources, or equivalent short term funding opportunities in the foreseeable future, to deploy in developing and growing existing operations or invest in new opportunities.

Following from the losses incurred in the current financial period, coupled with the net current liability position the Group finds itself in as at December 2021, these conditions, together with those mentioned above are considered to indicate that a material uncertainty exists which may cast significant doubt on the Group's ability to continue as a going concern.

This is largely attributable to the short-term liquidity position the Group finds itself in as a result of the significant capital required to develop projects that exceeds cash contributed to the group by the capital contributors. The Directors have evaluated the Groups liquidity requirements to confirm whether the Group has adequate cash resources to continue as a going concern for the foreseeable future, taking into account the net current liability position, and consequently prepared a cash flow forecast covering a period of 12 months from the date of these financial statements, concluding that the Group would be able to continue its operations as a going concern.

DIRECTORS' REPORT

In response to the net current liability position, to address future cash flow requirements, detailed liquidity improvement initiatives have been identified and are being pursued, with their implementation regularly monitored in order to ensure the Group is able to alleviate the liquidity constraints in the foreseeable future. Therefore, the ability of the Group to continue as a going concern is dependent on the successful implementation or conclusion of the below noted matters in order to address the liquidity risk the Group faces on an ongoing basis:

- Successful conclusion of funding requirements of the Group in order to continue development of the underlying projects of the Group; and
- Successful realisation of the fossil fuel assets in the foreseeable future in order to contribute positively toward the cash reserves of the Group.

As the Board is confident it would be able to successfully implement the above matters, it has adopted the going concern basis of accounting in preparing the consolidated financial statements.

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 (2020: £ 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.

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.

DIRECTORS' REPORT

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.

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'').

DIRECTORS' REPORT

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
27 June 2022

Noel O'Keeffe
27 June 2022

DIRECTORS' STATEMENT OF RESPONSIBILITIES

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.

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.

On behalf of the Board

Noel O'Keeffe

Christian Schaffalitzky
27 June 2022

Noel O'Keeffe
27 June 2022

AUDIT COMMITTEE REPORT

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 Christian Schaffalitzky. 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 2021.

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 2020 annual accounts and the interim accounts to 30 June 2021 and audit planning for the year ended 31 December 2021. Members of the committee reviewed with the independent auditor its judgements as to the acceptability of the Company's accounting principles.

Since the year end the committee has met further with the auditors to consider the 2021 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
27 June 2022

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 2021, which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Profit or Loss and Other Comprehensive Income, 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 2021 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 2021 and of the Company profit or loss and 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 42 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 42, 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.

INDEPENDENT AUDITOR'S REPORT

Materiality for the Group financial statements as a whole was set at £170,000 (2020: £320,000) This was based on 5% of the Group operating loss for the year excluding exceptional impairment charges on non-current assets . Parent company materiality was set at £170,000 (2020: £240,000) based on 1% of total assets of the Company.

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 (£8,500) (2020: £16,000) 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 seven main jurisdictions: Ireland, the UK, Cyprus, Tanzania, Botswana, South Africa 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), the UK (Rochdale Power) and South Africa (Sustineri Project). The intangible assets at 31 December 2021 totalled £4.9m (2020: £18.5m). An impairment of £13.9M was recognised during the year. We considered the risk whether indicators of impairment may exist as well as the risk of misstatements of the estimated fair value of assets impaired during the year.	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. We also challenged the transferability of asset rights of the Group where the carrying value was based on proposed disposals; - Discussing and challenging management as to the status of the projects developments and future planned exploration and development and management intentions on those projects; - Considering and challenging management's impairment review together with the calculations and basis for the impairment charge on the MCPP and Bordersley intangibles and goodwill; - Ensuring that the accounting for the exploration and evaluation assets was in accordance with IFRS 6; - Assessing whether the disclosures in relation to the valuation of the intangible assets are compliant with the relevant financial reporting requirements, in particular management's treatment of the MCPP asset as a non-current asset.

INDEPENDENT AUDITOR'S REPORT

	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.
Carrying value of the Associate Undertaking in Botswana In 2019, Kibo restructured its holding in Kibo Energy Botswana to a 35% interest of an enlarged resource (MCIPP). As a result, it is accounted for as investment in an associate at £9.7m. During 2021 the Group has impaired the carrying value of the asset to £3.6M, and recognised an impairment of £6.1M. The carrying value of the associate is underpinned by the interest of the Group in the Mabesekwa. The Group has evaluated the underlying assets and concluded that the realisable value from a disposal of the interest is significantly less than the value in use and the previous carrying value and an impairment is required as noted above. We considered the risk whether indicators of impairment may exist as well as the risk of misstatements of the estimated fair value of assets impaired during the year.	Our procedures to obtain comfort that the balance of the associate asset 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. We also challenged the transferability of asset rights of the Group since the carrying value is based on a proposed disposal; - Discussing and challenging management as to the status of the projects developments and future planned exploration and development and management intentions on those projects; - Considering and challenging management's impairment review together with the calculations and basis for the impairment charge on MCIPP; - Assessing whether the disclosures in relation to the valuation of the intangible assets are compliant with the relevant financial reporting requirements, in particular management's treatment of the MCIPP asset as a non-current asset. - . *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.

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.

INDEPENDENT AUDITOR'S REPORT

Opinion on other matters prescribed by the Companies Act 2014

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

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

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

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

Matters on which we are required to report by exception

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

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

Respective responsibilities and restrictions on use

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

As explained more fully in the Directors' Responsibilities Statement on page 26, 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.

INDEPENDENT AUDITOR'S REPORT

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.

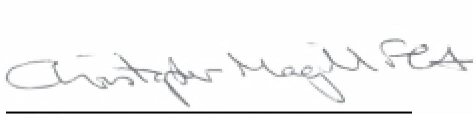
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

INDEPENDENT AUDITOR’S REPORT

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.



for and on behalf of
Crowe Ireland
Chartered Accountants and Statutory Audit Firm
40 Mespil Road
Dublin 4
Date: 27 June 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

All figures are stated in Sterling	Note	31 December 2021 Audited £	31 December 2020 Audited £
Revenue	2	3,245	-
Cost of sales		(34,321)	-
Gross loss		**(31,076)**	**-**
Administrative expenses		(2,325,750)	(3,393,687)
Impairment of non-current assets		(20,705,209)	-
Listing and capital raising fees		(321,365)	(1,027,658)
Project and exploration expenditure		(687,963)	(2,052,202)
Operating loss		**(24,071,363)**	**(6,473,547)**
Investment and other income	3	1,017,937	78,945
Share of loss from associate		(48,357)	(332)
Finance costs		(46,372)	(22,303)
Loss before tax	4	**(23,148,155)**	**(6,417,237)**
Taxation	7	-,	-
Loss for the period		**(23,148,155)**	**(6,417,237)**
Other comprehensive loss:			
Items that may be classified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(212,919)	152,635
Exchange differences reclassified on disposal of foreign operation		345,217	121,670
Other Comprehensive loss for the period net of tax		**132,298**	**274,305**
Total comprehensive loss for the period		**(23,015,857)**	**(6,142,932)**
Loss for the period		**(23,148,155)**	**(6,417,237)**
Attributable to the owners of the parent		(21,996,968)	(4,726,286)
Attributable to the non-controlling interest		(1,151,187)	(1,690,951)
Total comprehensive loss for the period		**(23,015,857)**	**(6,142,932)**
Attributable to the owners of the parent		(21,864,515)	(4,451,981)
Attributable to the non-controlling interest		(1,151,342)	(1,690,951)
Loss Per Share			
Basic loss per share	8	(0.009)	(0.003)
Diluted loss per share	8	(0.009)	(0.003)

All activities derive from continuing operations.

The accompanying notes on pages 55-88 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 27 June 2022 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	Note	31 December 2021 Audited £	31 December 2020 Audited £
Assets			
Non-Current Assets			
Property, plant and equipment	9	2,899,759	2,118
Intangible assets	10	4,964,550	18,491,105
Investments in associates	11	4,092,403	9,696,351
Goodwill	13	-	300,000
Total non-current assets		**11,956,712**	**28,489,574**
Current Assets			
Other financial assets	12	-	-
Other receivables	14	255,747	115,886
Cash	15	2,082,906	256,760
Total current assets		**2,338,653**	**372,646**
Total Assets		**14,295,365**	**28,862,220**
Equity and Liabilities			
Equity			
Called up share capital	16	21,042,444	20,411,493
Share premium account	16	45,429,328	44,312,371
Control reserve	17	-	(18,329)
Share based payment reserve	18	466,868	1,728,487
Translation reserve	19	(466,184)	(598,637)
Retained deficit		(56,627,389)	(39,019,856)
Attributable to equity holders of the parent		**9,845,067**	**26,815,529**
Non-controlling interest	20	1,962,816	(256,841)
Total Equity		**11,807,883**	**26,558,688**
Liabilities			
Non-Current Liabilities			
Lease liability	9	289,045	-
Total Non-Current Liabilities		**289,045**	**-**
Current Liabilities			
Lease liability	9	2,473	-
Trade and other payables	21	1,116,273	1,444,986
Borrowings	22	1,079,691	858,546
Total Current Liabilities		**2,198,437**	**2,303,532**
Total Liabilities		**2,487,482**	**2,303,532**
Total Equity and Liabilities		**14,295,365**	**28,862,220**

The accompanying notes on pages 55-88 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 27 June 2022 and signed on its behalf by:

On behalf of the Board

Christian Schaffalitzky **Noel O'Keeffe**

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

All figures are stated in Sterling	Note	31 December 2021 Audited £	31 December 2020 Audited £
Revenue		-	-
Administrative expenses		(315,666)	(353,279)
Listing and capital raising fees		(39,583)	(646,669)
Impairment of subsidiary investments		(29,379,842)	-
Fair value adjustment		(1,635,881)	1,515,818
Operating loss		**(31,370,972)**	**515,870**
Other income	3	135,709	174,000
Finance costs		-	-
Loss before tax	4	**(31,235,263)**	**689,870**
Taxation		-	-
Loss for the period		**(31,235,263)**	**689,870**

All activities derive from continuing operations.

The Company 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 55-88 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 27 June 2022 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		31 December 2021	31 December 2020
		Audited	Audited
		£	£
Non-Current Assets			
Investments	23	16,762,761	46,664,160
Total Non- current assets		**16,762,761**	**46,664,160**
Current Assets			
Other receivables	14	73,734	39,085
Cash	15	239,674	141,788
Total Current assets		**313,408**	**180,873**
Total Assets		**17,076,169**	**46,845,033**
Equity and Liabilities			
Equity			
Called up share capital	16	21,042,444	20,411,493
Share premium account	16	45,429,328	44,312,371
Share based payment reserve	18	466,868	977,575
Retained deficit		(50,095,537)	(19,419,674)
Total Equity		**16,843,103**	**46,281,765**
Liabilities			
Current Liabilities			
Trade and other payables	21	114,062	218,877
Borrowings	22	119,004	344,391
Total liabilities		**233,066**	**563,268**
Total Equity and Liabilities		**17,076,169**	**46,845,033**

The accompanying notes on pages 55-88 form integral part of these financial statements.

The financial statements were approved by the Board of Directors on 27 June 2022 and signed on its behalf by:

On behalf of the Board

Christian Schaffalitzky **Noel O'Keeffe**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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 2020	**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
Disposal of subsidiary	-	-	-	-	121,670	-	-	121,670
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 loss of control	-	-	-	-	-	332,384	1,407,037	1,739,421
	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**
Loss for the year	-	-	-	-	-	(21,996,968)	(1,151,187)	(23,148,155)
Other comprehensive income - exchange differences	-	-	-	-	(212,764)	-	(155)	(212,919)
Shares issued	630,951	1,116,957	-	-	-	-	-	1,747,908
Disposal of non-controlling interest without losing control	-	-	-	-	-	3,259,232	3,201,014	6,460,246
Acquisition of non-controlling interest	-	-	-	-	-	(308,030)	308,030	-
Vesting of share options – Katoro Gold plc	-	-	146,249	-	-	-	-	146,249
Warrants issued by Kibo Energy plc	-	-	48,695	-	-	-	-	48,695
Warrants issued by Kibo Energy plc which expired during the year	-	-	(559,400)	-	-	559,400	-	-
Change in shareholding resulting in a loss of control	-	-	(897,163)	18,329	345,217	878,833	(138,045)	207,171
	630,951	**1,116,957**	**(1,261,619)**	**18,329**	**132,453**	**(17,607,533)**	**2,219,657**	**(14,750,805)**
Balance as at 31 December 2021	**21,042,444**	**45,429,328**	**466,868**	**-**	**(466,184)**	**(56,627,389)**	**1,962,816**	**11,807,883**
Note	16	16	18	17	19		20	

The notes on pages 55-88 form part of the financial statements.

The financial statements were approved by the Board of Directors on 27 June 2022 and signed on its behalf by:

On behalf of the Board

Christian Schaffalitzky **Noel O'Keeffe**

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Share based payment reserve	Retained deficit	Total equity
All figures are stated in Sterling	£	£	£	£	£
Balance as at 1 January 2020	**19,532,350**	**42,750,436**	**977,575**	**(20,109,544)**	**43,150,817**
Profit 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
	879,413	**1,561,935**	**-**	**689,870**	**3,130,948**
Balance as at 31 December 2020	**20,411,493**	**44,312,371**	**977,575**	**(19,419,674)**	**46,281,765**
Profit for the year	-	-	-	(31,235,263)	(31,235,263)
Shares issued	630,951	1,116,957	-	-	1,747,908
Warrants issued by Kibo Energy plc	-	-	48,693	-	48,693
Warrants issued by Kibo Energy plc which expired during the year	-	-	(559,400)	559,400	-
	630,951	**1,116,957**	**(510,707)**	**(30,675,863)**	**(29,438,662)**
Balance as at 31 December 2021	**21,042,444**	**45,429,328**	**466,868**	**(50,095,537)**	**16,843,103**
Note	16	16	18		

The accompanying notes on pages 55-88 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 27 June 2022 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	31 December 2021 Audited £	31 December 2020 Audited £
Cash flows from operating activities			
Loss for the period before taxation		(23,148,155)	(6,417,237)
Adjustments for:			
(Profit)/Loss from the disposal of subsidiary		(529,415)	102,414
Interest accrued		21,632	-
Debt forgiven	3	(355,659)	-
Warrants and options issued		194,945	697,006
Impairment of goodwill	13	300,000	-
Impairment of intangible assets	10	13,955,528	-
Impairment of associates	11	6,449,681	-
Loss from equity accounted associate		48,357	333
Exploration and development expenditure on a Joint Operation		91,179	1,122,676
Impairment of financial asset receivable		43,722	640,821
Depreciation on property, plant and equipment	9	10,635	5,685
Profit on sale of property, plant and equipment		-	(53,574)
Cost settled through the issue of shares		-	436,076
		(2,917,550)	**(3,465,800)**
Movement in working capital			
Change in debtors	14	(145,525)	108,872
Change in creditors	21	(240,958)	982,244
		(386,483)	**1,091,116**
Net cash outflows from operating activities		**(3,304,033)**	**(2,374,684)**
Cash flows from financing activities			
Proceeds of issue of share capital		1,527,576	2,277,000
Proceeds from disposal of shares to non-controlling interest		6,099,500	-
Repayment of lease liabilities		(2,275)	-
Repayment of borrowings		(195,282)	-
Proceeds from borrowings		38,975	1,370,000
Net cash proceeds from financing activities		**7,468,494**	**3,647,000**
Cash flows from investing activities			
Cash advanced to Joint Venture		(91,179)	(1,122,676)
Property, plant and equipment acquired		(1,654,239)	-
Intangible assets acquired		(150,273)	-
Cash forfeited on disposal of subsidiary		(272,075)	76,716
Cash received on sale of plant and equipment		-	58,628
Net cash flows investing activities		**(2,167,766)**	**(987,332)**
Net increase/(decrease) in cash		**1,996,695**	**284,984**
Cash at beginning of period		256,760	91,634
Exchange movement		(170,549)	(119,858)
Cash at end of the period	15	**2,082,906**	**256,760**

The accompanying notes on pages 55-88 form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

All figures are stated in Sterling	Notes	31 December 2021 Audited £	31 December 2020 Audited £
Cash flows from operating activities			
(Loss)/Profit for the period before taxation		(31,235,263)	689,870
Adjusted for:			
Inter-company sales capitalised		(61,000)	(174,000)
Fair value adjustment		1,635,881	(1,515,818)
Share based payments		48,693	200,562
Non-cash recoveries of expenses		(114,253)	(71,139)
Impairment of investment in subsidiaries		29,379,842	-
Expenses settled in shares		-	198,000
		(346,100)	**(672,525)**
Movement in working capital			
(Increase) / Decrease in debtors	14	(40,314)	322,382
(Decrease)/ Increase in creditors	21	(104,815)	(46,851)
		(145,129)	**275,531**
Net cash outflows from operating activities		**(491,229)**	**(396,994)**
Cash flows from financing activities			
Proceeds of issue of share capital	16	1,497,176	940,000
Proceeds from borrowings	22	-	590,000
Repayment of borrowings		(50,007)	-
Net cash proceeds from financing activities		**1,447,169**	**1,530,000**
Cash flows from investing activities			
Cash advances to Group Companies	25	(858,054)	(1,022,607)
Net cash used in investing activities		**(858,054)**	**(1,022,607)**
Net (decrease)/increase in cash		**97,886**	**110,399**
Cash at beginning of period		141,788	31,389
Cash at end of the period	15	239,674	141,788

The accompanying notes on pages 55-88 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.

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 on 31 December 2021.

The financial statements have been prepared in accordance with the requirements of the Companies Act 2014.

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, except for the investment in Katoro Gold plc which is measured at fair value by the Company. 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 financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business. In performing the going concern assessment, the Board considered various factors, including the availability of cash and cash equivalents; data relating to working capital requirements for the foreseeable future; cash-flows from operational commencement, available information about the future, the possible outcomes of planned events, changes in future conditions, the current global economic situation due to the Covid-19 pandemic and Ukraine conflict and the responses to such events and conditions that would be available to the Board.

The Board has, inter alia, considered the following specific factors in determining whether the Group is a going concern:

- The significant financial loss for the year amounting to £23,148,155 (2020: £6,417,237);
- Cash and cash equivalents readily available to the Group in the amount of £2,082,906 in order to pay its creditors and maturing liabilities in the amount of £2,198,437 as and when they fall due and meet its operating costs for the ensuing twelve months; and
- Whether the Group has available cash resources, or equivalent short term funding opportunities in the foreseeable future, to deploy in developing and growing existing operations or invest in new opportunities.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Following from the losses incurred in the current financial period, coupled with the net current liability position the Group finds itself in as at December 2021, these conditions, together with those mentioned above are considered to indicate that a material uncertainty exists which may cast significant doubt on the Group's ability to continue as a going concern.

This is largely attributable to the short-term liquidity position the Group finds itself in as a result of the significant capital required to develop projects that exceeds cash contributed to the group by the capital contributors. The Directors have evaluated the Groups liquidity requirements to confirm whether the Group has adequate cash resources to continue as a going concern for the foreseeable future, taking into account the net current liability position, and consequently prepared a cash flow forecast covering a period of 12 months from the date of these financial statements, concluding that the Group would be able to continue its operations as a going concern.

In response to the net current liability position, to address future cash flow requirements, detailed liquidity improvement initiatives have been identified and are being pursued, with their implementation regularly monitored in order to ensure the Group is able to alleviate the liquidity constraints in the foreseeable future. Therefore, the ability of the Group to continue as a going concern is dependent on the successful implementation or conclusion of the below noted matters in order to address the liquidity risk the Group faces on an ongoing basis:

- Successful conclusion of funding requirements of the Group in order to continue development of the underlying projects of the Group; and
- Successful realisation of the fossil fuel assets in the foreseeable future in order to contribute positively toward the cash reserves of the Group.

As the Board is confident it would be able to successfully implement the above matters, it has adopted the going concern basis of accounting in preparing the consolidated financial statements.

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:

- significant estimation uncertainty inherent in determination of the recoverable amount as part of the impairment assessment of non-financial assets, which include amongst others intangible assets related to mining rights and exploration licences as well as tangible assets in the form of property, plant or equipment;
- estimation uncertainty inherent in determination of the period of the useful life of Tangible and Intangible assets;
- estimation uncertainty inherent in determination of the incremental borrowing rate of leases;
- estimation uncertainty inherent in the fair value determination of investment in unlisted associates;
- estimation uncertainty in the valuation of share based instruments in issue; and
- estimation uncertainty inherent in the determination of credit loss allowance for other financial assets.

The following key areas of judgement exist:

- Recognition and measurement of exploration and evaluation expenditure;
- Fair value determination of unlisted investments measured at fair value through profit or loss;
- Consolidation of Joint Venture interest;
- Consolidation of Associate interest; and
- Going concern.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant estimation uncertainty inherent in determination of the recoverable amount as part of the impairment assessment of non-financial assets, which include amongst others intangible assets related to mining rights and exploration licences, associate investments as well as tangible assets in the form of property, plant or equipment

In applying IAS 36, impairment assessments are performed whenever events or changes in circumstances indicate that the carrying amount of an asset or CGU may not be recoverable, over and above the annual impairment assessment required for goodwill and intangible assets which have an indefinite useful live. Estimates are made in determining the recoverable amount of assets which includes the estimation of cash flows and discount rates used. In estimating the cash flows, management bases cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the assets. The discount rates used reflect the current market assessment of the time value of money and the risks specific to the assets for which the future cash flow estimates have not been adjusted. Where the value in use basis to determine the recoverable amount is not considered appropriate the recoverable amount is based on fair market value, which is determined by identifying recent completed sales transactions or valuations for similar commodity projects, in similar condition and with similar stage of development to utilise as base from which to quantify the proposed fair value at which an independent third party may be willing to acquire the assets.

Estimation uncertainty inherent in determination of the period of the useful life of Tangible and Intangible assets

Depreciation "(Amortisation for intangible assets") is charged on a systematic basis over the estimated useful lives of the assets after taking into account the estimated residual values of the assets. In determining the depreciable amount, management makes assumptions in respect of the residual value of assets based on the expected estimated amount that the entity would currently obtain from disposing the asset, after deducting the estimated costs of disposal. If an asset is expected to be abandoned, the residual value is estimated at nil. Useful live is either the period of time over which the asset is expected to be used or the number of production or similar units expected to be obtained from the use of the asset, taking into account the expected physical wear and tear, legal or similar limits of assets such as rights, condition and location of the asset as well as obsolescence.

Estimation uncertainty inherent in determination of the incremental borrowing rate of leases

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Estimation uncertainty inherent in the fair value determination of investment in unlisted associates

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 where its cost at initial recognition is equal to the fair value determined on loss of control. 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, which is the basis utilised for the valuation of the associate on loss of control.

Estimation uncertainty in the valuation of share-based instruments in issue

Share-based instruments issued, such as warrants or options, or payments made require significant judgment and estimate concerning the method of valuation applied and key inputs applied respectively. In order to calculate the charge for share based warrants issued or payments as required by IFRS 9 and IFRS 2 respectively, the Group makes estimates principally relating to the assumptions used in its option-pricing model. Refer to Note 18 for details on valuation of share-based transactions, including options and warrants granted.

Estimation uncertainty inherent in the determination of credit loss allowance for other financial assets

Lake Victoria Gold

The credit loss allowance for the Lake Victoria Gold Receivable as disclosed in Note 12 was determined to be equal to a lifetime expected credit loss allowance following from the continued default of the counterparty.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The continued default from the counterparty resulted in the credit risk increasing significantly during the period to lifetime expected credit losses for the financial asset receivable. With effect from 30 September 2021, the Group lost control over its net investment in Katoro Gold plc, following which the financial asset receivable was de-recognised.

Blyvoor Joint Venture
The Blyvoor joint operation agreement has been structured in such a way that all amounts contributed to the joint operations by Katoro is receivable from the Blyvoor joint operation once the project reaches commercial viability and starts generating positive cashflow to pay firstly the third party creditors and thereafter Katoro capital contributed to the joint operations. The credit loss allowance for the Blyvoor Joint Venture Receivable as disclosed in Note 12 was determined to be equal to a lifetime expected credit loss allowance following from the uncertainty related to the commercial viability of the underlying project as at reporting period date The uncertainty around the successful achievement of commercial viability of the project as at this point in time results in the increased credit risk to lifetime expected credit losses for the financial asset receivable. With effect from 30 September 2021, the Group lost control over its net investment in Katoro Gold plc, following which the financial asset receivable was de-recognised.

Significant judgement concerning the choice of accounting policy w.r.t exploration and evaluation expenditure
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 £738,750 would have been capitalised in the current year (2020: £2,052,202).

Significant judgement relating to the 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.

Significant judgement relating to the consolidation of Associate interest
In the current year Kibo's effective equity interest in Katoro Gold Plc ("Katoro") decreased from 25.37% to 20.88% as at 31 December 2021. Following the decrease in the direct equity interest held by Kibo in Katoro, coupled with the resignation of Lukas Marthinus Maree on 30 September 2021 from the Board of Directors of Kibo Energy plc, 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, only represents two of five senior management positions of Katoro Gold plc with effect from 30 September 2021 at which point it became unable for Kibo to continue to exercise de-facto control over the operational activities of Katoro, as it lost the ability to use its power to affect its returns from Katoro. On that basis the directors consider it appropriate to recognise the loss of control over Katoro Gold plc Group with effect from 30 September 2021, at which point the results of Katoro Gold plc was de-consolidated, and the remaining equity interest in Katoro Gold plc recognised at fair value as an associate, subsequently measured in accordance with the equity method as prescribed by IAS 28.

Significant judgement relating to the adoption of the Going Concern basis of preparation
The Groups current liabilities exceed its current assets as at 31 December 2021 which contributes significantly to the material uncertainty related to the going concern assumption applied in preparation of the financial statements. Management applies judgement in determining whether or not the Group is able to continue as a going concern for the foreseeable future, in identifying the matters which give rise to the existence of the material uncertainty, and in developing responses thereto in order to address the risk of material uncertainty.

Significant judgement relating to the classification of certain non-current assets as held for sale
Throughout the year the Group has made numerous announcements related to the proposed sale of its Mbeya Coal to Power and Mabasekwa Coal to Power projects. Notwithstanding the fact that the coal assets are immediately available for sale with the Group identifying various prospective buyers and the Board of Directors is committed to realisation of the assets through sale rather than through use, it is unlikely that the sale would be completed within 12 months post year end due to the lengthy process related to the sale of such assets, which is why the Group has concluded not to classify these assets as non-current assets held for sale as at 31 December 2021.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation

The consolidated annual financial statements comprise the financial statements of Kibo Energy plc and its subsidiaries for the year ended 31 December 2021, 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.

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

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations involving entities under common control

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

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

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

Intangible Assets

Intangible assets acquired separately
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives which are disclosed in Note 10. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with an indefinite useful life
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.

Derecognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Categories of intangible assets
Intangible assets comprise the following:

- acquisition of rights to explore or mine in relation to the Group's exploration and evaluation activities; and
- intellectual property acquired in relation to the Group's renewable energy activities.

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 where the equity interest in the associate is acquired, however where control is lost over a subsidiary the remaining equity interest is recognised at fair value on date which control is lost and the fair value is deemed to be the cost of the investment in associate going forward 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 equal 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Impairment

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

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

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

Property, Plant and Equipment

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

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

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 Profit or Loss and Other 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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Instruments

Recognition
Financial instruments comprise other financial assets receivable, trade and other receivables, cash and cash equivalents, trade and other payables, other financial liabilities and borrowings.

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**
Other financial assets	Financial assets at amortised cost
Trade and other receivables	Financial assets at amortised cost
Cash and Cash Equivalents	Financial assets at amortised cost
Investment in listed entities	Financial assets at fair value through profit or loss

Financial liabilities	**Classification**
Trade and other payables	Financial liabilities at amortised cost
Borrowings	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 assets held at fair value through profit or loss are subsequently measured at fair value with fair value movement recognised through 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in Groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the profit or loss.

Warrant reserves

For such grants of share options or warrants 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 or warrants were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options or warrants that are likely to vest, except where forfeiture is only due to market-based conditions not achieving the threshold for vesting.

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.

Issue Expenses and Share Premium Account

Issue expenses directly attributable to the issuance of new ordinary shares are written off against the premium arising on the issue of share capital where ordinary shares are issued at a premium. Where the ordinary shares are issued at their nominal value, the issue expenses directly attributable to the issuance of new ordinary shares is set off against the accumulated loss reserve.

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.

Joint arrangements

Joint arrangements are arrangements in which the Group shares joint control with one or more parties. Joint control is the contractually agreed sharing of control of an arrangement and exists only when decisions about the activities that significantly affect the arrangement's returns require the unanimous consent of the parties sharing control. Judgement is required in determining this classification through an evaluation of the facts and circumstances arising from each individual arrangement. Joint arrangements are classified as either joint operations or joint ventures based on the rights and obligations of the parties to the arrangement.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In joint operations, the parties have rights to the assets and obligations for the liabilities relating to the arrangement, whereas in joint ventures, the parties have rights to the net assets of the arrangement. Joint arrangements that are not structured through a separate vehicle are always joint operations. Joint arrangements that are structured through a separate vehicle may be either joint operations or joint ventures depending on the substance of the arrangement. In these cases, consideration is given to the legal form of the separate vehicle, the terms of the contractual arrangement and, when relevant, other facts and circumstances. The Group accounts for joint operations by recognising the assets, liabilities, revenue, and expenses for which it has rights or obligations, including its share of such items held or incurred jointly.

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. 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 1 January 2023
IAS 12 amendments on deferred tax The IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)' that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.	1 January 2023
IFRS 3 amendments updating a reference to the Conceptual Framework The IASB issued 'Reference to the Conceptual Framework (Amendments to IFRS 3)' with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements.	1 January 2022
Disclosure of accounting policies The amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements.	1 January 2023
IAS 16 amendments regarding proceeds before intended use Proceeds before Intended Use (Amendments to IAS 16)' regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.	1 January 2022
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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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 2018–2021 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. 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.	1 January 2022

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:

2021 Group	**Benga Power J.V**	**Mabesekwa Coal to Power**	**Mbeya Coal to Power**	**Bordersley Power**	**Rochdale Power**	**Pyebridge Power**	**Haneti**	**Lake Victoria Gold**	**Blyvoor Joint Venture**	**Sustineri Energy**	**Corporate**	**31 December 2021 (£) Group**
Revenue	-	-	-	-	-	3,245	-	-	-	-	-	3,245
Cost of sales	-	-	-	-	-	(34,321)	-	-		-	-	(34,321)
Administrative and other cost	(26,682)	(13,944)	(43,967)	(332,550)	(4,641)	(13,448)	(82,504)	(141,098)	(16,799)	(1,097)	(1,743,750)	(2,420,480)
Listing and Capital raising fees	-	-	-	-	-	-	-	-	-	-	(321,365)	(321,365)
Impairments	-	(6,132,711)	(13,955,528)	(300,000)	-	-	-	-	-	-	(316,969)	(20,705,208)
Project and exploration expenditure	(74,337)	-	(100,165)	(24,878)	(11,265)	(44,004)	(119,101)	-	(126,173)	(94,207)	(93,833)	(687,963)
Investment and other income	787	-	48,298	355,659	-	-	-	16,505	5,134	-	591,554	1,017,937
Loss after tax	**(100,232)**	**(6,146,655)**	**(14,051,362)**	**(301,769)**	**(15,906)**	**(88,528)**	**(201,605)**	**(124,593)**	**(137,838)**	**(95,304)**	**(1,884,363)**	**(23,148,155)**

2020 Group	**Benga Power J.V**	**Mabesekwa Independent Power**	**Mbeya Coal to Power**	**Bordersley Power**	**Haneti**	**Lake Victoria Gold**	**Blyvoor Joint Venture**	**Corporate**	**31 December 2020 (£) Group**
Administrative and other 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)
Project and 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)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2021 Group	Benga Power J.V	Mabesekwa Coal to Power	Mbeya Coal to Power	Bordersley Power	Rochdale Power	Pyebridge Power	Sustineri Energy	Katoro Gold plc	Corporate	31 December 2021 (£) Group
Assets										
Segment assets	14,219	3,405,354	1,944,925	3,085,261	261,454	2,491,666	278,985	528,764	2,284,737	14,295,365
Liabilities										
Segment liabilities	10,065	5,577	52,379	394,588	5,570	70,847	18,976	-	1,929,480	2,487,482

2020 Group	Benga Power J.V	Mabesekwa Coal to Power	Mbeya Coal to Power	Bordersley Power	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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Geographical segments

The Group operates in six principal geographical areas being Tanzania (Exploration), Botswana (Exploration), Cyprus (Corporate), South Africa (Renewable Energy), United Kingdom (Renewable Energy) and Ireland (Corporate).

	Tanzania	Botswana	Cyprus	South Africa	United Kingdom	Ireland	31 December 2021 (£)
Carrying value of segmented assets	1,944,925	3,405,354	188,879	283,831	7,630,489	841,887	14,295,365
Profit/ Loss after tax	(14,211,842)	(6,143,283)	(1,008,539)	(218,316)	(1,827,534)	261,359	(23,148,155)

	Tanzania	Botswana	Cyprus	South Africa	United Kingdom	Ireland	31 December 2020 (£)
Carrying value of segmented assets	21,910	9,696,351	76,398	19,744	2,895,204	16,152,613	28,862,220
Loss after tax	(180,570)	(332)	(3,741,808)	(1,196,471)	(657,564)	(640,492)	(6,417,237)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. Revenue

	31 December 2021 (£) Group	31 December 2020 (£) Group
Electricity sales	3,245	-
	3,245	**-**

Revenue comprised ancillary electricity sales from operational testing of the renewable energy operations of MAST Energy Developments plc in the United Kingdom.

3. Other Income

	31 December 2021 (£) Group	31 December 2020 (£) Group	31 December 2021 (£) Company	31 December 2020 (£) Company
Debt forgiven	355,659	-	-	-
Profit on the loss of control over subsidiary	529,415	-	-	-
Profit on sale of plant and equipment	-	53,574	-	-
Recoveries	-	-	61,000	174,000
Other income	132,863	25,371	74,709	-
	1,017,937	**78,945**	**135,709**	**174,000**

MAST Energy Projects Ltd (MEP), a 100% owned and controlled subsidiary of MAST Energy Developments plc, a subsidiary of the Group, had certain outstanding and accrued consulting fees owing to a service provider (St. Anderton on Vaal) relating to the period 2019 to 2021.The settlement value of these fees (the "Consulting Fees") has now been agreed between MEP, MAST and St. Anderton on Vaal. The settlement comprised cash payments for a total amount of £169,603, shares issued in the amount of £169,603 by MAST Energy Developments plc and the remainder of the debt being forgiven.

On 30 September 2021, the Group lost the ability to exercise control over the operations of Katoro Gold plc and its subsidiaries (hereinafter referred to as the "Katoro Group") following from the resignation of certain Company directors, which resulted in the recognition of a gain on loss of control in the amount of £529,415. Refer to Note 11 for further detail relating to the loss of control over the investee.

4. Loss on ordinary activities before taxation

Operating loss is stated after the following key transactions:	31 December 2021 (£) Group	31 December 2020 (£) Group
Depreciation of property, plant and equipment	10,635	5,685
Impairment of other financial assets – receivable from Lake Victoria Gold	16,240	640,821
Loss on disposal of subsidiaries	-	102,414
Group auditors' remuneration for audit of financial statements	45,000	45,000
Subsidiaries auditors' remuneration for audit of the financial statements	155,094	158,122
Impairment of goodwill	300,000	-
Impairment of intangible assets	13,955,528	-
Impairment of associates	6,449,682	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. Staff costs (including Directors)

	Group 31 December 2021 (£)	Group 31 December 2020 (£)	Company 31 December 2021 (£)	Company 31 December 2020 (£)
Wages and salaries	898,145	1,028,318	27,415	38,595
Share based remuneration	146,250	225,778	-	-
	1,044,395	**1,254,096**	**27,415**	**38,595**

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

	Group 31 December 2021 (£)	Group 31 December 2020 (£)	Company 31 December 2021 (£)	Company 31 December 2020 (£)
Exploration activities	10	10	1	1
Administration	7	6	1	1
	17	**16**	**2**	**2**

6. Directors' emoluments

	Group 31 December 2021 (£)	Group 31 December 2020 (£)	Company 31 December 2021 (£)	Company 31 December 2020 (£)
Basic salary and fees accrued	361,262	434,823	27,415	38,595
Share based payments	-	-	-	-
	361,262	**434,823**	**27,415**	**38,595**

The emoluments of the Chairman were £20,578 (2020: £27,837). The emoluments of the highest paid director were £129,347 (2020: £170,190).

Directors received shares in the value of £Nil during the year (2020: £Nil) and warrants to the value of £Nil (2020: £Nil) 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 2021	Salary and fees accrued £	Salary and fees settled in shares £	Warrants issued £	Total £
Christian Schaffalitzky	20,578	-	-	20,578
Louis Coetzee	129,347	-	-	129,347
Noel O'Keeffe	38,319	-	-	38,319
Lukas Maree	7,349	-	-	7,349
Wenzel Kerremans	7,349	-	-	7,349
Andreas Lianos	36,050	-	-	36,050
Christiaan Schutte	122,270	-	-	122,270
Total	**361,262**	**-**	**-**	**361,262**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

31 December 2020	Salary and fees accrued £	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**

As at 31 December 2021, an amount of £443,336 (2020: £474,267) was due and payable to Directors for services rendered not yet settled.

7. Taxation

Current tax

	31 December 2021 (£)	31 December 2020 (£)
Charge for the period in respect of corporate taxation	-	-
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:

	2021 (£)	2020 (£)
Loss on ordinary activities before tax	**(23,148,155)**	**(6,417,237)**
Income tax expense calculated at blended rate of 18.86% (2020: 14.9%)	(4,365,742)	(956,168)
Income which is not taxable	(100,589)	(1,515,818)
Expenses which are not deductible	3,959,520	2,919,587
Losses available for carry forward	506,811	(447,601)
Income tax expense recognised in the Statement of Profit or Loss	-	-

The effective tax rate used for the December 2021 and December 2020 reconciliations above is the corporate rate of 18.86% and 14.9% payable by corporate entities on taxable profits under tax law in that jurisdiction respectively.

No provision has been made for the 2021 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 £38,201,734 (2020: £35,320,553) available for potential offset against future profits which equates to an estimated potential deferred tax asset of £5,076,208 (2020: £4,569,667). 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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 2021(£)**	**31 December 2020 (£)**
Loss for the period attributable to equity holders of the parent	(21,996,968)	(4,726,286)
Weighted average number of ordinary shares for the purposes of basic loss per share	2,480,279,189	1,546,853,959
Basic loss per ordinary share (GBP)	(0.009)	(0.003)

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 Cost	Land (£)	Furniture and Fittings (£)	Motor Vehicles (£)	Office Equipment (£)	I.T Equipment (£)	Plant & Machinery (£)	Right of use assets (£)	Total (£)
Opening Cost as 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**
Disposals	-	-	-	-	-	-	-	-
Additions	602,500	-	-	-	509	2,011,409	293,793	2,908,211
Exchange movements	-	29	192	(28)	(108)	102	-	187
Closing Cost as at 31 December 2021	**602,500**	**2,465**	**16,323**	**4,942**	**5,390**	**2,020,112**	**293,793**	**2,945,525**

Accumulated Depreciation ("Acc Depr")	Land (£)	Furniture and Fittings (£)	Motor Vehicles (£)	Office Equipment (£)	I.T Equipment (£)	Plant & Machinery (£)	Right of use assets (£)	Total (£)
Acc Depr as at 1 January 2020	**-**	**2,535**	**18,202**	**4,392**	**3,355**	**11,262**	**12,739**	**52,485**
Disposals	-	-	(6,606)	-	-	-	(12,739)	(19,345)
Depreciation	-	-	5,117	141	427	-	-	5,685
Exchange movements	-	(99)	(1,428)	(135)	507	(2,661)	-	(3,816)
Acc Depr as at 31 December 2020	**-**	**2,436**	**15,285**	**4,398**	**4,289**	**8,601**	**-**	**35,009**
Disposals	-	-	-	-	-	-	-	-
Depreciation	-	-	842	-	-	-	9,793	10,635
Exchange movements	-	29	196	9	(215)	103	-	122
Acc Depr as at 31 December 2021	**-**	**2,465**	**16,323**	**4,407**	**4,074**	**8,704**	**9,793**	**45,766**

Carrying Value	Land (£)	Furniture and Fittings (£)	Motor Vehicles (£)	Office Equipment (£)	I.T Equipment (£)	Plant & Machinery (£)	Right of use assets (£)	Total (£)
Carrying value as at 31 December 2020	**-**	**-**	**846**	**572**	**700**	**-**	**-**	**2,118**
Carrying value as at 31 December 2021	**602,500**	**-**	**-**	**535**	**1,316**	**2,011,408**	**284,000**	**2,899,759**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Pyebridge Power Ltd - 2021

The Group acquired a 100% equity interest in Pyebridge Power Limited ("Pyebridge") for £2,500,000 in cash which is settled as follows:

- An initial £1,485,500 to be paid in cash at completion date on the 10th of August 2021;
- Repayment of the loan outstanding of £14,500 by Sloane Developments Limited to Pyebridge;

Deferred consideration of £1,000,000 to be paid in two tranches 8 months and 12 months respectively from the date of completion.

The acquisition of PyeBridge comprise of the following:

- An installed and commissioned synchronous gas-powered standby generation plant and machinery; and
- The land on which the gas-powered facility stands.

The acquisition of land and gas-powered generation facility has been accounted for as assets purchased at consolidated level, and not as a business combination in accordance with IFRS 3. Therefore, the purchase price has been allocated between land and the plant and machinery based on their respective fair values as at the date of acquisition.

Right of use asset

The Group has one lease contract for land it shall utilise to construction a 5MW gas-fuelled power generation plant. The land is located at Bordersley, Liverpool St. Birmingham.

The lease of the land has a lease term of 20 years, with an option to extend for 10 years which the Group has opted to include due to the highly likely nature of extension as at the time of the original assessment.

The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group's incremental borrowing rate is 8.44%.

Right of use asset	**31 December 2021(£) Group**	**31 December 2020(£) Group**
Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:		
Opening balance	**-**	**-**
Additions	293,793	-
Depreciation	(9,793)	-
Closing balance	**284,000**	**-**
Lease liability		
Set out below are the carrying amounts of lease liabilities and the movements during the period:		
Opening balance	**-**	**-**
Additions	293,793	-
Interest	24,725	-
Repayment	(27,000)	-
Closing balance	**291,518**	**-**
Spilt of lease liability between current and non-current portions:		
Non-current	289,045	**-**
Current	2,473	**-**
Total	**291,518**	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Future minimum lease payments fall due as follows		
- within 1 year	27,000	-
- later than 1 year but within 5 years	108,000	
- later than 5 years	648,000	
Subtotal	**783,000**	
- Unearned future finance charges	(491,482)	
Closing balance	**291,518**	

A 1% change in the Incremental Borrowing Rate ("IBR"), would result in a £25,185 change in the Right of Use Asset, and corresponding Lease Liability on transaction date.

10. Intangible assets

Intangible assets consist of separately identifiable prospecting, exploration and renewable energy assets in the form of licences, intellectual property or rights acquired either through business combinations or through separate asset acquisitions.

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

	Rochdale Power (£)	Sustineri Energy (£)	Mbeya Coal to Power Project (£)	Bordersley Power (£)	Total (£)
Carrying value at 1 January 2020	**-**	**-**	**15,896,105**	**2,595,000**	**18,491,105**
Impairments	-	-	-	-	-
Carrying value at 1 January 2021	**-**	**-**	**15,896,105**	**2,595,000**	**18,491,105**
Impairments	-	-	(13,955,528)	-	(13,955,528)
Acquisition of Rochdale Power	150,273	-	-	-	150,273
Acquisition of Sustineri Energy	-	278,700	-	-	278,700
Carrying value at 31 December 2021	**150,273**	**278,700**	**1,940,577**	**2,595,000**	**4,964,550**

Intangible assets attributable to prospecting or exploration activities with an indefinite useful life are not amortised until such time that active mining operations commence, which will result in the intangible asset being amortised over the useful life of the relevant project.

Intangible assets attributable to renewable energy activities are amortised once commercial production commenced, over the remaining useful life of the project, which is estimated to be between 20 to 30 years, depending on the unique characteristics of each project.

Until such time as the underlying operations commence production commences, intangible assets with an indefinite useful life are assessed for impairment on an annual basis, against the recoverable value of the intangible asset, or earlier if an indication of impairment exists.

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 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;
- sufficient data exists 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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:

- measurement of the available resources and reserves;
- currency fluctuations and exchange movements applicable to the valuation model;
- commodity prices related to resources and reserve and forward looking statements;
- expected growth rates in respect of production capacity;
- cost of capital related to funding requirements;
- determination of the commercial viability period;
- applicable discounts rates, inflation and taxation implications;
- future operating expenditure related to the realisation of the respective project assets; and
- co-operation of key project partners going forward.

The following key assumptions influence the measurement of the intangible assets' recoverable amounts, through utilising the fair value calculation performed:

- Determination of consideration receivable based on recently completed transactions, considering the nature, location, size and desirability of recently completed transactions, for similar assets.

A summary of each project and the impairment 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. 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.

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 during 2020 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.

Result of impairment review undertaken during the period

The Group continued to pursue the possible development of the Mbeya Coal to Power Project for the export market during 2021, however the increase in global scepticism around the development of fossil fuel projects coupled with expansion toward renewable energy resulted in the phasing out of coal assets across global markets in lieu of renewable energy assets.

These factors culminated in the Group performing an impairment assessment as the carrying amount of the Mbeya Coal to Power Project asset is unlikely to be recovered in full of successful development or by sale.

Following various consultations with third parties, the Group concluded that the fair value of its Mbeya Coal to Power Project asset was estimated to be approximately £1,940,577, which is significantly lower than the value in use determined in preceding financial periods as a results of the declining demand for fossil fuel projects and the Group's move toward renewable energies, as executed toward the latter part of the 2021 financial period

It was therefore concluded that an impairment of £13,955,528 was necessary in the 2021 financial period related specifically to the Mbeya Coal to Power Project.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The fair value consideration receivable was based on third party proposals received related to the combined potential disposal of the Group's Mbeya Coal to Power and Mabasekwa Coal to Power projects. The proposed consideration receivable was allocated between the assets based on their respective carrying values, including capital contributions to the various assets at an estimated discount of between 60% and 80%.

A change of 100bps in the estimated discount applied to the capital contributions of the Mbeya Coal to Power asset would result in a £15,500 change in the fair value of the asset.

The Group is actively pursuing various options to realise value from the project, including the potential disposal of the asset to extern parties.

Bordersley Power Ltd
The Group 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, the Group 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 MAST Developments plc 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.

Rochdale Power Ltd - 2021
The Group acquired a 100% interest in Rochdale Power Limited ("Rochdale"), from Balance Power Projects Limited, for the installation of a 4.4 MW flexible gas power project in Dig Gate Lane, Rochdale, OL 16 4NR.The acquisition purchase price totals £239,523 of which the freehold site amounts to £90,750 excluding VAT and the property rights amount to £150,273. The acquisition purchase price is to be paid in cash. The freehold site purchased is the property at Dig Gate Lane, Kingsway Business Park, Rochdale, OL16 4NR.

The acquisition of land and gas-powered generation facility will be accounted for as assets purchased at consolidated level, and not as a business combination in accordance with IFRS 3. Therefore, the purchase price has been allocated to the property, plant and equipment and intangible assets, as disclosed in Note 9 and Note 10 respectively.

Sustineri Energy - 2021

The Group, through its subsidiary Kibo Energy (Cyprus) Limited (KE), entered into an agreement with Industrial Green Energy Solutions (Pty) Ltd (IGES) whereby KE would acquire 65% equity stake in Sustineri Energy (Pty) Ltd (Sustineri), with IGES, the technology (IP) and process owner, acquiring a 35% stake. IGES would contribute IP in the amount of approximately £278,000 through an equity loan to Sustineri Energy (Pty) Ltd as contribution to the incorporation of the entity, and KE would thereafter contribute resources in the amount of £532,000 as part of its contribution. Thereafter Sustineri would source debt and equity to develop its underlying projects.

IGES, on behalf of Sustineri Energy (Pty) Ltd, completed and filed the necessary environmental approvals and was awarded a waste management license by the DEFF on 4 March 2021 for the waste fired combined heat and power plant to be installed at the Limeroc Business Park in Centurion, South Africa.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

A summary of the assessment performed for each of the renewable energy intangible assets are detailed below.

Key estimation variables	**Rochdale**	**Bordersley**	**Sustineri Energy**
Life of project	25 to 30 years	25 to 30 years	10 years
Weighted average cost of capital ("WACC")	6.19%	6.32%	13.37%
Output	4.4MW	5.0MW	2.7MW
Average £/MW output	£20 to £30 per MW output	£15 to £20 per MW output	£15 to £20 per MW output
Debt/Equity ratio	55/45	55/45	75/25
Sensitivity analysis	**Rochdale**	**Bordersley**	**Sustineri Energy**
100bps Increase/Decrease in WACC	£413,842	£689,377	£191,492
250bps Increase/Decrease in £/MW output	£135,489	£168,921	£1,506,038

11. Investment in associates

Investment in associates consist of equity investments where the Group has an equity interest between 20% and 50%, and does not exercise control over the investee.

The following reconciliation serves to summarise the composition of investments in associates as at period end:

	Katoro Gold plc (£)	**Mabesekwa Coal Independent Power Project (£)**	**Total (£)**
Carrying value at 1 January 2020	**-**	**9,696,683**	**9,696,683**
Share of losses for the year	-	(332)	(332)
Carrying value at 1 January 2021	**-**	**9,696,351**	**9,696,351**
Remaining equity interest following loss of control over investee	894,090	-	894,090
Share of losses for the year	(48,357)	-	(48,357)
Impairment loss	(316,969)	(6,132,712)	(6,449,681)
Carrying value at 31 December 2021	**528,764**	**3,563,639**	**4,092,403**

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. 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 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.

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. 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 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 during 2019.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Result of impairment review undertaken during the period

The Group continued to pursue the possible development of its Mabaseka Coal to Power Project during 2021, however the increase in global scepticism around the development of fossil fuel projects coupled with expansion toward renewable energy resulted in the phasing out of coal assets across global markets in lieu of renewable energy assets.

These factors culminated in the Group performing an impairment assessment as the carrying amount of the Mabaseka Coal to Power Project asset is unlikely to be recovered in full of successful development or by sale.

Following various consultations with third parties, the Group concluded that the fair value of its Mabaseka Coal to Power Project asset was estimated to be approximately £3,563,639, which is significantly lower than the value in use determined in preceding financial periods as a results of the declining demand for fossil fuel projects and the Group's move toward renewable energies, as executed toward the latter part of the 2021 financial period

It was therefore concluded that an impairment of £6,132,712 was necessary in the 2021 financial period related specifically to the Mabaseka Coal to Power Project.

The fair value consideration receivable was based on third party proposals received related to the combined potential disposal of the Group's Mbeya Coal to Power and Mabasekwa Coal to Power projects. The proposed consideration receivable was allocated between the assets based on their respective carrying values, including capital contributions to the various assets at an estimated discount of between 60% and 80%.

A change of 100bps in the estimated discount applied to the capital contributions of the Mbeya Coal to Power asset would result in a £18,500 change in the fair value of the asset.

The Group is actively pursuing various options to realise value from the project, including the potential disposal of the asset to extern parties.

Summarised financial information of the associate is set out below:

	Group (£) 2021	**Group (£) 2020**
Non-Current assets	7,824,447	8,396,296
Current assets	866	869
Loss for the year	-	(1,107)

Kibo Energy Botswana (Pty) Ltd recognised no revenue during the year (2020:Nil). No dividends were received during the year (2020: Nil).

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

Katoro Gold plc

On 30 September 2021, the Group lost the ability to exercise control over the operations of Katoro Gold plc and its subsidiaries (hereinafter referred to as the "Katoro Group") following from the resignation of certain Kibo directors.

Following the loss of control, in accordance with IFRS 10, the assets, liabilities, non-controlling interest and foreign currency translation reserves attributable to the operations of the Katoro Group were derecognised, with the remaining equity interest retained in the associate being recognised at fair value, resulting in a loss on deemed disposal recognised through profit or loss, as detailed below.

	Group (£) 30 September 2021
Cash and cash equivalents	272,075
Other financial liabilities	(77,434)
Trade and other payables	(37,138)
Net asset value disposed of	**157,503**
Non-controlling interest	(138,045)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Foreign currency translation reserves	345,217
Attributable equity disposed of	**364,675**
Consideration received – cash or otherwise	-
Investment retained in associate measured at fair value	(894,090)
Profit from loss of control over subsidiaries	**(529,415)**

The value of the remaining equity interest in Katoro Gold plc on initial recognition as an associate, was determined based on the fair value of the listed equities.

Summarised financial information of the associate is set out below:

	Group (£) 31 December 2021
Non-current assets	209,500
Current assets	876,658
Current liabilities	(163,732)
Loss for the year ended	(1,142,479)
Cash flow from operating activities	(915,880)
Cash flow from investing activities	(125,866)
Cash flows from financing activities	(1,771,925)

Katoro Gold plc recognised no revenue during the year (2020:Nil). No dividends were received during the year (2020: Nil).

Katoro Gold plc's principal place of business is the 6th Floor, 60 Gracechurch Street, London, EC4V OHR. Project specific information about Katoro Gold plc can be obtained from their website at katorogold.com.

12. Other financial assets

	Group (£)	
	2021	**2020**
Other financial assets comprise of:		
Lake Victoria Gold receivable	657,061	640,821
Blyvoor Joint Venture receivable	1,223,495	1,160,337
	1,880,556	**1,801,158**
Impairment allowance for other financial assets receivable		
Lake Victoria Gold receivable	(657,061)	(640,821)
Blyvoor Joint Venture receivable	(1,223,495)	(1,160,337)
	-	-

	Group (£)	
Reconciliation of movement in other financial assets	**Blyvoor Joint Venture**	**Lake Victoria Gold**
Financial asset receivable	1,160,337	640,821
Credit loss allowance recognised	(1,160,337)	(640,821)
Carrying value as at 31 December 2020	**-**	**-**
Foreign exchange movement	-	16,240
Further advance on the Blyvoor Joint Venture	63,158	-
Credit loss allowance recognised	(63,158)	(16,240)
Carrying value as at 31 December 2021	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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 of	**(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)**

The amount receivable from Lake Victoria Gold will be due and payable on the following dates:
- US$100,000 upon the satisfaction of the Condition Precedent;
- US$100,000 upon registration of Reef in the name of LVG;
- US$100,000 four months from the date of the SPA;
- US$200,000 nine months from the date of the SPA; and
- 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 was fully impaired due to the significant increase in credit risk during the 2020 financial period, which is as a result of subsequent payments not being received as they become due and was still outstanding as at 30 September 2021, the date on which the Kibo Group lost control over Katoro Gold plc as noted above in Note 11.

Blyvoor Joint Operations
On 30 January 2020, the Katoro Gold 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 30 September 2021, the date on which the Kibo Group effectively lost control over the Katoro Group, the Katoro Group had advanced funding in the amount of £1,223,495 of which 100% relate to expenditure allocated to the Joint Venture operations, carried by the Katoro Gold plc Group.

13. Goodwill

MAST Energy Projects Limited - 2020
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 Energy plc effective on 19 October 2018. The acquisition of MAST Energy Projects Limited falls within the ambit of IFRS 3: Business Combinations.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The net assets acquired were valued at Nil, with the resultant purchase price being allocated to Goodwill on date of acquisition. 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.

Because the underlying projects previously held by Mast Energy Projects Limited have now been restructured into separate SPV's, controlled directly by the intermediary holding company Sloane Developments Limited, there was no prospective benefit from continued operations of Mast Energy Projects Limited therefore the goodwill was impaired. The Company will cease operations in the foreseeable future.

14. Other receivables

	Group 2021 (£)	Group 2020 (£)	Company 2021 (£)	Company 2020 (£)
Amounts falling due within one year:				
Other debtors	255,747	115,886	73,734	39,085
	255,747	**115,886**	**73,734**	**39,085**

The carrying value of current receivables approximates their fair value.

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.

15. Cash

	Group (£)		Company (£)	
Cash consists of:	**2021**	**2020**	**2021**	**2020**
Short term convertible cash reserves	2,082,906	256,760	239,674	141,788
	2,082,906	**256,760**	**239,674**	**141,788**

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

16. Share capital - Group and Company

	2021	2020
Authorised equity		
5,000,000,000 Ordinary shares of €0.001 each	€5,000,000	€5,000,000
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	**€46,000,000**
Allotted, issued and fully paid shares		
(2021: 2,930,657,437 Ordinary shares of €0.001 each)	£1,836,562	
(2020: 2,221,640,835 Ordinary shares of €0.001 each)		£1,205,611
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
	£21,042,444	**£20,411,493**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	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**	**-**
Shares issued during the period	709,016,602	630,951	-	1,116,957	
Balance at 31 December 2021	**2,930,657,437**	**1,836,562**	**19,205,882**	**45,429,328**	**-**

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 prior 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.

17. 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. The control reserve balance as at the year end is Nil, following the loss of control over of Katoro Gold plc effective from 30 September 2021.

18. Share based payments reserve

The following reconciliation serves to summarise the composition of the share-based payment reserves as at period end, which incorporates both warrants and share options in issue for the Group:

	Group (£)	
	2021	**2020**
Opening balance of share-based payment reserve	**1,728,487**	**1,504,513**
Issue of share options and warrants	194,944	645,445
Deferred vendor liability settled through the issue of shares	-	(421,471)
Expired warrants during the period	(559,400)	-
Loss of control over subsidiary	(897,163)	-
	466,868	**1,728,487**

Share Options and Warrants detail

Share Options

Katoro Gold plc had the following share options in issue at the beginning of the year and throughout the period up to the date of loss of control:

- 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; and

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

- a share option plan whereby the Board and Management of the Company were granted options ("Options") over a total of 17,300,000 new ordinary shares of £0.01each in the capital of the Company ("Ordinary Shares") 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

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 over the years is 2.26p.

The following reconciliation serves to summarise the value attributable to the share option reserve as at period end:

	Group (£)	
	2021	**2020**
Opening balance of share-based payment reserve	**256,315**	**30,537**
Issue of share options	146,249	225,778
Loss of control over subsidiary	(402,564)	-
	-	**256,315**

The following reconciliation serves to summarise the quantity of share options in issue as at period end:

	Group	
	2021	**2020**
Opening balance	32,244,781	14,944,781
Share options issued	-	17,300,000
Loss of control of subsidiary	(32,244,781)	-
	-	**32,244,781**

Kibo Energy plc and MAST Energy Developments plc had no share options in issue throughout the year.

Warrants

Katoro Gold plc had the following warrants in issue at the beginning of the year and throughout the year over its Ordinary Shares up to date of loss of control:

- 1,208,333 warrants to Beaufort's 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;

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

- 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;
- 48,000,000 warrants to various funders in respect of placing and subscription of 48,000,000 ordinary shares of 2.0p each issued on 15 January 2021. 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;
- 81,500,000 warrants to various funders in respect of placing and subscription of 81,500,000 ordinary shares of 1.0p each issued on 8 November 2021. 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.

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 for the warrants issued and outstanding by Katoro Gold plc.

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 *Financing shares*
Date issued	April '17	May '19	March '20	June '20	January '21	November '21
Warrants granted initially	1,208,333	10,000,000	17,200,000	36,666,666	48,000,000	81,500,000
Stock price	6p	1.3p	1.35p	1.7p	2.15p	0.98p
Exercise price	6p	1.25p	2p	3p	3p	1.5p
Risk free rate	0.1%	0.4%	0.1%	0.1%	0.1%	1.325%
Volatility	70%	82%	86.44%	148.29%	149.64%	129.8%
Time to maturity	5 years	3 years	2 years	3 years	3 years	3 years

Kibo Energy plc had the following warrants in issue over its Ordinary Shares throughout the period up to year end:

- 221,111,140 warrants were issued with the share placing completed on 4 November 2019. Each share issued for this placing includes one warrant exercisable at 0.6 pence per share for the period of 36 months from the date of issue.
- 240,000,000 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.
- 362,500,000 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.
- 430,000,000 warrants were issued with the early termination of convertible loan note completed on 3 November 2021. The warrants are exercisable at 0.4 pence per share for the period of 24 months from the date of issue.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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 for the warrants issued and outstanding by Kibo Energy plc.

Description of key input	**Key Assumptions** *Kibo Energy Plc October 2019 placing*	**Key Assumptions** *Kibo Energy CLN Termination*	**Key Assumptions** *Kibo Energy CLN Termination*	**Key Assumptions** *Kibo Energy CLN Termination*
Date issued	October 2019	September 2020	September 2020	November 2021
Warrants granted initially	221,111,140	240,000,000	362,500,000	430,000,000
Stock price	0.5p	0.25p	0.25p	0.22p
Exercise price	0.6p	0.4p	0.25p	0.4p
Risk free rate	0.4%	0%	0%	0%
Volatility	99%	144.5%	144.5%	104.54%
Time to maturity	3 years	3 years	3 years	2 years

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

The following reconciliation serves to summarise the value attributable to the share option reserve as at period end for the Group:

	Group (£)	
	2021	**2020**
Opening balance of warrant reserve	**1,472,172**	**1,052,505**
Issue of warrants	48,695	419,667
Expired warrants	(559,400)	-
Loss of control of subsidiary	(494,599)	-
	466,868	**1,472,172**

The following reconciliation serves to summarise the value attributable to the share option reserve as at period end for the Company:

	Company (£)	
	2021	**2020**
Opening balance of warrant reserve	**977,575**	**977,575**
Issue of warrants	48,693	-
Expired warrants	(559,400)	-
	466,868	**977,575**

The following reconciliation serves to summarise the quantity of warrants in issue as at period end:

	Group		**Company**	
	2021	**2020**	**2021**	**2020**
Opening balance	**1,341,308,419**	663,333,420	**1,275,833,420**	663,333,420
New warrants issued	430,000,000	682,774,999	430,000,000	612,500,000
Warrants exercised	(189,431,556)	(4,800,000)	(188,431,556)	-
Warrants expired	(340,740,724)	-	(336,540,724)	-
Decrease in warrants following loss of control over subsidiary	(60,274,999)	-	-	-
	1,180,861,140	**1,341,308,419**	**1,180,861,140**	**1,275,833,420**

At 31 December 2021 the Group had no share options and 1,180,861,140 warrants outstanding.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Warrants

Date of Grant	Issue date	Expiry date	Exercise price	Number granted	Exercisable as at 31 December 2021
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	240,000,000	216,000,000
17 Sept 2020	17 Sept 2020	17 Sept 2023	0.25p	362,500,000	313,750,000
3 November 2021	3 November 2021	2 November 2023	0.4p	430,000,000	430,000,000
				1,253,611,140	**1,180,861,140**
Total Contingently Issuable shares				**1,253,611,140**	**1,180,861,140**

Expenses settled through the issue of shares

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

	2021 (£)	2020 (£)
Geological expenditure settled	-	663,079
Listing and capital raising fees	-	178,000
Shares and warrants issued to directors and staff	146,250	225,778
	146,250	**1,066,857**

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 de-risked, 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

19. 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	
	2021 (£)	**2020 (£)**
Opening balance	**(598,637)**	**(872,942)**
Movement during the period	(212,764)	152,635
Disposal of subsidiary	345,217	121,670
Closing balance	**(466,184)**	**(598,637)**

20. Non-controlling interest

The non-controlling interest brought forward relates to the minority equity attributable to Katoro Gold plc and its subsidiaries. On 30 September 2021 the Group lost control over Katoro Gold plc. On 14 April 2021 the Group's subsidiary, MAST Energy Developments Ltd concluded an IPO on the standard board of the London Stock Exchange, following which the Group's equity interest diluted to 55% equity. Therefore, as at 31 December 2021, the Group's non-controlling interest comprises 45% equity held in MAST Energy Development plc.

	Group	
	2021 (£)	**2020 (£)**
Opening balance	**(256,841)**	**27,073**
Change of interest in subsidiary without loss of control	3,201,014	1,407,037
Acquisition of non-controlling interest	308,030	-
Change in shareholding resulting in a loss of control	(138,045)	-
Comprehensive loss for the year allocated to non-controlling interest	(1,151,342)	(1,690,951)
Closing balance of non-controlling interest	**1,962,816**	**(256,841)**

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 2021, is presented below:

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The summarised financial information for significant subsidiaries in which the non-controlling interest has an influence, namely MAST Energy Developments plc as at ended 31 December 2021, is presented below:

	MAST Energy Development plc 2021 (£)
Statement of Financial position	
Total assets	7,630,488
Total liabilities	(3,780,744)
Statement of Profit and Loss	
Revenue for the period	3,245
Loss for the period	(1,408,958)
Statement of Cash Flow	
Cash flows from operating activities	(759,694)
Cash flows from investing activities	(1,804,510)
Cash flows from financing activities	4,369,461

21. Trade and other payables

	Group 2021 (£)	Group 2020 (£)	Company 2021 (£)	Company 2020 (£)
Amounts falling due within one year:				
Trade payables	1,116,273	1,444,986	114,062	218,877
	1,116,273	**1,444,986**	**114,062**	**218,877**

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

22. Borrowings

	Group 2021 (£)	Group 2020 (£)	Company 2021 (£)	Company 2020 (£)
Amounts falling due within one year:				
Short term loans	1,079,691	858,546	119,004	344,391
	1,079,691	**858,546**	**119,004**	**344,391**

	Group 2021 (£)	Group 2020 (£)	Company 2021 (£)	Company 2020 (£)
Reconciliation of borrowings:				
Opening balance	858,546	523,725	344,391	294,955
Raised during the year	978,038	1,370,000	-	590,000
Repaid during the year	(175,705)	(25,000)	(55,669)	(25,000)
Consulting and facilitation fees	-	540,200	-	250,000
Reclassification shareholder contribution to debt	-	41,155	-	-
Debt forgiven	(355,659)	-	-	-
Loss of control over subsidiary	(77,434)	-	-	-
Interest raised	21,623	-	-	-
Settled through the issue of shares	(169,718)	(1,591,534)	(169,718)	(765,564)
Closing balance	**1,079,691**	**858,546**	**119,004**	**344,391**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Short term loans

Sanderson Capital Partners Limited
Short term loans relate to the unsecured interest free loan facility from Sanderson Capital Partners Limited in the amount of £119,004 which is repayable either through the issue of ordinary shares or payment of cash by the Company.

Refer to Note 26, which highlights the settlement of the above debt owing, post year end.

Deferred vendor liability
The amount due to vendors represents the balance of the purchase consideration owing in respect of the acquisition of Pyebridge Power Limited. The liability will be settled in cash as follows:

- £500,000 payable within 8 months after the signing of the SPA represents: and
- £500,000 payable within 12 months after the signing of the SPA represents.

The fair value of the deferred vendor liability is based on the anticipated purchase consideration payable, at the fair value thereof on the date of the transaction. The carrying value of current other financial liability equals their fair value due mainly to the short-term nature of these payables.

23. Investment

Breakdown of investments as at 31 December 2021

	Subsidiary undertakings (£)
Kibo Mining (Cyprus) Limited	16,233,997
Katoro Gold plc	528,764
Total cost of investments	**16,762,761**

Breakdown of investments as at 31 December 2020

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

	Subsidiary undertakings (£)
Investments at Cost	
At 1 January 2020	**43,318,643**
Additions in Kibo Mining (Cyprus) Limited	2,766,361
Mbeya Developments Limited	1,706,896
Disposal in Sloane Developments Limited	(2,643,558)
Reversal of impairment in Katoro Gold plc	1,515,818
At 31 December 2020 (£)	**46,664,160**
Additions in Kibo Mining Cyprus Limited	1,114,324
Impairment of the subsidiaries	(29,379,842)
Fair value adjustment of Katoro Gold plc	(1,635,881)
At 31 December 2021 (£)	**16,762,761**

The impairment in Katoro Gold plc is due to the significant decline in the share price, which results in the recoverable amount of the investment in Katoro Gold plc decreasing considerably in 2021.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The impairment in Kibo Mining (Cyprus) Limited is due to the impairment recognised in the subsidiary investments, being the investment held in the Mabasekwa Coal to Power and Mbeya Coal to Power projects during 2021.

At 31 December 2021 the Company had the following undertakings:

Description	Subsidiary, associate, Joint Ops	Activity	Incorporated in	Interest held (2021)	Interest held (2020)
Directly held Investments					
Kibo Mining (Cyprus) Limited	Subsidiary	Treasury Function	Cyprus	100%	100%
Katoro Gold plc	Associate	Mineral Exploration	United Kingdom	20.88%	29.25%
Indirectly held Investments					
MAST Energy Development plc	Subsidiary	Power Generation	United Kingdom	55%	100%
Sloane Developments Limited	Subsidiary	Holding Company	United Kingdom	55%	100%
MAST Energy Projects Limited	Subsidiary	Power Generation	United Kingdom	55%	60%
Bordersley Power Limited	Subsidiary	Power Generation	United Kingdom	55%	100%
Rochdale Power Limited	Subsidiary	Power Generation	United Kingdom	55%	-%
Pyebridge Power Limited	Subsidiary	Power Generation	United Kingdom	55%	-%
Kibo Gold Limited	Associate	Holding Company	Cyprus	20.88%	29.25%
Savannah Mining Limited	Associate	Mineral Exploration	Tanzania	20.88%	29.25%
Kibo Nickel Limited	Associate	Holding Company	Cyprus	20.88%	29.25%
Eagle Exploration Limited	Associate	Mineral Exploration	Tanzania	20.88%	29.25%
Katoro (Cyprus) Limited	Associate	Mineral Exploration	Cyprus	20.88%	29.25%
Katoro South Africa Limited	Associate	Mineral Exploration	South Africa	20.88%	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%
Sustineri Energy (Pty) Ltd	Subsidiary	Renewable Energy	South Africa	65%	-%
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

24. Related parties

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 plc.

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

Directly held investments:	Kibo Mining (Cyprus) Limited
	Katoro Gold plc
Indirectly held investments:	Kibo Gold Limited
	Kibo Mining South Africa Proprietary Limited
	Savannah Mining Limited
	Kibo Nickel Limited
	Katoro (Cyprus) Limited
	Katoro South Africa Limited
	Kibo Energy Botswana Limited
	Kibo Energy Mozambique Limited
	Eagle Exploration Mining Limited
	Rukwa Holdings Limited
	Mbeya Holdings Limited
	Mbeya Development Company Limited
	Mbeya Mining Company Limited
	Mbeya Coal Limited
	Mbeya 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 plc
	MAST Energy Projects Limited
	Sloane Developments Limited
	Bordersley Power Limited
	Rochdale Power Limited
	Pyebridge Power Limited

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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

- River Group was paid £40,000 (2020: £37,500) 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 £161,000 (2020: £276,000) during the year for consulting services rendered to Mast Energy Project Limited.

- On 31 July 2020, the Sloane Developments Limited, Mast Energy Projects Limited and St. Anderton on Vaal Limited entered into the Share Exchange Agreement relating to the acquisition by Sloane Developments Limited of the remaining 40% of the issued share capital of Mast Energy Projects Limited. Under the Share Exchange Agreement, the Company will pay St Anderton on Vaal Limited the sum of £4,065,586 payable by the issue of 36,917,076 ordinary shares of £0.001 each in the Company. Completion of the Share Exchange Agreement was subject to and conditional upon the Admission of Mast Energy Developments Limited to the London Stock Exchange. Following completion of the IPO on 14 April 2021, the Group acquired the remaining equity interest in Mast Energy Projects Ltd for the consideration equal to 36,917,076 shares at a total value of £4,065,586.

- St Anderton on Vaal Limited was paid £169,603 (2020: £Nil) during the year for the settlement of the amounts owing by MAST Energy Projects Limited for consulting services rendered, which resulted in another income on the debt write-off of £355,397.

- During the year, Namaqua Management Limited or its nominees, was paid £Nil (2020: £365,027) for the provision of administrative and management services. £Nil was payable at the year-end (2020: £Nil).

- The Boudica Group was paid £24,796 (2020: £Nil) for corporate services during the current financial period. No fees are payable to Boudica Group at year end.

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

25. 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 2021 and 2020 financial period, the Group and Company's policy not to undertake trading in derivatives.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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.

	2021 (£)		2020 (£)	
Financial instruments of the Group are:	Loans and receivables	Financial liabilities	Loans and receivables	Financial liabilities
Financial assets at amortised cost				
Other receivables	255,747	-	115,886	-
Cash	2,082,906	-	256,760	-
Financial liabilities at amortised cost				
Trade payables	-	1,116,273	-	1,444,986
Borrowings	-	1,079,691	-	858,546
	2,338,653	**2,195,964**	**372,646**	**2,303,532**

	2021 (£)		2020 (£)	
Financial instruments of the Company are:	Loans and receivables	Financial liabilities	Loans and receivables	Financial liabilities
Financial assets at amortised cost				
Other receivables	73,734	-	39,085	-
Cash	239,674	-	141,788	-
Financial liabilities at amortised cost				
Trade payables	-	114,062	-	218,877
Borrowings	-	119,004	-	344,391
	313,408	**233,066**	**180,873**	**563,268**

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 2021, the Group had no outstanding forward exchange contracts.

Exchange rates used for conversion of foreign subsidiaries undertakings were:

	2021	2020
ZAR to GBP (Spot)	0.0465	0.0499
ZAR to GBP (Average)	0.0492	0.0469
USD to GBP (Spot)	0.7412	0.7325
USD to GBP (Average)	0.7281	0.7798
EURO to GBP (Spot)	0.8394	0.8984
EURO to GBP (Average)	0.8595	0.8894

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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 significant 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.

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

Financial instruments	**Group (£)**		**Company (£)**	
	2021	**2020**	**2021**	**2020**
Trade & other receivables	255,747	115,886	73,734	39,085
Cash	2,082,906	256,760	239,674	141,788

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 2021 were all payable on demand.

	Less than 1 year	**Greater than 1 year but within 5 years**	**Greater than 5 years**
Group (£)			
At 31 December 2021			
Trade and other payables	1,116,273	-	-
Borrowings	1,079,691	-	-
Lease liabilities	27,000	108,000	648,000
At 31 December 2020			
Trade and other payables	1,444,986	-	-
Borrowings	858,546	-	-
Company (£)			
At 31 December 2021			
Trade and other payables	114,062	-	-
Borrowings	119,004	-	-
At 31 December 2020			
Trade and other payables	218,877	-	-
Borrowings	344,391	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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 2021.

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.

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
As at31 December 2021, the Group had no outstanding contracts designated as hedges.

26. Post Statement of Financial Position events

Settlement of Outstanding Fees to Directors and Management
Kibo settled outstanding fees owing to directors and management through the issue of a 7% convertible loan note redeemable instrument. The convertible instrument provides for the issue of unsecured redeemable convertible loan notes of integral multiples of £1 each to the aggregate amount of £672,824. The subscriptions for the notes shall be used to fund the Company's working capital requirements related to outstanding salaries and fees due to management, directors and former directors who are the sole subscribers to the notes.

Appointment of Shard Capital Partners LLP as Joint Broker
Kibo appointed Shard Capital Partners LLP as joint broker to the Company with immediate effect, to act alongside Hybridan LLP, who remains the Company's joint broker, and RFC Ambrian Ltd, who remains nominated advisor.

Power Purchase Agreement on South Africa Waste to Energy Project – Sustineri Energy (Pty) Ltd
Kibo entered a 10-year take-or-pay conditional Power Purchase Agreement (`PPA') to generate baseload electricity from a 2.7 MW plastic-to-syngas power plant. The plant will be constructed, commissioned and operated for an Industrial Business Park Developer in Gauteng, South Africa. The project, is the first project under Sustineri Energy (Pty) Ltd, a joint venture in which Kibo holds 65% and the balance of 35% is held by Industrial Green Energy Solutions (Pty) Ltd.

Signing of Funding Facility Agreement with Institutional Investor and Issue of Shares in lieu of Payment
Kibo signed a bridging loan facility agreement with an institutional investor for up to £3m with a term of up to 36 months. The facility provides for an initial drawdown of £1m which is immediately available to the Company on signing of the facility. Funds advanced under the facility will attract a fixed coupon interest rate of 3.5% and will be repayable with accrued interest, 4 months from the date of drawdown.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The Investor shall receive warrants equal to 30% of each drawdown divided by the average of the daily VWAP for each of the 5 consecutive trading days immediately prior to the applicable drawdown date, with a 36-month term to expiry from the date of issuance. The warrants are exercisable at a subscription price being equal to 130% of the then prevailing reference price. If the share price of the Company is above a 100% premium to the relevant exercise price for 30 consecutive days, then 50% of the warrants will be cancelled, unless otherwise previously exercised. With regards to the initial advance, the Investor will receive 168,274,625 warrants.

In compliance with the facility terms for the initial advance, the Company has issued shares in settlement of a facility implementation fee of £70k in the amount of 39,264,079 new ordinary Kibo shares of €0.001 each at a deemed price of 0.17828 pence per share. Additionally, the Company has issued 13,157,895 new ordinary Kibo shares of €0.001 each at 0.19 pence per share to certain providers of financial and technical services in payment of outstanding invoices.

Convertible Instrument Extension of Redemption Date

On 1 March 2022 Kibo agreed an extension of one month for the redemption date of the convertible instrument, with all but one of the subscribers to the notes. The new extended redemption date was revised to be 1 April 2022. The extension included notes in aggregate of £657,985, from the total amount of £672,824. The amount of £14,839 (face value and interest) was settled in cash, in accordance with the terms of the convertible instrument announced on 07 January 2022.

On 1 April 2022 Kibo agreed a further extension of three months for the redemption date of the convertible instrument, with all remaining noteholders. The new extended redemption date will now be 1 July 2022. The further extension includes notes in aggregate of £657,985.

Agreement to deploy at least 1 Gigawatt of Long Duration Energy Storage in Southern Africa

Kibo signed a rolling 5-year Framework Agreement with Enerox GmbH ('CellCube'), to develop and deploy CellCube based Long Duration Energy Storage ("LDES") solutions in selected target sectors in Southern Africa. Under the agreement Kibo has been granted conditional exclusive rights, subject to successful Proof of Concepts ("PoC"), to the marketing, sales, configuration and delivery of CellCube's vanadium redox flow batteries ("VRFB") in the development of its LDES solutions in microgrid applications behind the meter.

Appointment of Group Chief Financial Officer

Kibo appointed Mr. Cobus van der Merwe as Group Chief Financial Officer with effect from the 1st of June 2022.

Settlement of Outstanding Loan and Issue of Shares

Kibo issued 56,118,047 new Kibo shares of €0.001 each at a deemed issue price of £0.0016 per share to Sanderson Capital Partners Limited in full and final settlement of £89,788.88 of the total remaining outstanding amount owing pursuant to the forward payment facility signed between Sanderson Capital Partners Limited and the Company in December 2016.

27. 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 incurred.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Annexure 1: Headline Earning Per Share

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 2021 (£)**	**31 December 2020 (£)**
Loss for the period attributable to normal shareholders	(21,996,968)	(4,726,286)
Adjustments:		
Loss on disposal of subsidiaries	-	102,414
Profit on loss of control over of subsidiaries	(529,415)	-
Profit on disposal of motor vehicle	-	(53,574)
Impairment of goodwill	300,000	-
Impairment of intangible assets	13,955,528	-
Impairment of associates	6,449,681	-
Headline loss for the period attributable to normal shareholders	**(1,821,174)**	**(4,677,446)**
Headline loss per ordinary share	(0.0007)	(0.003)
Weighted average number of shares in issue:	2,480,279,189	1,546,853,959

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.