Company Registration No. 05697574

KAZERA GLOBAL plc

Annual report
For the year ended 30 June 2019

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COMPANY INFORMATION

DIRECTORS:	G Clarke	Chairman
	L Johnson	CEO
	N Harrison	Director
SECRETARY:	B James	
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COMPANY REGISTRATION NUMBER:	05697574	
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INDEPENDENT AUDITORS:	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD	
NOMINATED ADVISOR AND JOINT BROKER:	FinnCap Limited 60 New Broad Street London EC2M 1JJ	
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CHAIRMAN’S STATEMENT
For the year ended 30 June 2019

Review of the Period

2019 has been a year of strategic change for Kazera Global and I am pleased with the position the Company is in and excited for what the future holds.

During the year, we shifted our strategic focus to define JORC compliant resources at Mine and enable a comprehensive understanding of the mineralisation on the property and to assess fully the fundamental and future value of the operation.

The Company successfully raised raised £0.5 million before expenses through a placing of 29,411,765 new ordinary shares of 1p each at a price of 1.70p each. The net proceeds were used to progress its drilling campaign of resource identification at Purple Haze, Homestead, Signaalberg and White City deposits, cover overheads and to advance discussions with funders for the Orange River Pipeline to the Mine as well as potential offtake proposals. Additionally, post period, the Company raised £400,000 (before expenses) through the issue of the 66,666,667 Placing Shares. The proceeds of this placing will be used to provide additional working capital for the Company and in particular, to complete Phase 1 drilling and begin the Phase 2 exploration step-out drilling which we expect to identify further Mineral Resources, and to allow the Board the ability to evaluate additional acquisition and investment opportunities to enhance the long-term value of the Company for shareholders.

Post period, we were pleased to announce maiden JORC (2012) compliant Mineral Resource estimates over the Homestead and Purple Haze deposits at the NTI mine. The maiden JORC compliant combined total Indicated and Inferred tantalite and lithium Mineral Resource at Homestead and Purple Haze deposits of 324.6 thousand tonnes ("kt"), with further resource upside expected to be identified. Strong grades of tantalite shown across both deposits and higher than anticipated grades of Lithium across both deposits. We are delighted with these initial results which clearly demonstrate the potential at these two deposits. With an enhanced understanding of the mineralisation, further drilling is expected at both deposits to enhance the resources and we continue a wider exploration programme.

In August, post period, we were able to announce initial drilling results for the White City Pegmatite and additional results from channel sampling at Purple Haze. The Purple Haze channel sample grades confirmed high concentrations of lepidolite mineralisation, and the White City intersections also confirmed mineralisation. Additionally, in December, we were pleased to announce the completion of a maiden JORC Compliant Mineral Resources Estimate for the White City Pegmatite as part of the ongoing exploration programme at the Mine. Maiden Inferred Tantalite Resource at White City Deposit of 297,600 tonnes which is in line with the Company's pre-exploration programme expectations.

Financials

The Group recorded a loss before tax of £1,340k (2018: £2,538k) and had cash balances of £421k (2018: £1,125k) at the end of the year.

The Group does not plan to pay a dividend for the year (2018: £Nil).

A prior year adjustment is reported in the current year financials with regards to the exploration assets as follows:

- On acquisition of the Tantalite Asset, the amount paid over and above the fair value of the net assets acquired was attributed to Goodwill rather than to the value of the exploration asset purchased.
- In the prior year, the Company announced that the project in Namibia had entered into a trial production phase, and therefore moving out of the exploration phase. As a result, the classification of the exploration asset has been revised as a Mine under Construction.

There is no impact on the Group’s retained earnings arising from these adjustments.

Outlook

As we progress and complete Phase 1 of our exploration drilling campaign and embark on Phase 2 exploration step-out drilling in calendar year 2020, we expect to delineate further Mineral Resources across the entire property and aim to identify additional mineralisation across the mine.

On behalf of the Board, I thank our fellow employees for their unwavering hard work and all the staff of Aftan and our shareholders for their continued support.

Giles Clarke
Chairman
20 December 2019

CHIEF EXECUTIVE OFFICER'S REVIEW
For the year ended 30 June 2019

Overview

During the period to date, the Company has been entirely focused on its strategy of a targeted exploration programme at the NTI mine while also reducing ongoing costs. Our exploration programme was designed to test and define total tantalum and lithium mineralisation across the NTI licence area and was started in July 2018. Results so far have been very positive, with JORC Compliant Maiden Mineral Resource statements confirming our pre-drill expectations of good mineralisation across multiple bodies at NTI mine.

As the results are received, we have been able to feed into a wider interpretation of the Mine which will enable a comprehensive understanding of the mineralisation on the property and to truly assess the fundamental and future value of the operation.

Operations

With the year focused on the exploration programme the Company ceased ore processing our workforce was re-deployed. During these initial stages of the exploration program, we received a number of approaches from additional potential customers of our product which we continue to explore and we also continued to develop development options for our water licence to acquire water from the Orange River for future mining operations. We were pleased to welcome 7 companies to inspect the property as part of a tender process for the Orange River pipeline. We see this as a very important workflow to continue to progress as we high-grade the licence.

By November 2018, our exploration programme had progressed rapidly and we had drilled and assayed 360 cores. Initial results were promising from both Homestead and Purple Haze, intercepting both tantalum and lithium mineralisation and showing strong grades at both deposits. These results prompted the Company to consider drilling further boreholes at the Homestead and Purple Haze locations to give further clarity to the deposits. This additional drilling at the deposits was completed in March 2019 and once again produced highly encouraging results, encountering mineralisation indicative of the potential to produce both lithium and tantalum commercially, in line with the 2015 Venmyn Report.

During this period, the Company was approached by two parties interested in becoming strategic funding partners for the Orange River Project and for further development of the Mine. This was a material development for the project and demonstrated wider appreciation of the value the Company is realising at the Mine.

Post Period, in July 2019, we were delighted to announce a maiden JORC (2012) compliant Mineral Resource estimates over the Homestead and Purple Haze deposits at the Mine. This resource estimate indicated a maiden JORC (2012) compliant combined total Indicated and Inferred tantalite and lithium Mineral Resource at Homestead and Purple Haze deposits of 324.6 thousand tonnes ("kt"), with further resource upside expected to be identified. Grades were also promising with strong grades of tantalite shown across both deposits, with an average grade of 323 parts per million ("ppm") Ta_2O_5 including 911 ppm Ta_2O_5 in the Indicated Tantalum Mineral Resource at Purple Haze. Excitingly we also were able to demonstrate higher than anticipated grades of Lithium across both deposits, with an average grade of 4,410 ppm Li_2O, including 10,800 ppm Li_2O in portion of the Homestead Mine Mineral Resource.

Also post-period, in August, we were pleased to announce further drilling results which demonstrated particularly high concentrations of lepidolite mineralisation at the site. The results were an important step and has enabled us to set out our Phase 2 exploration step-out drilling programme which we expect to delineate further Mineral Resources across the property. These results were then followed by a further JORC compliant maiden Mineral Resource estimate for the White City Pegmatite. This Mineral Resource Estimate indicated an inferred tantalite resource at White City of 297,600 tonnes, consistent with the Company's pre-exploration programme expectations. Across the deposit, strong grades were shown, with an average grade of 105 parts per million ("ppm") Ta_2O_5.

Further to the encouraging ongoing exploration activity at NTI, the Company also registered a subsidiary named Kazera Trading, which will operate in conjunction with Kazera Global. Kazera Trading will function as an ore trading arm of the Company facilitating the global movement of resources such as tantalum, through leveraging the experience of Kazera's management. Initial trades have already been agreed and the Company will provide further updates shortly.

Outlook

The first phase of our exploration programme has proven to be a success and has given the Company impetus to continue to realise this value through further drilling. At the same time, the Group continues to look at future cashflow opportunities such as Kazera Trading from which the Company can leverage management expertise to deliver value.

We see NTI Mine as being a highly material project and we will continue to focus on high-grading the Mine licence while facilitating processes to create meaningful production from the mine in the future.

Larry Johnson
Chief Executive Officer
20 December 2019

STRATEGIC REPORT
For the year ended 30 June 2019

The Directors present their strategic report on the Group for the year ended 30 June 2019.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW
The principal activity of the Group is to act as an investor in the resources and energy sectors. The Group is currently focused on its Tantilite project located in Namibia but is considering other opportunities. The Group may be either an active investor and acquire control of a single company or it may acquire non-controlling shareholdings.

The Directors recommend that there is no dividend payment for the year ended 30 June 2019 (2018: nil).

The review of the period is contained within the Chairman's statement.
The Chairman's statement provides a balanced and comprehensive analysis of the future developments, performance and results of the Group during the period and of the balance sheet position of the Group at the end of that period in the context of the Group's current activities.

INVESTING POLICY
Kazera Global plc (the "Company") seeks to achieve shareholder return primarily via capital appreciation through the purchase and sale of securities and other direct investments in companies and projects primarily in, but not limited to, Africa within the mining and resource sectors (the "Target Sectors") including traditional direct investments in securities and similar financial instruments including any combination of the following:

(a) equity securities (predominantly unlisted);
(b) listed and unlisted debt securities that may be rated or not rated (bonds, debt instruments, convertible bonds and bonds with warrants, fund-linked notes with a capital guarantee, loan facilities etc.); and
(c) hybrid instruments.

The Company may exploit a wide range of investment opportunities within the Target Sectors as they arise and, to this end, the Company has complete flexibility in selecting the specific investment and trading strategies that it sees fit in order to achieve its investment objective. In this regard, the Company may seek to gain Board representation and/or managerial control in its underlying investments if it deems to be the best way of generating value for Shareholders.

Opportunities will be chosen through a careful selection process which will appraise both the fundamental factors specific to the opportunity as well as wider economic considerations. Typical factors that will be considered are the strength of management, the quality of the asset base, the investment's scale and growth potential, the commodity price outlook, any geopolitical concerns, the underlying financial position, future working capital requirements as well as potential exit routes. Investments may be in the form of buy-outs, controlling positions (whether initially or as a result of additional or follow-on investments) or strategic minority investments.

There is no fixed limit on the number of projects or companies into which the Company may invest, nor the proportion of the Company's gross assets that any investment may represent at any time.

No material change will be made to the Company's investing policy without the approval of Shareholders.

KEY PERFORMANCE INDICATORS
The Group considers investment value and return on investment as its principal key performance indicators. This is monitored quarterly and reviewed at Board meetings. The Directors believe the return on investment to be a fair representation of business for the year.

KPI	**30 June 2019**	30 June 2018
	£'000	£'000
Investment in subsidiaries	**2,207**	1,872
Return on investment	**-39%**	-106%

PRINCIPAL RISKS AND UNCERTAINTIES
The Group's business is to identify, make, manage and realise investments in accordance with the Group's stated investing policy. The Directors consider the following risks to be the most material or significant for the management of the business. These issues do not purport to be a complete list or explanation of all the risk factors facing the Group. In particular the Group's performance may be affected by changes in the market and/or economic conditions and changes in legal, regulatory or tax requirement legislation. Additional risks and uncertainties not presently known by the Group or that the Group currently deems immaterial may also impact the business.

STRATEGIC REPORT (continued)
For the year ended 30 June 2019

PRINCIPAL RISKS AND UNCERTAINTIES (continued)
The Board of Directors monitors these risks and the Group's performance on a regular basis, considering investment proposals, the performance of investments made and opportunities for divestment as appropriate as well as considering the actual performance of the Group against budgets.

- **Political and Country Risk**

The Group's core investment is in Namibia. The political, economic, legal and social situation in Namibia introduces a certain degree of risk with respect to the Group's activities. The Government of Namibia exercises control over such matters as exploration and mining license, permitting, exporting and taxation, which may adversely impact the Group's ability to carry out exploration, development and mining activities.

Government activity, which could include non-renewal of licenses, may result in any income receivable by the Group being adversely affected. In particular, changes in the application or interpretation of mining and exploration laws and/or taxation provisions in Namibia could adversely affect the value of the Group's interests.

- **Exploration and Development Risk**

The exploration for and the development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored ultimately develop into producing mines. Major resources are required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at the Namibian site.

There is no certainty that the exploration and development expenditures made by the Group as described in these financial statements will result in a commercially feasible mining operation. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Group will compete with other companies, many of which have greater financial resources, for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

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

There is no assurance the Group will be able to adhere to the current development and production schedule or that the required capital and operating expenditure will be accurate. The Group's development plans may be adversely affected by delays and the failure to obtain the necessary approvals, licenses or permits to commence production or technical or construction difficulties which are beyond the Group's control. Operational risks and hazards include: unexpected maintenance, technical problems or delays in obtaining machinery and equipment, interruptions from adverse weather conditions, industrial accidents, power or fuel supply interruptions and unexpected variations in geological conditions.

- **Unable to invest**

The Directors may be unable to identify investments which are consistent with the Group's investment policy and which are available at a price which the Directors consider suitable, which would limit the potential for the Group's value to grow.

- **Unavailability of finance**

The Directors may identify suitable investments at what they believe to be a suitable price but which may require more funds than are available to the Group and the Group may then be unable to raise further funds at all or on terms which the Directors consider acceptable.

- **Investment risk**

Once an investment has been made, the underlying business invested in may not perform as the Directors had expected and this may impair or eliminate the value of the Group's investment.

STRATEGIC REPORT (continued)

For the year ended 30 June 2019

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- **Realisation risk**

Once an investment has been made, it may not prove possible to realise the investment at the time the Directors intend or only to realise it at a value which damages the Group's value.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Note 22 to the financial statements sets out the financial risks to which the Group is exposed, together with its policies for managing these risks.

GOING CONCERN

Notwithstanding the loss incurred during the year under review, the Directors have a reasonable expectation that the Group will be able to raise funds to provide adequate resources to continue operating for the foreseeable future. During the year and post year end the Group raised £900,000 before expenses indicating investor support for the Group's strategy. The Directors expect to deliver results which will lead to continuing market support. The Directors therefore consider it appropriate to continue to adopt the going concern basis in the preparation of the financial statements. Further details on the Directors assumptions and conclusions are included in the statement of going concern in Note 2.

This report was approved by the board of Directors on 20 December 2019 and signed on its behalf by:

Larry Johnson
Chief Executive Officer

DIRECTORS' REPORT
For the year ended 30 June 2019

The Directors present their annual report and audited financial statements for the year ended 30 June 2019.

DIRECTORS
The current Directors who served throughout the year, were as follows:

G Clarke – Chairman

Giles Clarke was appointed as a director on 25 March 2014 and was independent on appointment as Chairman. He is currently Chairman of AIM quoted Amerisur Resources plc and of Westleigh Investments Holdings Limited and Non-executive Chairman of AIM quoted Ironveld plc. He began his career as an investment banker with Credit Suisse First Boston before successfully establishing, building and selling a number of high-profile businesses including Majestic Wine, Pet City plc and Safestore plc. He is also Chairman of several private organisations.

L Johnson – Chief Executive Officer

Larry Freeman Johnson has more than 25 years' experience in the tantalum industry having worked with two large US based publicly listed companies with core interests in tantalum. Throughout his career, Larry has held several senior key positions, most recently as Director: Mining and Global Tantalum Supply Chain at KEMET Electronics Corporation, and significantly he has spent several years focussing on the development of conflict-free global supply chains.

N Harrison – Non-Executive Director

Nick Harrison was appointed as a director on 25 March 2014 and was independent on appointment. He is currently Finance Director of AIM quoted Amerisur Resources plc and a Non-executive Director of Ironveld plc. Mr Harrison was Finance Director of Pet City plc and has held Board positions at a number of private companies with international activities. He is a Chartered Accountant, having qualified with Arthur Andersen before holding senior roles with Deloitte, Midland Bank (International) and Coopers & Lybrand.

DIRECTORS' INTERESTS
The Directors who held office during the period and their beneficial interest in the ordinary shares of the Company were as follows:

	30 June 2019	30 June 2018
G Clarke (see note below)	**10,499,410**	10,499,410
N Harrison (see note below)	**8,832,743**	8,832,743
L Johnson	**-**	-

Note: Westleigh Investments Holdings Limited (a company beneficially owned by Giles Clarke and Nick Harrison), holds 10,338,095 Ordinary shares in addition to the personal holdings shown above.

CAPITAL STRUCTURE
Details of the issued share capital are shown in Note 19. The Company has one class of ordinary shares which carries no right to fixed income. Each share carries the right to one vote on a poll at general meetings of the Company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on the exercise of voting rights.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

With regard to the appointment and replacement of directors, the Company is governed by its Articles of Association, the Companies Acts and related legislation. The Articles themselves may be amended by special resolution of the shareholders.

EVENTS AFTER THE REPORTING PERIOD
There have been no material events since the reporting date.

EMPLOYEES
The Group is an equal opportunities employer.

DIRECTORS' REPORT (continued)
For the year ended 30 June 2019

SUBSTANTIAL SHAREHOLDINGS
As at the date of this report, the Board had been notified of the following disclosures in respect of shareholders with an interest in 3 per cent. or more of the issued share capital of the Company (based on a total number of shares in issue of 286,561,208):

	Number of ordinary shares	% of ordinary share capital and voting rights
Hargreaves Lansdowne Nominees Limited	35,845,292	10.06%
Tracarta	25,867,095	7.26%
Interactive Investor	22,708,389	6.37%
Halifax	15,867,676	4.45%
Walker Crips	15,860,211	4.45%
UBS Wealth Management	14,674,267	4.12%
Marlborough Fund Managers	10,766,667	3.02%

STATEMENT OF DISCLOSURE TO INDEPENDENT AUDITORS
Each of the persons who is a director at the date of approval of this report confirms that:
- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

INDEPENDENT AUDITOR
PKF Littlejohn LLP were appointed as auditor on 10 January 2019.

PKF Littlejohn LLP have expressed their willingness to continue in office as auditor and will be proposed for reappointment at the next Annual General Meeting.

This report was approved by the board of Directors on 20 December 2019 and signed on its behalf by

Larry Johnson
Director

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT

The Directors recognise the importance of sound corporate governance while taking into account the Group's size and stage of development.

With effect from 28 September 2018, new corporate governance regulations applied to all AIM quoted companies and require the Company to:

- provide details of a recognised corporate governance code that the board of directors has decided to apply
- explain how the Company complies with that code, and where it departs from its chosen corporate governance code provide an explanation of the reasons for doing so.

The corporate governance disclosures need to be reviewed annually, and the company is also required to state the date on which these disclosures were last reviewed. This Chairman's Corporate Governance Statement sets out how Kazera seeks to comply with these requirements.

The Directors acknowledge that they have overall responsibility for the Company's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and even the most effective system can provide only reasonable, and not absolute, assurance with respect to the preparation of financial information and the safeguarding of assets. The close involvement of the Directors in all decisions and actions undertaken by the Company is intended to ensure that the risks to the Company are minimised.

Overview

As Chairman of the Board of Directors of Kazera Global plc (**Kazera, We,** or the **Company/Group** as the context requires), it is my responsibility to ensure that Kazera has both sound corporate governance and an effective Board. Kazera is an AIM listed investing company whose principal activity is as an investor in the resources and energy sectors. The Group is focused on projects located in Southern Africa but will also consider investments in other geographical regions.

Kazera's Board has adopted the principles of the Quoted Companies Alliance Corporate Governance Code 2018 Edition (**QCA Code**) in accordance with the London Stock Exchange's recent changes to the AIM Rules, requiring all AIM-listed companies to adopt and comply or explain non-compliance with a recognised corporate governance code. The QCA Code identifies ten principles to be followed in order for companies to deliver growth in long term shareholder value, encompassing an efficient, effective and dynamic management framework accompanied by communication to promote confidence and trust. This report follows the structure of these guidelines and explains how we have applied the guidance as well as disclosing any areas of non-compliance. We will provide annual updates on our compliance with the QCA Code. The Board considers that the Group complies with the QCA Code so far as it is practicable having regard to the size, nature and current stage of development of the Company, and will disclose any areas of non-compliance in the text below.

The sections below set out the ways in which the Group applies the ten principles of the QCA Code in support of the Group's medium to long-term success.

Key governance changes during the year include the formal adoption of the QCA Code.

QCA Principles

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

Kazera Global plc is an investment company focused on opportunities principally, but not exclusively in the resources and energy sectors. The Company's first investment is in African Tantalum, a Namibian based operation.

Kazera seeks to achieve shareholder return primarily via capital appreciation through the purchase and sale of securities and other direct investments in companies and projects primarily in, but not limited to, Africa within the mining and resource sectors (the "Target Sectors") including traditional direct investments in securities and similar financial instruments including any combination of the following:

(a) equity securities (predominantly unlisted);

(b) listed and unlisted debt securities that may be rated or not rated (bonds, debt instruments, convertible bonds and bonds with warrants, fund-linked notes with a capital guarantee, loan facilities etc.); and

(c) hybrid instruments.

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)

QCA Principles (continued)

The Company may exploit a wide range of investment opportunities within the Target Sectors as they arise and, to this end, the Company has complete flexibility in selecting the specific investment and trading strategies that it sees fit in order to achieve its investment objective. In this regard, the Company may seek to gain Board representation and/or managerial control in its underlying investments if it deems to be the best way of generating value for Shareholders.

Opportunities will be chosen through a careful selection process which will appraise both the fundamental factors specific to the opportunity as well as wider economic considerations. Typical factors that will be considered are the strength of management, the quality of the asset base, the investment's scale and growth potential, the commodity price outlook, any geopolitical concerns, the underlying financial position, future working capital requirements as well as potential exit routes. Investments may be in the form of buy-outs, controlling positions (whether initially or as a result of additional or follow-on investments) or strategic minority investments.

There is no fixed limit on the number of projects or companies into which the Company may invest, nor the proportion of the Company's gross assets that any investment may represent at any time.

No material change will be made to the Company's investing policy without the approval of Shareholders.

Challenges to delivering strategy, long-term goals and capital appreciation are uncertain in relation to organisational, operational, financial and strategic risks, all of which are outlined in the Strategic Report on page 4, as well as steps the Board takes to protect the Company by mitigating these risks and secure a long-term future for the Company.

2. Seek to understand and meet shareholder needs and expectations

The Board recognises the importance of communication with its stakeholders and is committed to establishing constructive relationships with investors and potential investors in order to assist it in developing an understanding of the views of its shareholders.

Kazera also maintains a dialogue with shareholders through formal meetings such as the AGM, which provides an opportunity to meet, listen and present to shareholders, and shareholders are encouraged to attend in order to express their views on the Company's business activities and performance. Members who have queries regarding the Company's AGM can contact the Company's Registrars, Link Asset Services on the Shareholder helpline which is 9871 664 0300 or +44 (0)371 664 0300 if calling from outside the UK.

The Board welcomes feedback from key stakeholders and will take action where appropriate and the Chairman of the Board is the shareholder liaison, and meets shareholders regularly, and informs other directors of their views and suggestions. Analysts provide the Board with updates on the Company's business and how strategy is being implemented, as well as to hear views and expectations from shareholders. The views of the shareholders expressed during these meetings are reported to the Board, ensuring that all members of the Board are fully aware of the thoughts and opinions of shareholders.

As part of our commitment to shareholder engagement we have been seeking the views of shareholders through outreach campaigns and roadshows. The Company maintains effective contact with its principal shareholders and welcomes communications from its private investors. The Company's Financial PR contact details are listed on the website where a contact form is also included.

The Company also has a social media account (Twitter) through which the Company maintains a dialogue with shareholders and interested parties.

Information on the Investor Relations section of the Company's website is kept updated and contains details of relevant developments, Annual and Interim Results, Regulatory News Service announcements, presentations and other key information.

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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

The Board recognises that the long-term success of the Company is reliant upon the efforts of employees, regulators and many other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships. The Company prepares and updates its strategic plan regularly together with a detailed rolling budget and financial projections which consider a wide range of key resources including staffing, consultants and utility providers.

The Board is kept updated on questions / issues raised by stakeholders and incorporates information and feedback into future decision making.

Kazera fully abides by the provisions of the 2015 Modern Slavery Act. In accordance with its Code of Business Conduct and Ethics, Kazera opposes the crime of slavery in all of its forms, including child labour, servitude, forced or compulsory labour and human trafficking. Employee feedback is not relevant at present given retrenchment and realignment of activities.

All employees within the Group are valued members of the team, and the Board seeks to implement provisions to retain and incentivise all its employees. The Group offers equal opportunities regardless of race, gender, gender identity or reassignment, age, disability, religion or sexual orientation. The directors are in constant contact with employees and seek to provide continual opportunities in which issues can be raised allowing for the provision of feedback. This feedback process helps to ensure that new issues and opportunities that arise may be used to further the success of the Company. Share options and other equity incentives are offered to employees. Kazera complies fully with all Namibian employment legislation.

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

The Board recognises the need for an effective and well-defined risk management process and it oversees and regularly reviews the current risk management and internal control mechanisms.

The Board regularly reviews the risks facing the Company as detailed in the Strategic Report on page 5 and seeks to exploit, avoid or mitigate those risks as appropriate. The Board is responsible for the monitoring of financial performance against budget and forecast and the formulation of the Company's risk appetite including the identification, assessment and monitoring of Kazera's principal risks. Additionally, the Board reviews the mechanisms of internal control and risk management it has implemented on an annual basis and assesses both for effectiveness.

On the wider aspects of internal control, relating to operational and compliance controls and risk management, the Board, in setting the control environment, identifies, reviews, and regularly reports on the key areas of business risk facing the Group.

The Group Board and subsidiary Boards maintain close day to day involvement in all of the Group's activities which enables control to be achieved and maintained. This includes the comprehensive review of both management and technical reports, the monitoring of interest rates, environmental considerations, government and fiscal policy issues, employment and information technology requirements and cash control procedures. In this way, the key risk areas can be monitored effectively, and specialist expertise applied in a timely and productive manner.

The effectiveness of the Group's system of internal financial controls, for the year to 30 June 2019 and for the period to the date of approval of the financial statements, has been reviewed by the Directors. Whilst they are aware that although no system can provide for absolute assurance against material misstatement or loss, they are satisfied that effective controls are in place.

5. Maintain the Board as a well-functioning, balanced team led by the Chair

The Board recognises the QCA recommendation for a balance between Executive and Non-Executive Directors and the recommendation that there be at least two Independent Non-Executives. The Board currently comprises of one Executive Director and two Non-Executive Directors. The Board will take this into account when considering future appointments. However, all Directors are encouraged to use their judgement and to challenge matters, whether strategic or operational, enabling the Board to discharge its duties and responsibilities effectively. The Board maintains that the Board's composition will be frequently reviewed as the Company develops, however, as the Company is small the current Board reflects this and it is not deemed appropriate to have audit, remuneration or nominations committees. For the moment, the responsibilities which would normally be assumed by the Nominations committee are assumed by the Board as a whole and the responsibilities of the Audit and Remuneration committees are assumed by the two Non-Executive Directors in specific sessions of the Board.

The Group is controlled and led by the Board of Directors with an established schedule of matters reserved for their specific approval. The Board meets regularly throughout the year and is responsible for the overall Group strategy, acquisition and divestment policy, approval of major capital expenditure and consideration of significant financial matters. It reviews the strategic direction of the Company and its individual subsidiaries, their annual budgets, their progress towards achievement of these budgets and their capital expenditure programmes.

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)

The role of the Chairman is to supervise the Board and to ensure its effective control of the business, and that of the Chief Executive is to manage the Group on the Board's behalf. All Board members have access, at all times, to sufficient information about the business, to enable them to fully discharge their duties. Also, procedures exist covering the circumstances under which the Directors may need to obtain independent professional advice.

The Board meets regularly and is responsible for formulating, reviewing and approving the Group's strategy, budgets, performance, major capital expenditure and corporate actions. Detailed biographies of the Board members can be found on the website and in the Directors' Report on page 8. Giles Clarke was independent on appointment as Chairman and Nick Harrison was independent on appointment. The Board has subsequently changed with Larry Johnson's appointment. The external time commitments are reported upon in the directors' biographies.

Throughout the year, there have been four Board meetings, with all Directors in attendance. The Directors of the Company are committed to sound governance of the business and each devotes enough time to ensure this happens.

Directors' conflict of interest

The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Company believes that the current balance of skills in the Board as a whole reflects a very broad range of personal, commercial and professional skills, and notes the range of financial and managerial skills. The Non-Executive Director maintains ongoing communications with Executives between formal Board meetings.

Biographical details of the Directors can be found on the Company's website and in the Directors' Report on page 8 of this report.

Brian James is the Company Secretary and helps Kazera comply with all applicable rules, regulations and obligations governing its operation. The Company's NOMAD assists with AIM matters and ensures that all Directors are aware of their responsibilities. The company can also draw on the advice of its solicitors.

The Directors have access to the Company's NOMAD, Company Secretary, lawyers and auditors as and when required and are able to obtain advice from other external bodies when necessary. If required, the Directors are entitled to take independent legal advice and if the Board is informed in advance, the cost of the advice will be reimbursed by the Company.

Board composition is always a factor for consideration in relation to succession planning. The Board will seek to consider any Board imbalances for future nominations, with areas considered including board independence and gender balance. The Group considers however that at this stage of its development and given the current size of its Board, it is not necessary to establish a formal Nominations Committee. Instead the appointments to the Board are made by the Board as a whole and this position is reviewed on a regular basis by the Board.

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

The Directors consider that the Company and Board are not yet of a sufficient size for a full Board evaluation to make commercial and practical sense. In the frequent Board meetings/calls, the Directors can discuss any areas where they feel a change would benefit the Company, and the Company Secretary remains on hand to provide impartial advice. As the Company grows, it expects to expand the Board and with the Board expansion, re-consider the need for Board evaluation.

The Board continues to conduct internal and external Board evaluations which consider the balance of skills, experience, independence and knowledge of the Company. The evaluation process, the Board refreshment, use of third-party search companies and succession planning elements are discussed.

The Board evaluation of the CEO's performance is carried out on an annual basis. Given the level of activity and size of the Company, no other evaluation is seen as appropriate.

In view of the size of the Board, the responsibility for proposing and considering candidates for appointment to the Board as well as succession planning is retained by the Board. All Directors submit themselves for re-election at the AGM at regular intervals.

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders, and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board.

Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives.

The Board places great importance on their responsibility for producing accurate financial statements. The Board also places great importance on accuracy and honesty, and seeks to ensure that this aspect of corporate life flows through all that the Company does.

A large part of the Company's activities is centred upon an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Directors consider that the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. Whilst the Company has a small number of employees, the Board maintains that as the company grows it intends to maintain and develop strong processes which promote ethical values and behaviours across all hierarchies.

The Board has adopted an anti-corruption and bribery policy (**Bribery Policy**). The Bribery Policy applies to all Directors and employees of the Group, and sets out their responsibilities in observing and upholding a zero-tolerance position on bribery and corruption, as well as providing guidance to those working for the Company on how to recognise and deal with bribery and corruption issues and the potential consequences.

The Board complies with Rule 21 of the AIM Rules for Companies relating to dealings in the Company's securities by the Directors and other Applicable Employees. To this end, the Company has adopted a code for Directors' dealings appropriate for a company whose shares are admitted to trading on AIM and takes all reasonable steps to ensure compliance by the Directors and any relevant employees.

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

The Board is committed to, and ultimately responsible for, high standards of corporate governance. The Board reviews the Company's corporate governance arrangements regularly and expect to evolve this over time, in line with the Company's growth. The Board delegates responsibilities to Committees and individuals as it sees fit.

The Chairman's principal responsibilities are to ensure that the Company and its Board are acting in the best interests of shareholders. His leadership of the Board is undertaken in a manner which ensures that the Board retains integrity and effectiveness, and includes creating the right Board dynamic and ensuring that all important matters, in particular strategic decisions, receive adequate time and attention at Board meetings.

The Chairman of Kazera is the key contact for shareholder liaison and all other stakeholders.
Executive Directors are responsible for the general day-to-day running of the business and developing corporate strategy.

The CEO has, through powers delegated by the Board, the responsibility for leadership of the management team in the execution of the Group's strategies and policies and for the day-to-day management of the business. He is responsible for the general day-to-day running of the business and developing corporate strategy while the Non-Executive Director is tasked with constructively challenging the decisions of executive management and satisfying themselves that the systems of business risk management and internal financial controls are robust.

All Directors participate in the key areas of decision-making, including the following matters:

- Strategy
- Budgets
- Performance
- Major Capital Expenditure
- Corporate Actions

The Board would normally delegate authority to a number of specific Committees to assist in meeting its business objectives, and the Committees, comprising of at least two independent Non-Executive Directors, would meet independently of Board meetings.

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)

However, the current Board structure does not permit this, and the Directors will seek to take this into account when considering future appointments. As a result, matters that would normally be referred to the Nominations and AIM rules compliance committees are dealt with by the Board as a whole. Matters that would normally be referred to the Audit and Remuneration committees are dealt with by the two Non-Executive directors, Giles Clarke and Nick Harrison, in specific sessions, usually with the CEO in attendance by invitation.

The Chairman and the Board continue to monitor and evolve the Company's corporate governance structures and processes, and maintain that these will evolve over time, in line with the Company's growth and development.

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

The Board is committed to maintaining effective communication and having constructive dialogue with its stakeholders. The Company intends to have ongoing relationships with both its private and institutional shareholders (through meetings and presentations), and for them to have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. The Board already discloses the result of General Meetings by way of announcement and discloses the proxy voting numbers to those attending the meetings. In order to improve transparency, the Board has committed to publishing proxy voting results on its website in the future.

The Company communicates with shareholders through the Annual Report and Accounts, full-year and half-year results announcements and the Annual General Meeting (AGM). Information on the Investor Relations section of the Group's website is kept updated and contains details of relevant developments, regulatory announcements, financial reports and shareholder circulars. A range of corporate information (including all Company announcements and presentations) is also available to shareholders, investors and the public on the Company's corporate website.

A detailed description of the Board Committees can be found on the CSR page of the website.

Shareholders with a specific enquiry can contact us on the website contact page. The Company uses electronic communications with shareholders in order to maximise efficiency.

Giles Clarke
Chairman

20 December 2019

DIRECTORS' REPORT ON REMUNERATION
For the year ended 30 June 2019

REMUNERATION
The remuneration of the Directors is set by the Board as a whole and is reviewed annually. They are remunerated by a fixed fee for their duties as Directors, but it is anticipated that additional payments may be made where as a result of the Company's activities the time to be spent by the Directors on the affairs of the Company are greater than envisaged by the fixed fee.

With a view of aligning the efforts of the Directors most closely with the achievement of success by the Company, a resolution was passed to grant options which allow the directors to subscribe up to 8,531,760 new ordinary shares at 1.25p per share.
As at 30 June 2019, 3,199,410 options had been granted to each of G Clarke and N Harrison, and 10,000,000 options had been granted to L Johnson. The options granted to G Clarke and N Harrison have been exercised.

The Company does not provide a pension scheme for employees or Directors and does not contribute to plans established by them.

The Directors are considered to be the key management personnel of the Company.

DIRECTOR'S SERVICE CONTRACTS
The Directors have letters of appointment which commence from their date of appointment and will continue unless terminated in accordance with the terms of the letter.

DIRECTORS REMUNERATION
Directors' emoluments for the year are as follows:

	Fees	**Other benefits**	**Year ended 30 June 2019**	Year ended 30 June2018
	£'000	**£'000**	**£'000**	£'000
G Clarke	**50**	-	**50**	**50**
N Harrison	**40**	-	**40**	**40**
L Johnson	**135**	-	**135**	**134**
	225	-	**225**	**224**

Fees and other benefits are considered to be short term in nature.

Details of the share options held by Directors are shown below:

	Number outstanding at 30 June 2018	**Number outstanding at 30 June 2019**	**Exercise price**	**Vesting date**	**Expiry Date**
L Johnson	10,000,000	**10,000,000**	1.75p	20.12.2018	20.12.23
	10,000,000	**10,000,000**			

This report was approved by the board of Directors on 20 December 2019 and signed on its behalf by

Giles Clarke
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES
For the year ended 30 June 2019

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors are required to prepare the Group and Parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Company is compliant with AIM Rule 26 regarding the Company's website.

Giles Clarke
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KAZERA GLOBAL PLC

Opinion

We have audited the financial statements of Kazera Global plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2019 which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group and Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2019 and of the group's and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that the group incurred a net loss of £1.3 million and incurred cash outflows during the year ended 30 June 2019 of £735k. The financial statements have been prepared on a going concern basis, on the basis that there is receipt of new funds in order to meet committed expenditure for a period of at least twelve months from the date of approval of these financial statements. As stated in note 2, these events or conditions indicate that a material uncertainty exists 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 application of materiality

The scope of our audit was influenced by our application of materiality, which determines the scope of our audit and the nature, timing and extent of our procedures. The materiality applied to the group was £100,000, based on 3% of gross assets of the group. The most significant item within the financial statements is its gross assets which incorporates the investment in Namibia and is the key focus for the Group's stakeholders. The same basis has been used for the calculation of materiality for the parent company, of £67,000.

Performance Materiality has been set as 70% of headline materiality for both the Group and Parent Company, being £70,000 and £46,900 respectively.

We agreed with the audit committee that we would report to the committee all errors identified within the Group and Parent company during our audit in excess of £5,000 and £3,350 respectively. This represents 5% of headline materiality.

Materiality has been reassessed at the closing stages of the audit taking into consideration new information which arose. No alterations were made to materiality at the conclusion of the audit.

An overview of the scope of our audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at the areas including significant accounting estimates and judgements by the directors' and considered future events that are inherently uncertain in respect of the carrying value of the group's assets. We addressed the risk of material misstatement through management override of controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

At the year end, the Group consisted of four entities, of which incorporate the UK parent and three subsidiary entities located in Namibia. The Namibian subsidiaries are audited by local auditors, operating under our instruction and whose audit work is subject to review by us. The Senior Statutory Auditor interacted regularly with the component audit team during all stages of the audit and was responsible for the scope and direction of the audit process. This, in conjunction with the additional procedures performed in respect of the classification and carrying value of the assets held by the group, provided us with sufficient appropriate evidence for our opinion on the group.

Key audit matters

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

<table>
<tr><th>Key Audit Matter</th><th>How the scope of our audit responded to the key audit matter</th></tr>
<tr><td colspan="2">Valuation and classification of mines under construction (Note 12)</td></tr>
<tr><td>This represents the most material balance within the financial statements, and represents the key source of value for the Group and from where it will generate revenue. Given events during the period and the fact that the production has not yet commenced there is a risk that the value of the mine is impaired.

There is also a risk that costs have been incorrectly capitalised and should be expensed.</td><td>Our work in this area included:

▪ Ensuring classification rationale is appropriate and in line with IFRS;

▪ Review and challenge of component auditors working papers to ensure appropriate capitalisation of mine costs is in accordance with IFRS;

▪ Ensuring valid licenses are held;

▪ A review of managements impairment considerations including challenge and sensitivity analysis; and

▪ Consideration of any potential impairment indicators

We are satisfied with the classification and valuation of mines under construction but note that the Group requires further funding to bring the mine into production and should this funding not be secured the asset may be subject to an impairment.</td></tr>
</table>

Other information

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Joseph Archer (Senior Statutory Auditor) 15 Westferry Circus

For and on behalf of PKF Littlejohn LLP Canary Wharf

Statutory Auditor London E14 4HD

20 December 2019

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2019

Continuing operations	Notes	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Exploration expenses		**(469)**	(1,308)
Administrative expenses		**(883)**	(1,230)
Other operating income		**12**	
Operating loss and loss before tax	6	**(1,340)**	(2,538)
Taxation	9	**-**	-
Loss for the year		**(1,340)**	(2,538)
Loss attributable to owners of the Company		**(1,049)**	(1,977)
Loss attributable to non-controlling interests		**(291)**	(561)
		(1,340)	(2,538)
Other comprehensive income:			
Items that may be subsequently reclassified to profit and loss:			
Exchange differences on translation of foreign operations		**56**	(342)
Total comprehensive loss for the year attributable to			
The equity holders of the parent		**(993)**	(2,319)
The non-controlling interests		**(291)**	(561)
		(1,284)	(2,880)
Earnings per share attributable to owners of the Company			
From continuing operations:			
Basic and diluted (pence)	10	**(0.39)p**	(0.81)p

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent Company profit and loss account. The profit for the Parent Company for the year was £83,007 (2018: £295,000 loss).

The accounting policies and notes are an integral part of these financial statements.

GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION

As at 30 June 2019

		GROUP			COMPANY	
	Notes	**2019 £'000**	2018 £'000 restated	2017 £'000 Restated (Note 4)	**2019 £'000**	2018 £'000
Non-Current assets						
Goodwill		**-**	-	-	**-**	-
Other intangible assets		**-**	-	2,479	**-**	-
Mines under construction	**12**	**2,412**	2,399	-	**-**	-
Property, plant and equipment	**13**	**709**	771	655	**-**	-
Investment in subsidiaries	**14**	**-**	-	-	**2,207**	1,872
Long-term loan	**15**	**-**	-	-	**5,984**	5,154
		3,121	3,170	3,134	**8,191**	7,026
Current assets						
Trade and other receivables	**16**	**63**	213	174	**19**	37
Cash and cash equivalents	**17**	**421**	1,125	365	**363**	907
		484	1,338	538	**382**	944
Current liabilities						
Trade and other payables	**18**	**64**	208	135	**43**	48
		64	208	135	**43**	48
Net current assets		**420**	**1,130**	**403**	**339**	896
Net assets		**3,541**	4,300	3,537	**8,530**	7,922
Equity						
Share capital	**19**	**2,866**	2,568	1,890	**2,866**	2,568
Share premium account	**19**	**14,307**	14,131	11,314	**14,307**	14,131
Capital redemption reserve		**2,077**	2,077	2,077	**2,077**	2,077
Share option reserve		**51**	-	-	**51**	-
Currency translation reserve		**(34)**	(90)	252	**-**	-
Retained earnings		**(14,552)**	(13,503)	(11,674)	**(10,771)**	(10,854)
Equity attributable to owners of the Company		**4,715**	5,183	3,859	**8,530**	7,922
Non-controlling interests		**(1,174)**	(883)	(322)	**-**	-
Total equity		**3,541**	4,300	3,537	**8,530**	7,922

These financial statements were approved by the Board of Directors on 20 December 2019.

Signed on behalf of the Board by:

Larry Johnson
Director
Company number: 05697574

The accounting policies and notes form an integral part of these financial statements.

GROUP STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2019

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share option reserve £'000	Currency translation reserve £'000	Retained earnings £'000	Equity shareholders' funds £'000	Non-controlling interests £'000	Total £'000
Balance at 1 July 2017 (restated)	**1,890**	**11,314**	**2,077**	**-**	**252**	**(11,674)**	**3,859**	**(322)**	**3,537**
Comprehensive loss for the year	-	-	-	-	-	(1,977)	(1,977)	(561)	(2,538)
Other comprehensive expense	-	-	-	-	(342)	-	(342)	-	(342)
Total comprehensive expense			-	-	(342)	(1,977)	(2,319)	(561)	(2,880)
Issue of share capital	678	2,817	-	-	-	-	3,495	-	3,495
Share based payment expense	-	-	-	-	-	148	148	-	148
Balance at 30 June 2018 (restated)	**2,568**	**14,131**	**2,077**	**-**	**(90)**	**(13,503)**	**5,183**	**(883)**	**4,300**
Comprehensive loss for the year	-	-	-	-	-	(1,049)	(1,049)	(291)	(1,340)
Other comprehensive income	-	-	-	-	56	-	56	-	56
Total comprehensive expense			-	-	56	(1,049)	(993)	(291)	(1,284)
Issue of share capital, net of share issue costs	298	176	-	-	-	-	474	-	474
Share based payment expense	-	-	-	51	-	-	51	-	51
Balance at 30 June 2019	**2,866**	**14,307**	**2,077**	**51**	**(34)**	**(14,552)**	**4,715**	**(1,174)**	**3,541**

The accounting policies and notes form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2019

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share option reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 July 2017 (restated)	**1,890**	**11,314**	**2,077**	**-**	**(10,792)**	**4,574**
Total comprehensive expense for the year	-	-	-	-	(295)	(295)
Issue of share capital	678	2,817	-	-	148	3,495
Balance at 30 June 2018 (restated)	**2,568**	**14,131**	**2,077**	**-**	**(10,854)**	**7,922**
Total comprehensive expense for the year	-	-	-	-	83	83
Issue of share capital	298	206	-	-	-	504
Share issue costs	-	(30)	-	-	-	(30)
Share based payment expense	-	-	-	51	-	51
Balance at 30 June 2019	**2,866**	**14,307**	**2,077**	**51**	**(10,771)**	**8,530**

The accounting policies and notes form an integral part of these financial statements.

GROUP AND COMPANY STATEMENTS OF CASH FLOWS

For the year ended 30 June 2019

	GROUP		COMPANY	
	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000	**Year ended 30 June 2019 £'000**	Year ended 30 June 2018 £'000
OPERATING ACTIVITIES				
Operating loss	**(1,340)**	(2,538)	**83**	(295)
Depreciation and amortisation	**202**	119	**-**	-
Share based payment expense	**51**	148	**51**	148
Shares issued in settlement of fees	**3**	-	**3**	-
Intercompany loan interest	**-**	-	**(653)**	(470)
Operating cash flows before movement in working capital	**(1,084)**	(2,271)	**(516)**	(617)
(Increase)/decrease in receivables	**160**	(39)	**18**	(18)
(Decrease)/increase in payables	**(144)**	73	**(5)**	(80)
Net cash used in operating activities	**(1,068)**	(2,237)	**(503)**	(715)
INVESTING ACTIVITIES				
Purchases of property, plant and equipment	**(141)**	(275)	**-**	-
Development costs	**-**	(41)	-	-
Advances to subsidiary undertakings	**-**	-	**(515)**	(2,122)
Net cash used in investing activities	**(141)**	(316)	**(515)**	(2,122)
FINANCING ACTIVITIES				
Net proceeds from share issues	**474**	3,495	**474**	3,495
Net cash from financing activities	**474**	3,495	**474**	3,495
Net (decrease)/increase in cash and cash equivalents	**(735)**	942	**(544)**	658
Exchange rate translation adjustment	**31**	(181)	**-**	-
Cash and cash equivalents at beginning of year	**1,125**	364	**907**	249
Cash and cash equivalents at end of year	**421**	1,125	**363**	907

The accounting policies and notes are an integral part of these financial statements.

NOTES TO THE GROUP FINANCIAL STATEMENTS
For the year ended 30 June 2019

1 GENERAL INFORMATION

Kazera Global Plc is a public limited company which is listed on the Alternative Investment Market (AIM) and incorporated and domiciled in England. The nature of the Group's operations and its principal activities are set out in the Strategic Report and the Directors' Report.

2 ACCOUNTING POLICIES

BASIS OF PREPARATION

These consolidated financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations (IFRS IC) as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

The financial statements are presented in pounds sterling (£'000), which is also the functional currency of the Company

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

GOING CONCERN

The financial statements have been prepared on a going concern basis. The Group's assets are not generating revenues, operating cash outflows have been incurred in the year and an operating loss and cash outflow from operations is expected in the 12 months subsequent to the date of these financial statements being signed and, as a result, the Group will need to raise funding to finance their ongoing activities of mine development and non-discretionary expenditures.

Based on the Board's assessment that the necessary funds will be raised, cash flow budgets can be achieved and the Directors have a reasonable expectation that the Group has access to adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements for the year ended 30 June 2019.

Should the Group be unable to continue trading, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities which might arise and to classify fixed assets as current.

The auditors make reference to a material uncertainty in relation to going concern within their audit report.

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED BY THE GROUP

The Group and parent Company have adopted all of the new and amended standards and interpretations issued by the International Accounting Standards Board that are relevant to its operations and effective for accounting periods commencing 1 July 2018.

IFRS 9 'Financial Instruments'

Effective 1 January 2018, Kazera Global plc has applied IFRS 9 which is effective for annual periods that begins on or after 1 January 2018. The standard replaces all phases of the financial instruments project and IAS 39 'Financial Instruments: Recognition and Measurement'. The standard introduces:

- new requirements for the classification and measurement of financial assets and financial liabilities;
- a new model for recognising provisions based on expected credit losses; and,
- simplified hedge accounting by aligning hedge accounting more closely with an entities risk management methodology.

The adoption of IFRS 9 has not had any significant impact on recognition and measurement of financial instruments in the Group's consolidated financial statements for 2019. Comparative figures are not restated as the effect is immaterial.

NOTES TO THE GROUP FINANCIAL STATEMENTS
For the year ended 30 June 2019

IFRS 15 'Revenue from Contracts with Customers'

Effective 1 January 2018, Kazera Global plc has applied IFRS 15 Revenue from Contracts with Customers. This standard introduces a new revenue recognition model and replaces IAS 18 'Revenue', IAS 11 'Construction Contracts', IFRIC 13 'Customer Loyalty Programmes', IFRIC 15 'Agreements for the Construction of Real Estate', IFRIC 18 'Transfer of Assets from Customers' and SIC-31 "Revenue – Barter Transactions Involving Advertising Services.' As the Group has no revenue the introduction of IFRS 15 has had no impact in the financial statements.

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED BY THE GROUP (continued)

None of these standards are considered to have a material effect on the Group financial statements.

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ADOPTED

The International Accounting Standards Board (IASB) has issued the following new and revised standards, amendments and Interpretations to existing standards that are not effective for the financial year ended 30 June 2019 and have not been adopted early.

New Standards	Effective Date
IFRS 16 – Leases	1 January 2019
IFRS 17 – Insurance Contracts	1 January 2021
Amendments to Existing Standards	
IFRSIC 23 Uncertainty over Income Tac Treatments*	1 January 2019
Annual Improvements to IFRSs (2015-2017 Cycle)*	1 January 2019
Amendments to IFRS 9 Prepayment Features with Negative Compensation	1 January 2019
Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to IAS 19 Plan Amendment, Curtailment or Settlement	1 January 2019

Not yet adopted by European Union*

IFRS 16 'Leases'

IFRS 16 'Leases' address the definition of a lease, recognition and measurement of leases and it establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on the balance sheet. The standard replaces IAS 17, 'Leases' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2019, with earlier adoption permitted. At present the Directors do not consider adoption of this standard would have an impact on the financial statements of Kazera Global plc. However, they note that should the Group enter into lease arrangements for mining equipment or development this may change.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

BASIS OF CONSOLIDATION

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

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the subsidiary and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the subsidiary on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of subsidiary's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

FOREIGN CURRENCIES

The individual financial statements of each group company are presented in Namibian Dollars, which is the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the Group financial statements, the results and financial position of each group company are expressed in Pounds Sterling, which is the functional currency of the Company, and the presentation currency for the Group financial statements.

In preparing the financial statement of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each year end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the year end date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period, except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting Group financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the year end date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

TAXATION

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

INTANGIBLE ASSETS – EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Research expenditure is written off in the year in which it is incurred. The Group recognises expenditure as exploration and evaluation assets when it determines that the legal rights to said assets have been obtained. Costs incurred which relate wholly to exploration work only, are expensed through the statement of comprehensive income. When a decision is taken that a mining property becomes viable for commercial production, all further pre-production expenditure is capitalised. Expenditure included in the initial measurement of exploration and evaluation assets and which is classified as intangible assets, relates to the acquisition of rights to undertake topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and other activities to evaluate the technical feasibility and commercial viability of extracting a mineral source. Once transferred to mines under construction the costs are expensed as incurred unless they relate to a separate license area.

MINES UNDER CONSTRUCTION

Expenditure is transferred from "Exploration and evaluation" assets to mining rights within "Mines under construction" once the work completed to date supports the future development of the property and such development receives the requisite approvals. All subsequent expenditure on technically and commercially feasible sites is capitalised within mining rights.

All expenditure on the construction, installation or completion of infrastructure facilities is capitalised as construction in progress within "Mines under construction". Once production starts, all assets included in "Mines under construction" will be transferred into "Property, Plant and Equipment" or "Producing Mines". It is at this point that depreciation/amortisation commences over its useful economic life.

Mines under construction are stated at cost. The initial cost comprises transferred exploration and evaluation assets, construction costs, infrastructure facilities, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and, for qualifying assets, borrowing costs. Costs are capitalised and categorised between mining rights and construction in progress respectively according to whether they are intangible or tangible in nature.

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and equipment are recorded at cost, less depreciation, less any amount of adjustments for impairment, if any.

Significant improvements are capitalised, provided they qualify for recognition as assets. The costs of maintenance, repairs and minor improvements are expensed when incurred.

Tangible assets, retired or withdrawn from service, are removed from the balance sheet together with the related accumulated depreciation. Any profit or loss resulting from such an operation is included in the income statement.

Tangible and intangible assets are depreciated on the straight-line method based on their estimated useful lives from the time they are put into operation, so that their net cost is diminished over the lifetime of consideration to estimated residual value as follows:

Land and buildings – Over 20 years
Plant and equipment– Between 5 and 10 years

IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS EXCLUDING GOODWILL

Assets that have an indefinite useful life are not subject to amortisation but are reviewed for impairment annually and where there are indications that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the carrying value exceeds the recoverable amount.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at bank and in hand, deposits at call with banks, other short-term highly liquid investments with original maturity at acquisition of three months or less that are readily convertible to cash, net of bank overdrafts. For the purpose of the cash flow statement, cash and cash equivalents consist of the definition outlined above.

EQUITY INSTRUMENTS INCLUDING SHARE CAPITAL

Equity instruments consist of the Company's ordinary share capital and are recorded at the proceeds received, net of direct issue costs.

FINANCIAL INSTRUMENTS – INTITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

Classification

From 1 July 2018, the Group classifies its financial assets into only one category, being those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

Impairment

From 1 July 2018 the Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

FINANCIAL LIABILITIES

All non-derivative financial liabilities are classified as other financial liabilities and are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Other financial liabilities consist of borrowings and trade and other payables.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

NOTES TO THE GROUP FINANCIAL STATEMENTS
For the year ended 30 June 2019

OTHER FINANCIAL LIABILTIES, BANK AND SHORT-TERM BORROWINGS

Other financial liabilities, as categorised above, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. Other financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

SEGMENTAL ANALYSIS

Under IFRS 8 operating segments are considered to be components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker, being the board, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Board of Directors. At present, and for the period under review, the Company's reporting segments are the Holding Company and the tantalite mining operation in Namibia.

3 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATIONS

In the application of the Group's accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimated impairment of mines under construction (note 12)

The Group tests annually whether exploration, evaluation and licencing assets and mines under construction have suffered any impairment. The recoverable amounts of cash generating units ("CGUs") have been determined based on value in use calculations which require the use estimates and assumptions such as long-term commodity prices and recovery rates, discount rates, operating costs and therefore expected margins and future capital requirements. These estimates and assumptions are subject to risk and uncertainty and therefore there is a possibility that changes in circumstances will impact the recoverable amount.

In assessing the carrying amounts of its exploration, evaluation and licensing assets and mines under construction, the Directors have conducted a feasibility study in conjunction with an independently prepared mineral resource estimate. The period used in management's assessment is the anticipated life of the mine to the expiration of the licence. A discount rate of 15% has been applied. The mineral resource report concluded on an inferred 297,600 tonnes of tantalum pentoxide within the White City Tantalum Mineral Resource Area. These estimates are consistent with external sources of information.

The calculations have been tested for sensitivity in the key assumptions. Change in exchange rate of N$1, increase in variable and fixed costs of 10% and increase in contingency costs of 10%. No impairment would be recognised if any of these factors came into effect.

Mineral resource and reserve estimates

Reserves are estimates of the amount of resources that can be economically and legally extracted from the Group's mining properties. The Group estimates its mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. This analysis requires complex geological judgments to interpret the data. The estimation of the recoverable amount is based upon factors such as estimates of commodity prices, future capital expenditure and production costs along with geological assumptions made in estimating the size and grade of the resources. Details of the mineral resources and reserve estimates can be found on https://kazeraglobal.com/.

The Group estimates and reports mineral resource estimates in line with the principles contained in the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (December 2004), which is prepared by the Joint Ore Reserves Committee (JORC) of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, known as the "JORC Code". The determination of a JORC resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e. measured, indicated or inferred).

As additional geological information is produced during the operation of a mine and through additional exploration activity, mineral resource estimates may change. Such changes may impact on the Group's reported financial position which includes the carrying value of mines under construction, property, plant and equipment and inventories.

NOTES TO THE GROUP FINANCIAL STATEMENTS
For the year ended 30 June 2019

4 PRIOR YEAR ADJUSTMENT

GROUP	Signed 2018 accounts	Adjustments	Restated as at 30 June 2018
	£'000	£'000	£'000
Non-current assets			
Goodwill	586	**(586)**	-
Other intangible assets	1,813	**(1,813)**	-
Mines under construction	-	**2,399**	**2,399**
Property, plant and equipment	771	-	**771**
Investment in subsidiaries	-	-	-
Long-term loan	-	-	-
Total Non-current assets	3,170	-	**3,170**
Current assets			
Trade and other receivables	213	-	**213**
Cash and cash equivalents	1,125	-	**1,125**
Total current assets	1,338	-	**1,338**
Current liabilities			
Trade and other payables	208	-	**208**
Total current liabilities	208	-	**208**
Net current assets	1,130	-	**1,130**
Net assets	4,300	-	**4,300**
Equity			
Share capital	2,568	-	**2,568**
Share premium account	14,131	-	**14,131**
Capital redemption reserve	2,077	-	**2,077**
Currency translation reserve	(90)	-	**(90)**
Retained earnings	(13,503)	-	**(13,503)**
Equity attributable to the owners of the Company	5,183	-	**5,183**
Non-controlling interests	(883)	-	**(883)**
Total equity	4,300	-	**4,300**

The 2018 balances have been restated in the 2019 financial statements because of the following reasons:

1 On acquisition of the Tantalite Asset, the amount paid over and above the fair value of the net assets acquired was attributed to Goodwill rather than to the value of the exploration asset purchased. The result of this prior period adjustment has no impact on the retained earnings of the Group as detailed above.

2 In the prior year, the Company announced that the project in Namibia had entered into a trial production phase, and therefore moving out of the exploration phase. As a result, the classification of the exploration asset has been revised as a Mine under Construction. The result of this prior year adjustment has no impact on the retained earnings of the Group as detailed above.

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 30 June 2019

5 SEGMENTAL REPORTING

The Directors are of the opinion that under IFRS 8 – "Operating Segments" the Group operates in two primary business segments; being holding company expenses and tantalite mining activities. The secondary segment is geographic. The Group's losses and net assets by primary business segments are shown below.

Segmentation by continuing business

Profit/ (loss) before income tax	**Year ended 30 June 2019 £'000**	Year ended 30 June 2018 £'000
Holding company	**83**	(295)
Tantalite mining activity	**(1,423)**	(2,243)
	(1,340)	(2,538)

Net assets	**Year ended 30 June 2019 £'000**	Year ended 30 June 2018 £'000
Holding company	**8,530**	7,922
Tantalite mining activity	**3,029**	2,054

Segmentation by geographical area

Loss before income tax	**Year ended 30 June 2019 £'000**	Year ended 30 June 2018 £'000
United Kingdom	**83**	(295)
Namibia	**(1,423)**	(2,243)
	(1,340)	(2,538)

Net assets	**Year ended 30 June 2019 £'000**	Year ended 30 June 2018 £'000
United Kingdom	**8,530**	7,922
Namibia	**3,029**	2,054

NOTES TO THE GROUP FINANCIAL STATEMENTS
For the year ended 30 June 2019

6 OPERATING LOSS

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Loss for the period has been arrived at after charging:		
Staff costs as per Note 8 below	**470**	1,067
Auditors remuneration	**28**	21
Depreciation of property, plant and equipment	**202**	119

7 AUDITORS' REMUNERATION

The analysis of auditors' remuneration is as follows:

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Fees payable to the Group's auditors for the audit of the Group's annual accounts	**25**	20
Total audit fees	**25**	20
Fees payable to the Group auditor and their associates for other services to the Group:		
Tax services	**3**	1
	28	21

NOTES TO THE GROUP FINANCIAL STATEMENTS
For the year ended 30 June 2019

8 STAFF COSTS

The average monthly number of employees (including executive directors) for the continuing operations was:

	Year ended 30 June 2019 Number	Year ended 30 June 2018 Number
Group total staff	**32**	**115**

	£'000	**£'000**
Wages and salaries	**380**	822
Share based payment in respect of exercise of options	**54**	148
Other benefits	**5**	4
Social security costs	**31**	93
	470	1,067

DIRECTORS' EMOLUMENTS

An analysis of the directors' emoluments and pension entitlements and their interest in the share capital of the Company is contained in the Directors' Remuneration report accompanying these financial statements.

9 TAXATION

The weighted average applicable tax rate of 28.25% (2018: 28.25%) is a combination of the rates used in the UK and Namibia.

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Loss on continuing operations before tax	**(1,340)**	(2,538)
Tax at the weighted average tax rate of 28.25% (2018: 28.25%)	**(379)**	(482)
Effects of:		
Expenses not deductible for tax purposes	**5**	22
Unutilised tax losses carried forward	**374**	460
Tax charge for period	**-**	-

The taxation charge in future periods will be affected by any changes to the corporation tax rates in force in the countries in which the Group operates.

There is an estimated unrecognised deferred tax asset of £4,882,000 (2018: £4,499,000) on the accumulated tax losses which is not recognised due to the uncertainty as to when the operations will generate sufficient profits against which to offset such assets.

NOTES TO THE GROUP FINANCIAL STATEMENTS
For the year ended 30 June 2019

10 LOSS PER SHARE

The calculation of basic loss per share is based on the following data:

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Loss for the year attributable to owners of the Company	**(1,049)**	(1,977)
Weighted average number of ordinary shares in issue for basic and fully diluted earnings	**264,777,533**	245,076,157
LOSS PER SHARE (PENCE PER SHARE)		
BASIC AND FULLY DILUTED:		
- from continuing and total operations	**(0.39)**	(0.81)

The Company has outstanding warrants and options as disclosed under Note 20 which may be dilutive in future periods. The effect in respect of the current year would have been anti-dilutive (reducing the loss per share) and accordingly is not presented.

11 INTANGIBLE ASSETS

GROUP	**Exploration and Evaluation costs £'000**	**Goodwill £'000**	**Total £'000**
At 1 July 2017	**1,891**	**588**	**2,479**
Additions	41	-	41
Exchange translation difference	(119)	(2)	(121)
Transfer to Mines under construction (Note 4 and 12)	(1,813)	(586)	(2,399)
At 30 June 2018	**-**	**-**	**-**
Additions	-	-	-
Exchange translation difference	-	-	-
At 30 June 2019	**-**	**-**	**-**

12 MINES UNDER CONSTRUCTION

GROUP	**Construction in progress £'000**	**Mining licences £'000**	**Total £'000**
At 1 July 2017	-	-	-
Transfer from Intangible Assets (Note 4 and 11)	2,389	10	2,399
At 30 June 2018	**2,389**	**10**	**2,399**
Additions	-	-	-
Exchange translation difference	13	-	13
At 30 June 2019	**2,402**	**10**	**2,412**

NOTES TO THE GROUP FINANCIAL STATEMENTS
For the year ended 30 June 2019

13 PROPERTY, PLANT AND EQUIPMENT

GROUP	Leasehold land & buildings £'000	Plant & machinery £'000	Furniture & equipment £'000	Total £'000
Cost				
At 1 July 2018	**125**	**858**	**35**	**1,018**
Exchange translation difference	1	10	-	**11**
Additions	-	136	5	**141**
Cost at 30 June 2019	**126**	**1,004**	**40**	**1,170**
Depreciation				
At 1 July 2018	**20**	**211**	**16**	**247**
Exchange translation difference	-	8	4	**12**
Charge for the year	5	193	4	**202**
Depreciation at 30 June 2019	**25**	**412**	**24**	**461**
Net book value at 30 June 2019	**101**	**592**	**16**	**709**
Net book value at 30 June 2018	105	647	19	771

14 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The Company's investments in its subsidiary and associated undertakings

COMPANY	Total £'000
Cost and net book value	
At 1 July 2017	1,272
Capitalisation of loan to Aftan	600
As at 30 June 2018 restated	**1,872**
Capitalisation of loan to Aftan	335
As at 30 June 2019	**2,207**

All principal subsidiaries of the Group are consolidated into the financial statements.

At 30 June 2019 the subsidiaries were as follows:

Subsidiary undertakings	Country of registration	Principal activity	Holding	%
African Tantalum (Pty) Ltd	Namibia	Intermediate holding company	Ordinary shares	75
Namibia Tantalite Investments (Pty) Ltd	Namibia	Tantalite mining	Ordinary shares	100
Tameka Shelf Company Four (Pty) Ltd	Namibia	Mining licence holder	Ordinary shares	100

15 LONG-TERM LOAN

COMPANY	Total £'000
At 1 July 2017	3,162
Part capitalisation of loan to Aftan (note 13)	(600)
Increase in loan to Aftan	2,592
As at 30 June 2018 restated	**5,154**
Part capitalisation of loan to Aftan (note 13)	(335)
Increase in loan to Aftan	1,165
As at 30 June 2019	**5,984**

During the year approximately 25% of the intercompany loan was converted into shares in Aftan.
The intercompany loan to Aftan bears interest at 12% p.a.

16 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	£'000	£'000	**£'000**	£'000
Other receivables	**57**	206	**13**	30
Prepayments and accrued income	**6**	7	**6**	7
	63	213	**19**	37

The Directors consider the carrying amount of intercompany loans and other receivables approximates to their fair value.

17 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	£'000	£'000	**£'000**	£'000
Cash and cash equivalents	**421**	1,125	**363**	907

Cash and cash equivalents (which are presented as a single class of asset on the face of the balance sheet) comprise cash at bank and other short term, highly liquid investments with a maturity of three months or less.
The Directors consider the carrying amount of cash and cash equivalents approximates to their fair value.

18 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2019	2018	**2019**	2018
	£'000	£'000	**£'000**	£'000
Trade payables	**15**	59	**4**	8
Other payables	**4**	4	**4**	4
Accruals	**45**	145	**35**	36
	64	208	**43**	48

The Directors consider the carrying amount of trade payables approximates to their fair value.

NOTES TO THE GROUP FINANCIAL STATEMENTS
For the year ended 30 June 2019

19 SHARE CAPITAL AND SHARE PREMIUM

	Number of shares	Nominal value £'000	Share premium £'000
ISSUED AND FULLY PAID:			
At 1 July 2018, shares of 1p each	**256,849,443**	**2,568**	**14,131**
Share issues	29,711,765	298	206
Share issue expenses	-	-	(30)
At 30 June 2019	**286,561,208**	**2,866**	**14,307**

Share issues

On 25 March 2019, the Company issued 29,411,765 ordinary shares at par value of 1p for 1.7p per share for cash in respect of a private placing.

On 24 May 2019, the Company issued 300,000 ordinary shares at par value of 1p for 1p per share as a share-based payment to a director.

Reserves

The Group's reserves are made up as follows:

Share capital: Represents the nominal value of the issued share capital.

Share premium account: Represents amounts received in excess of the nominal value on the issue of share capital less any costs associated with the issue of shares.

Capital redemption reserve: Reserve created on the redemption of the Company's shares

Share option reserve: Reserve created for the equity settled share option scheme (note 19)

Currency translation reserve: Reserve arising from the translation of foreign subsidiaries at consolidation.

Retained earnings: Represents accumulated comprehensive income for the year and prior periods.

20 SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Company operates share-based payment arrangements to incentivise directors by the grant of share options. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

On 17 August 2017, 10,000,000 options were granted to L Johnson, vesting in 3 tranches, 3,300,000 options on the first anniversary, 3,300,000 options on the second anniversary, and 3,400,000 options on the third anniversary of the date of grant and exercisable at 6p per share for 3 years from the vesting date. The options are subject to certain performance related conditions. These options were cancelled on 21 December 2018.

On 21 December 2018, 10,000,000 options were granted to L. Johnson, vesting on 21 December 2021 at an exercisable at 1.75p per share.

The total share-based payment expense recognised in the income statement for the year ended 30 June 2019 in respect of the share options granted was £51,000 (2018: £148,000). The share options are only exercisable when NTI have entered full production for at least six months.

NOTES TO THE GROUP FINANCIAL STATEMENTS
For the year ended 30 June 2019

20 SHARE-BASED PAYMENTS (continued)

The total share options at 30 June 2019 is as follows:

Number of options at 1 July 2018	Granted in the year	Cancelled in the year	Number of options at 30 June 2019	Exercise price	Vesting Date	Expiry date
3,300,000	-	3,300,000	-	6.00p	17.08.2018	17.08.21
3,300,000	-	3,300,000	-	6.00p	17.08.2019	17.08.22
3,400,000	-	3,400,000	-	6.00p	17.08.2020	17.08.23
-	10,000,000	-	10,000,000	1.75p	21.12.2021	21.12.23
10,000,000	10,000,000	10,000,000	10,000,000	1.75p		

21 FINANCIAL INSTRUMENTS

The Group's financial instruments comprise borrowings, cash and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

FINANCIAL ASSETS BY CATEGORY

Financial assets included in the Statement of financial position and the headings in which they are included are as follows:

	2019 £'000	2018 £'000
Financial assets:		
Cash and cash equivalents	**421**	1,125
Loans and receivables	**57**	206
	478	1,331

FINANCIAL LIABILITIES BY CATEGORY

Financial liabilities included in the Statement of financial position and the headings in which they are included are as follows:

	2019 £'000	2018 £'000
Financial liabilities at amortised cost:		
Trade and other payables	**64**	43
	64	43

21 FINANCIAL INSTRUMENTS (continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest repayment date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from the interest rate curves at the balance sheet date. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years
	£'000	£'000	£'000	£'000	£'000
30 June 2019					
Non-interest bearing:					
Trade and other payables	-	64	-	-	-
Short term borrowings	-	-	-	-	-
30 June 2018					
Non-interest bearing:					
Trade and other payables	-	43	-	-	-
Short term borrowings	-	-	-	-	-

22 RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Group's risk management is coordinated by the Board of Directors, and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets.

The main risks the Group are exposed to through its financial instruments and the operations of the Group are credit risk, foreign currency risk, liquidity risk and market price risk. These risks are managed by the Group's finance function together with the Board of Directors.

Capital risk management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the Group's growth; and
- to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

Credit risk

The Company's principal financial assets are bank balances and cash and other receivables, which represent the Company's maximum exposure to credit risk in relation to financial assets. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The Group's maximum exposure to credit risk is £421,000 (2018: £1,125,000) comprising cash and cash equivalents.

Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through maintaining a positive cash balance and controlling expenses and commitments. The Directors are confident that adequate resources exist to finance current operations.

22 RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign Currency risk

The Group undertakes transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Following the acquisition of African Tantalum (Pty) Ltd. Ltd, the Group's major activity is now in Namibia, bringing exposure to the exchange rate fluctuations of GBP/£ Sterling with the Namibian Dollar and South African Rand, the currencies in which most of the operating costs are denominated. At the year end the value of assets denominated in these currencies was such that the resulting exposure to exchange rate fluctuations was not material to the Group's operations. Going forwards the Group is exposed to the US$ as it has entered into an off-take agreement for the major part of its production, priced in US$.

Exchange rate exposures are managed within approved policy parameters. The Group has not entered into forward exchange contracts to mitigate the exposure to foreign currency risk.

The Directors consider the assets most susceptible to foreign currency movements to be the Investment in Subsidiaries. Although these investments are denominated in Namibian Dollars their value is dependent on the global market value of the available Tantalite resources.

The table below details the split of the cash held as at 30 June 2019 between the various currencies:

Namibian Dollar (NAD)	GBP Sterling (£)	Total GBP Sterling (£)
1,024,147	363,451	420,699

Market Price risk

Going forwards the Group's exposure to market price risk mainly arises from potential movements in the market price of Tantalite. The Group is managing this price risk by completing a fixed price off-take agreement in respect of the major part of its planned production.

23 EVENTS AFTER THE REPORTING PERIOD

There have been no material events since the reporting date.

24 RELATED PARTY TRANSACTIONS

The remuneration of the Directors, who are the key management personnel of the Company, is set out in the report of the Board on remuneration accompanying these financial statements.

During the year, Westleigh Investment Holdings Ltd ("WIHL") received £48,000 (2018: £48,000) in respect of accounting, administration and office accommodation services provided to the Company. WIHL is a substantial shareholder in the Company and is controlled by Giles Clarke and Nick Harrison through their holdings of 73.28% and 26.72% respectively.

During the year, the Company paid £1,920 (2018: £nil) to Amerisur Resources plc, a company in which Giles Clarke and Nick Harrison also hold directorships.

There have been no other material transactions with related parties.

25 ULTIMATE CONTROLLING PARTY

The Directors do not consider there to be one single ultimate controlling party.