Company Registration No. 05697574

KAZERA GLOBAL plc

Annual Report
For the year ended 30 June 2021

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COMPANY INFORMATION

DIRECTORS:	G Clarke N Harrison D Edmonds O Ilunga	Chairman Director Director Director
SECRETARY:	B James	
REGISTERED OFFICE:	Unit D, De Clare House Sir Alfred Owen Way Pontygwindy Industrial Estate Caerphilly Wales CF83 3HU	
COMPANY REGISTRATION NUMBER:	05697574	
REGISTRAR AND TRANSFER OFFICE:	Link Group 10th Floor, Central Square 29 Wellington Street Leeds LS1 4DL	
SOLICITORS:	Kuit Steinart Levy LLP 3 St Mary's Parsonage, Manchester M3 2RD	
INDEPENDENT AUDITORS:	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD	
NOMINATED ADVISOR & BROKER:	FinnCap Limited 60 New Broad Street London EC2M 1JJ	
BANKERS:	HSBC Bank PLC 3 Rivergate Temple Quay Bristol BS1 6ER	

CHAIRMAN’S STATEMENT

For the year ended 30 June 2021

Review of the Period

Over the period Kazera has performed well delivering growth whilst developing significant opportunities in the pipeline for the future. The Company remains committed to a diversified portfolio with exposure to the lithium, tantalum, diamonds and heavy mineral sands commodities’ markets.

We have made noteworthy progress operationally across the portfolio continuing to drive growth and improvement in the Diamond Project in South Africa as well as the Tantalite Valley Mine (“TVM”) in Namibia. The Diamond project was successfully resumed in October 2020 producing the first "proof of concept" batch of 52 carats which were subsequently sold at auction. This first batch was also subsequently followed by 39.94carats being sorted in February 2021, 243.36 in April 2021 and a further 177.12 carats in June 2021, confirming that the Diamond project will be a profitable project on a standalone basis. We remain optimistic for new high-grade development to continue on the asset, further increasing the potential profitability of the project. We remain focused on diamond production on larger stones which would deliver higher market value and maximise returns.

In Namibia, exploration at the Tantalite Valley Mine confirmed three different minerals in commercially viable quantities across just 30% of the licence area. Results also delivered strong grades of feldspar, highlighting the potential of the region.

We continued to advance discussions with potential investors surrounding the Orange River pipeline. An extensive plant upgrade has led to us putting the plant into test operation using borehole water and adopting an aggressive water recycling policy. Interest remains from local investors in TVM, and the Company continues to explore all avenues.

Although during the year there were delays to the issuance of the Company's mining permit and Prospecting Licence at the Heavy Mineral Sands Project due to COVID we are pleased that the documentation passed through the correct channels after easing of COVID restrictions. The final documents are expected shortly.

In June 2021 we were delighted to welcome Dennis Edmonds into the role of Joint Chief Executive. Dennis has a wide range of experience and was previously the Director responsible for the Company's Alexander Bay activities, which given the importance of the South African activities and the considerable constraints on travel caused by Covid has been a well-received and logical appointment. Dennis has since become Chief Executive Officer with the departure of Larry Johnson who we thank for his significant contribution to the Company during his 5 years with the business.

Outlook

Our strategy continues to be to grow the business organically as well as remaining open to any inorganic opportunities that may arise.

The uncertainty caused by COVID-19 has delayed the proposed investments by two prospective Namibian investors who still remain positive and interested in investing. In the interim, we have also continued to secure long-term financing through a New Loan Facility, together with the conversion of the current director advances into a fixed term loan, providing the Company with a cash pool to alleviate any short-term unforeseen cash issues that could arise. As we move into the new year, we look forward to having a cash generative business to fund our future expansion and look to securing additional investment where necessary.

Giles Clarke
Chairman
29 March 2022

CHIEF EXECUTIVE OFFICER'S REVIEW
For the year ended 30 June 2021

Overview
I am pleased to provide my first CEO review and look forward to the year ahead as we continue to build value in both Namibia and now South Africa. The Company has made significant progress over the past year. We are set to be a producing and revenue generating company in the near future which is a true testament to the hard work the whole company has put in during what has been a testing time globally during the COVID-19 pandemic.

Kazera secured funding deals from multiple sources during the year, ran financial and operational due diligence on the Tantalite Valley Mine and operated efficiently to facilitate growth in the business as well as optimise the production of high-grade diamonds from the Mining Project.

Operations
At the start of the reporting period, we made noteworthy progress with operations at both the Company's Diamond project in South Africa and Tantalite Valley Mine in Namibia. Although operations were halted in South Africa due to the impact of COVID-19 our Diamond Project restarted production in October 2020 and has been in test operation without issue since. Alongside this our Tantalite Valley Mine produced positive exploration outcomes, highlighting the potential of the region and in turn of Kazera.

Our Diamond production continues to show the high-grade minerals available on our licence and with Kazera's expertise the Company is set to focus on the high-grade mineralisation with the view to maximise profitability.

Although the Heavy Mineral Sands Project experienced delays to the issuance of Kazera's Mining Permit and Prospecting Licence due to the pandemic, management made sure to push forward once easing was implemented in-country and the licence is expected to be issued shortly.

The Company is pleased to have two potential Namibian investors who have each agreed initial terms to subscribe $11 million for 290,576,383 shares in the Company. The funds were largely earmarked to aid the development of the Tantalite Valley and the building of the Orange River pipeline, but the Company has now successfully upgraded the plant and utilised available borehole water to again get the plant into operation.

Post period the management team was pleased to have acquired 60% of Whale Head Minerals. It is now awaiting the grant of the Mining Permit, which it believes to be imminent and which will bring near term cash flow to the Company from the production of Heavy Mineral Sands.

Outlook
Kazera is in a prime position to progress and maximise shareholder value. Within the coming year we anticipate cash generative production from all three of our current projects. This will fund the development of further tantalum and lithium resources in Namibia and a processing facility for HMS in South Africa as well as further Exploration Licences.

The Company will also continue to progress with investment into the business where needed and is acutely focussed on driving growth funding future developments. This is very exciting for the Kazera Board to see the whole plan now starting to come together and delivering value to our shareholders and stakeholders.

Dennis Edmonds
Chief Executive Officer
29 March 2022

STRATEGIC REPORT
For the year ended 30 June 2021

The Directors present their strategic report on the Group for the year ended 30 June 2021.

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 Tantalite project located in Namibia and diamond mine in South Africa. 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 2021 (2020: 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 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. The Company has provided further finance to its subsidiaries.

Key Performance Indicator	**30 June 2021**	30 June 2020
	£'000	£'000
Investment	**3,114**	3,114
Return on investment	**-36%**	-20%

STRATEGIC REPORT (continued)

For the year ended 30 June 2021

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.

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**

Substantially all of the Group's business and operations are conducted in Namibia and South Arica. 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.

The Group's risks are mitigated by liaison with the local governments and union representatives as well as continuous monitoring of local situations.

- **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.

Exploration risk is mitigated by using independent third-parties to determine the resource availability (JORC reports) and the operational risk is mitigated by using high-quality skilled drilling contractors.

STRATEGIC REPORT (continued)
For the year ended 30 June 2021

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- **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.

The Management team are highly experienced at sourcing investment opportunities

- **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.

The Group is listed on the public markets where additional finance can be raised. Additionally, the Company was able to secure new loan facilities in October 2021, post year end.

- **Covid-19**

The Group's operations are principally in Namibia and South Africa where Covid-19 has had a significant on the local economies. The following has been implemented by the Group:

Health and safety – The Group has published policies on operating within the current government and international guidelines to ensure our personnel remain safe. No significant outbreaks of Covid-19 have been identified within our operational vicinity, however should there be a significant outbreak, operations will be adversely affected. The current guidelines implemented by the Group have limited financial impact in the short term, and as government restrictions are being eased in these regions, the Group does predict a long-term effect on the results.

Localised and national lockdowns – To date, there have been limited lockdowns in the specific regions in which Kazera operate. Going forward there is a risk that should tighter restrictions be enforced leading to reduced activity, both future development as well as mining operations may be impacted.

- **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.

The management team closely monitors performance of each activity and takes corrective action where necessary

- **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.

The Management team are highly experienced at sourcing and managing potential opportunities until fruition

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
Note 24 to the financial statements sets out the financial risks to which the Group is exposed, together with its policies for managing these risks.

STRATEGIC REPORT (continued)
For the year ended 30 June 2021

PROMOTION OF THE COMPANY FOR THE BENEFIT OF THE MEMBERS AS A WHOLE
The Director's believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:
- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

The Company is quoted on AIM and its members will be fully aware, through detailed announcements, shareholder meetings and financial communications, an updated website, of the Board's broad and specific intentions and the rationale for its decisions. The Company has complied with all its obligations under AIM rule 26.

When selecting investments, issues such as the impact on the community and the environment have actively been taken into consideration. The Company strives to comply with all local environmental legislation, and takes it responsibility to the environment very seriously. Post year end, the Company has focused on water recycling projects at its processing plant in the Tantalite Valley.

The Company pays its employees and creditors promptly and keeps its costs to a minimum to protect shareholders funds. The Company recognises, communicates with workers' representation unions and complies with all local employment legislation. There were no outstanding employment disputes at 30 June 2021.

GOING CONCERN
The financial statements have been prepared assuming the Group and Company will continue as a going concern. In assessing whether the going concern assumption is appropriate, the directors have taken into account all available information for the foreseeable future; in particular for the 12 months from the date of approval of these financial statements and performed sensitivity analysis thereon. This assessment includes consideration of future plans, expenditure commitments in place, cost reduction measures that can be implemented and permitting requirements. The Directors estimates are dependent upon the company's mining operations coming into operation as planned. In the event that this does not occur the Directors are confident that further funds could be raised to bridge any shortfall.

The diamond mines have produced a relatively small number of carats, up to the December/January cycle when just over 1,000 carats were produced. We expect diamond mining to now provide consistent revenue. We are now producing small quantities of Tantalum and have made substantial changes to the plant and anticipate commercial scale production during April 2022. As a result, the Directors do not believe performing a stress test to be appropriate.

The audit report on page 18 makes reference to a material uncertainty relating to going concern. Further details in respect of the considerations made can be found in note 2 to the financial statements.

This report was approved by the board of Directors on 29 March 2022 and signed on its behalf by

Dennis Edmonds
Chief Executive Officer

DIRECTORS' REPORT
For the year ended 30 June 2021

The Directors present their annual report and audited financial statements for the year ended 30 June 2021.

DIRECTORS
The 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 was formerly Chairman of AIM quoted Amerisur Resources plc prior to its disposal in 2020, is Chairman of Westleigh Investments Holdings Limited and 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 – resigned 20 October 2021

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.

D Edmonds -Executive Director

Mr Edmonds has a wealth of experience in board level positions in investment banking and venture capital industries. Most recently, Mr Edmonds was executive Chairman of AIM-quoted Alien Metals Limited and CEO of Pathfinder Minerals PLC.

Odilon Ilunga – Executive Technical Director – appointed on 26 June 2020

Mr Ilunga is a Metallurgist and Civil Engineer having graduated with a master's degree in metallurgical engineering from the University of Witwatersrand. Having begun his career in mining at Ongolopo Mining Limited in 2004 before moving to Weatherly Mining Namibia in 2010, Mr Ilunga was appointed Operations Manager at African Tantalum in 2017, in charge of tantalum ore concentration and development strategies for the processing plant.

N Harrison – Non-Executive Director

Nick Harrison was appointed as a director on 25 March 2014 and was independent on appointment. He was formerly Finance Director of AIM quoted Amerisur Resources plc prior to its sale in 2020, and a Non-executive Director of Ironveld plc. Mr Harrison 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 2021		30 June 2020	
	Number	**% held**	Number	% held
G Clarke (see note below)	**19,832,743**	2.83%	19,832,743	2.93%
N Harrison (see note below)	**20,499,409**	2.93%	20,499,409	3.03%
L Johnson	**500,000**	0.07%	500,000	0.07%
D Edmonds	**-**	-	-	-
O Ilunga	**-**	-	-	-

Note: Westleigh Investments Holdings Limited (a company beneficially owned by Giles Clarke and Nick Harrison), holds 15,138,095 (2020: 14,338,095) ordinary shares in addition to the personal holdings shown above.

DIRECTORS' REPORT (continued)
For the year ended 30 June 2021

CAPITAL STRUCTURE
Details of the issued share capital are shown in Note 21. 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
Note 25 details the events after the reporting period.

EMPLOYEES
The Group is an equal opportunities employer.

SUBSTANTIAL SHAREHOLDINGS
As at 31 December 2021 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 ordinary share capital of the Company (based on a total number of ordinary shares in issue of 760,453,942):

	Number of ordinary shares	% of ordinary share capital and voting rights
Align Research	204,700,000	27.0%
Hargreaves Lansdown	55,981,971	7.4%
HSDL, Stockbrokers	46,452,026	6.1%
Tracarta	43,181,095	5.7%
Interactive Investor	40,986,991	5.4%
Dowgate Capital	27,234,374	3.6%
Tectonic Gold	23,527,957	3.1%

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 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 29 March 2022 and signed on its behalf by

Dennis Edmonds
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, corporate governance regulations apply 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 holds 100% of African Tantalum, a Namibian based operation and 90% of Deep Blue Minerals, a South African 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.

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.

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (continued)

QCA Principles (continued)

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 4 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' 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 2021 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 two Executive Directors 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.

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.

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (continued)

QCA Principles (continued)

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 the resignation of L Johnson. The external time commitments are reported upon in the director's 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)

QCA Principles (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 the responsibility of accurate financial statements and auditing standards comply with Auditing Practice Board’s (APB’s) and Ethical Standards for Auditors. The Board 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

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (continued)

QCA Principles (continued)

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.

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
29 March 2022

DIRECTORS' REPORT ON REMUNERATION
For the year ended 30 June 2021

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.

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

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 2021**	Year ended 30 June 2020
	£'000	**£'000**	**£'000**	£'000
G Clarke	**50**	**-**	**50**	50
N Harrison	**40**	**-**	**40**	40
D Edmonds	**70**	**-**	**70**	6
L Johnson	**126**	**-**	**124**	140
O Ilunga	**-**	**-**	**-**	-
	286	**-**	**284**	236

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

	Number outstanding at 30 June 2021	Number outstanding at 30 June 2020
L Johnson	**15,000,000**	15,000,000
G Clarke	**13,333,333**	13,333,333
N Harrison	**13,333,333**	13,333,333
D Edmonds	**10,000,000**	10,000,000
O Ilunga	**-**	-
	51,666,666	51,666,666

This report was approved by the board of Directors on 29 March 2022 and signed on its behalf by

Giles Clarke
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES
For the year ended 30 June 2021

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 accounting standards in conformity with the requirements of the Companies Act 2006. 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 international accounting standards in conformity with the requirements of the Companies Act 2006 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
29 March 2022

INDEPENDENT AUDITOR'S 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 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated and Parent Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2021 and of the group's loss for the year then ended;
- the group's financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirement of the Companies Act 2006 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 conditions that may cast significant doubt on the ability of the group and parent company to continue as a going concern. The group incurred a net loss of £1.2m during the year ended 30 June 2021, and has net current liabilities of £0.7m. Furthermore, either significant funds will need to be raised within the next 12 months or the mines need to become operational and cash generative. As stated in note 2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included reviewing of the cashflow forecasts and budgets up to 31 March 2023 and the corresponding assumptions used, discussions with management regarding future plans, availability of funding, expected production at the mines and cash position of the group in March 2022.

Based on our review of management's assessments, the group has the ability to report under the going concern assumption for 12 months from the date of the approval of the financial statements. However, the assumptions are based on the receipt of funding (the timing of which is uncertain) or the mines coming into operation as planned.

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

Our application of materiality

We apply the concept of materiality in both planning and performing the audit, and in evaluating the effect of misstatements. At the planning stage, materiality is used to determine the financial statements areas that are included within the scope of the audit and the extent of sample sizes during the audit.

The materiality applied to the group financial statements was £194,000 (2020: £124,000), based on a percentage of gross assets, as it is from these assets that the group seeks to deliver returns for shareholders.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KAZERA GLOBAL PLC (continued)

As in the prior year, we considered gross assets to be the most significant determinant of the group's financial position and performance used by shareholders. This is because the key balances, as reflected in the Statement of Financial Position, are mines under construction and property plant and equipment.

The going concern of the group is dependent on its ability to fund operations going forward, as well as on the valuation of its mines under construction, which represent the underlying value of the group. The percentage threshold applied in determining materiality based on gross assets increased to 5% (2020: 3%) from the prior year due to lower complexity of transactions that arose during the current year.

Whilst materiality for the financial statements as a whole was set at £194,000, each significant component of the group was audited to an overall materiality ranging between £43,600 - £174,600 with performance materiality set at 70% for the significant components and the group. The performance materiality for the group was set at £135,800 (2020: £86,800). The benchmark of 70% has been selected as many of the balances representing risk areas, including the carrying value of mines under construction and impairments of investments in subsidiaries, which we tested 100%. Therefore, we concluded this provided sufficient coverage of significant and residual risks. We applied the concept of materiality both in planning and performing our audit, and in evaluating the impact of misstatements.

We communicated in our audit planning report that all audit differences identified during the course of our audit in excess of £9,700 (2020: £6,200) will be brought to the attention of those charged with governance. There were no misstatements identified during the course of our audit that were individually, or in aggregate, considered to be material.

Materiality for the parent company financial statements was set at £174,600 (2020: £108,000), based on a percentage of gross assets, with performance materiality set at 70%. The performance materiality for the parent company was set at £122,220 (2020: £75,600). Materiality has been reassessed during the fieldwork and closing stages of the audit, taking into consideration new information which arose. No alterations were made to materiality either during or at the conclusion of the audit.

Our approach to the audit

In designing our audit approach, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we assessed the areas requiring the directors to make subjective judgements, for example in respect of significant accounting estimates including the carrying value of mines under construction and impairment of investments in subsidiaries and the consideration of future events that are inherently uncertain.

An audit was performed on the financial information of the group's material operating components which, for the year ended 30 June 2021, were located in South Africa and in Namibia. There are two dormant companies within the group which were not assessed as material components. Consequently, the audit work performed on these components consisted of analytical procedures at group level.

The work performed by component auditors, under our instruction, on the significant components located in Namibia was directed by us as group auditor and the Senior Statutory Auditor was responsible for the scope and direction of the audit process. We ensured that there was regular interaction with the component auditors during all stages of the audit and reviewed their working papers to gain sufficient appropriate evidence for our opinion on the group financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KAZERA GLOBAL PLC (continued)

<table>
<tr><th>Key Audit Matter</th><th>How our scope addressed this matter</th></tr>
<tr><td colspan="2">Carrying Value of Mines Under Construction (Note 11)</td></tr>
<tr><td>There is a risk that the carrying value of the mines under construction might be impaired and the assumptions used to estimate impairment values are not appropriate.

The recoverability of these balances is ultimately dependent on the mines being able to generate returns. The mines are not yet in the production phase and the recoverability and valuation of these amounts is dependent on management judgement and estimation.

The value of the mines under construction amounts to £2,897k (2020: £2,817k), representing the most material amount within the financial statements.

Given the quantum of the account balance and the significant level of management judgement and estimation involved, the carrying value of mines under construction is considered to be a key audit matter.</td><td>Our work in this area included but was not limited to:
▪ A review of the costs capitalised, and additions made to mine under construction assets during the fiscal year to ensure that transactions are accounted for in accordance with IFRS;
▪ Obtaining Management's impairment assessments and challenging the inputs used therein;
▪ Assessing whether sufficient funding is available to bring the mines into production and thereby generate revenue;
▪ Performing sensitivity analysis on the impairment calculations;
▪ Obtaining and reviewing reports produced by management's experts in support of the underlying mineral resources;
▪ Assessing the independence and competence of management's expert;
▪ A review of the component auditors working papers through assessing the substantive testing performed on additions made during the year and tracing an appropriate sample to supporting document to ensure that capitalisations are properly accounted for under the relevant IFRSs;
▪ Ensuring valid relevant licenses are held and consider potential impairment if any license have expired; and
▪ Ensuring where applicable valid relevant subcontracting agreements were in place to enable mining operations.
Based on the audit work performed we do not consider mines under construction to be materially misstated as at 30 June 2021. It is important to draw users' attention to the fact that this is dependent on sufficient funding becoming available to bring the mine into use.

Failure to secure the required funding is likely to result in an impairment to this balance.</td></tr>
<tr><td colspan="2">Impairment of Investments in Subsidiaries (Parent Company Only) (Note 13)</td></tr>
<tr><td>There is a risk that the carrying value of investments held in subsidiaries at a Parent Company level may be impaired.

The recoverability of these balances is dependent on the subsidiaries being able to generate returns from its underlying mines under construction and the valuation of recoverability of these balances is subject to significant management estimation and judgement.

For the year ended 30 June 2021, the value of investments in subsidiaries amounts to £3,114k (2020: £3,114k).

The loan receivables from the subsidiaries were considerably higher than the values of the investments at £7,644k (2020: £6,831k).

Given the quantum of the balance and the level of management estimation involved, the impairment of investments in subsidiaries is considered to be a key audit matter.</td><td>Our work in this area included but was not limited to:
▪ Obtaining Management's impairment assessments and challenging the inputs used therein;
▪ Assessing whether sufficient funding is available to bring the mines into production and thereby generate revenue;
▪ Performing sensitivity analysis on the impairment calculations;
▪ Obtaining and reviewing reports produced by management's experts in support of the underlying mineral resources;
▪ Assessing the independence and competence of management's expert;
▪ Ensuring valid relevant licenses are held and consider potential impairment if any license have expired; and
▪ Ensuring where applicable valid relevant subcontracting agreements were in place to enable mining operations and ownership of the investments held.
Based on the audit work performed we do not consider the carrying value of investments to be materially misstated as at 30 June 2021. It is important to draw users' attention to the fact that this is dependent on sufficient funding becoming available to bring the mine into use.

Failure to secure the required funding is likely to result in an impairment to this balance.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KAZERA GLOBAL PLC (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KAZERA GLOBAL PLC (continued)

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

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through, discussions with management, industry research, application of cumulative audit knowledge and experience of the sector etc. This is evidenced by discussion of laws and regulations with the management, reviewing minutes of meetings of those charged with governance and RNSs and review of legal or professional expenditures. As for the parent company's subsidiaries, corresponding instructions have been issued to the component auditors to assess the compliance of the components to the applicable laws and regulations.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from Companies Act 2006, AIM rules, and local laws and regulations in South Africa and Namibia relating to exploration and production.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
    - Discussion with management regarding potential non-compliance;
    - Review of the component auditor's work on compliance with laws and regulations;
    - Review of legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations;
    - Review of minutes of meetings of those charged with governance and RNS announcements.
- We also identified the risks of material misstatement of the financial statements due to fraud. Aside from the non-rebuttable presumption of a risk of fraud arising from management override of controls, and the presumed risk of fraud on revenue recognition, we did not identify any significant fraud risks.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates, judgements and assumptions for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business and review of the bank statements during the year to identify any large and unusual transactions where the business rationale is not clear.

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

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

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)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

29 March 2022

GROUP STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2021

Continuing operations	Notes	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Revenue	5	55	-
Cost of Sales		(55)	-
Gross Profit		-	-
Pre-production expenses		(111)	(290)
Administrative expenses		(1,053)	(733)
Other operating income		-	3
Operating loss and loss before tax	6	(1,164)	(1,020)
Taxation	9	-	-
Loss for the year		(1,164)	(1,020)
Loss attributable to owners of the Company		(1,146)	(769)
Loss attributable to non-controlling interests		(18)	(251)
		(1,164)	(1,020)
Other comprehensive income:			
Items that may be subsequently reclassified to profit and loss:			
Exchange differences on translation of foreign operations		107	(550)
Total comprehensive loss for the year attributable to:			
The equity holders of the parent		(1,039)	(1,319)
The non-controlling interests		(18)	(251)
		(1,057)	(1,570)
Earnings per share attributable to owners of the Company			
From continuing operations:			
Basic and diluted (pence)	10	(0.17) p	(0.21) 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 loss for the Parent Company for the year was £423,521 (2020: £57,846 profit).

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

GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION

As at 30 June 2021

		GROUP		COMPANY	
		2021	2020	**2021**	2020
	Notes	**£'000**	£'000	**£'000**	£'000
Non-Current assets					
Mines under construction	**11**	**2,897**	2,817	**-**	-
Property, plant and equipment	**12**	**716**	635	**-**	-
Investment in subsidiaries	**13**	**-**	-	**3,114**	3,114
Long-term loan	**16**	**-**	-	**7,644**	6,831
		3,613	3,452	**10,758**	9,945
Current assets					
Trade and other receivables	**17**	**168**	189	**23**	112
Cash and cash equivalents	**18**	**47**	425	**3**	401
		215	614	**26**	513
Current liabilities					
Trade and other payables	**19**	**209**	224	**180**	79
		209	224	**180**	79
Non-Current liabilities					
Other payables	**19**	**431**	-	**301**	-
Provisions	**20**	**55**	-	**-**	-
		486	-	**301**	-
Net current (liabilities) / assets		**6**	390	**(150)**	434
Net assets		**3,133**	3,842	**10,303**	10,379
Equity					
Share capital	**21**	**3,279**	3,255	**3,279**	3,255
Share premium account	**21**	**15,863**	15,711	**15,863**	15,711
Capital redemption reserve		**2,077**	2,077	**2,077**	2,077
Share option reserve	**22**	**337**	165	**337**	165
Currency translation reserve		**(477)**	(584)	**-**	-
Retained earnings		**(17,917)**	(16,771)	**(11,253)**	(10,829)
Equity attributable to owners of the Company		**3,162**	3,853	**10,303**	10,379
Non-controlling interests		**(29)**	(11)	**-**	-
Total equity		**3,133**	3,842	**10,303**	10,379

These financial statements were approved by the Board of Directors on 29 March 2022.
Signed on behalf of the Board by

Dennis Edmonds
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 2021

	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 30 June 2019	**2,866**	**14,307**	**2,077**	**51**	**(34)**	**(14,552)**	**4,715**	**(1,174)**	**3,541**
Comprehensive income for the year	-	-	-	-	-	(769)	(769)	(251)	(1,020)
Other comprehensive income	-	-	-	-	(550)	-	(550)	-	(550)
Total comprehensive expense	-	-	-	-	(550)	(769)	(1,319)	(251)	(1,570)
Non-controlling interest on acquisition of a subsidiary	-	-	-	-	-	-	-	(10)	(10)
Transactions with Non-controlling interest	-	-	-	-	-	(1,450)	(1,450)	1,424	(26)
Issue of share capital	389	1,404	-	-	-	-	1,793	-	1,793
Share based payment expense	-	-	-	114	-	-	114	-	114
Balance at 30 June 2020	**3,255**	**15,711**	**2,077**	**165**	**(584)**	**(16,771)**	**3,853**	**(11)**	**3,842**
Comprehensive income for the year	-	-	-	-	-	(1,146)	(1,146)	(18)	(1,164)
Other comprehensive income	-	-	-	-	107		107	-	107
Total comprehensive expense	-	-	-	-	107	(1,146)	(1,039)	(18)	(1,057)
Issue of share capital	24	152	-	-	-	-	176	-	176
Share based payment expense	-	-	-	172	-	-	172	-	172
Balance at 30 June 2021	**3,279**	**15,863**	**2,077**	**337**	**(477)**	**(17,917)**	**3,162**	**(29)**	**3,133**

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 2021

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share option reserve £'000	Retained earnings £'000	Total £'000
Balance at 30 June 2019	**2,866**	**14,307**	**2,077**	**51**	**(10,771)**	**8,530**
Total comprehensive income for the year	-	-	-	-	(58)	(58)
Issue of share capital, net of share issue costs	389	1,404	-	-	-	1,793
Share based payment expense	-	-	-	114	-	114
Balance at 30 June 2020	**3,255**	**15,711**	**2,077**	**165**	**(10,829)**	**10,379**
Total comprehensive income for the year	-	-	-	-	(424)	(424)
Issue of share capital, net of share issue costs	24	152	-	-	-	176
Share based payment expense	-	-	-	172	-	172
Balance at 30 June 2021	**3,279**	**15,863**	**2,077**	**337**	**(11,253)**	**10,303**

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 2021

	GROUP		COMPANY	
	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000	**Year ended 30 June 2021 £'000**	Year ended 30 June 2020 £'000
OPERATING ACTIVITIES				
Operating loss	**(1,164)**	(1,020)	**(424)**	(58)
Depreciation and amortisation	**126**	85	**-**	-
Share based payment expense	**172**	114	**172**	114
Shares issued in settlement of fees	**-**	18	**-**	18
Foreign exchange	**(39)**	(547)	**-**	(16)
Provisions for mine rehabilitation and decommissioning	**55**	-	**-**	-
Intercompany loan interest	**-**	-	**(312)**	(630)
Operating cash flows before movement in working capital	**(850)**	(1,350)	**(564)**	(572)
(Increase)/decrease in receivables	**21**	(126)	**89**	(93)
Increase in payables	**382**	162	**312**	35
Net cash used in operating activities	**(447)**	(1,314)	**(163)**	(630)
INVESTING ACTIVITIES				
Purchases of property, plant and equipment	**(197)**	(70)	**-**	-
Development costs	**-**	(405)	**-**	-
Purchase of subsidiary undertaking	**-**	-	**-**	(907)
Net cash used in investing activities	**(197)**	(475)	**-**	(907)
FINANCING ACTIVITIES				
Net proceeds from share issues	**176**	1,793	**176**	1,793
Advances to subsidiary undertakings	**-**	-	**(501)**	(218)
Loan received	**90**	-	**90**	-
Net cash from financing activities	**266**	1,793	**(235)**	1,575
Net (decrease) / increase in cash and cash equivalents	**(378)**	4	**(398)**	38
Cash and cash equivalents at beginning of year	**425**	421	**401**	363
Cash and cash equivalents at end of year	**47**	425	**3**	401

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 2021

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 and Wales, United Kingdom. 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 accounting standards in conformity with the requirements of the Companies Act 2006.

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 and Group.

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 the going concern basis.

In considering the adoption of the going concern basis for accounting management have considered various scenarios including a scenario in which all potential investment is received and planned activity performed and also a worst-case scenario wherein said funding does not materialize and the Group manages with the funds available to it including those generated from its mining activities.

Post period end, the Company has secured a loan facility of £450,000 and received equity finance from the exercise of warrants and the conversion of contractor liabilities totaling £383,250. The Company's Namibian mining are now being operated under a revenue sharing agreement with a third-party contractor, thereby reducing the Company's fixed expenditure.

The Group's South African diamond interest are now generating revenues.

The Directors forecast that future revenue from both operations, along with existing available cash resources, will be sufficient to cover operating cash outflows for a period of 12 months from the date of approval of these financial statements. Future revenues will be dependent upon the Company's ability to extract diamonds and produce tantalite in line with their forecasts at budgeted pricing. In the event that the mining activities do not come into operation, the Directors are confident that further funds could be raised to bridge any shortfall.

Should the Group be unable to continue trading, the Directors are confident that carrying values of the Group's mining assets are less than their current market value.

A material uncertainty relating to going concern is noted in the audit report on page 18.

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*
For the year ended 30 June 2021

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED BY THE GROUP

The following IFRS or IFRIC interpretations were effective for the first time for the financial year beginning 1 July 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standards /interpretations	Application
Amendments to IAS1	Classification of Liabilities as Current or Non-Current - (Effective date not yet confirmed)
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - (Effective date not yet confirmed)
Amendments to IAS 8	Definition of Accounting Estimates - (Effective date not yet confirmed)
Amendments to IFRS 3	Business Combinations - Reference to the Conceptual Framework - (Effective date not yet confirmed)
Amendments to IAS 16	Property, Plant and Equipment - (Effective date not yet confirmed)
Amendments to IAS 37	Provisions, Contingent Liabilities and Contingent Assets - (Effective date not yet confirmed)
Annual Improvements to IFRS Standards 2018-2020 Cycle	(Effective date not yet confirmed)

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ADOPTED BY THE GROUP

There are no IFRS's or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company or Group.

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 values 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.

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*
For the year ended 30 June 2021

FOREIGN CURRENCIES (continued)

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 involve 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.

MINES UNDER CONSTRUCTION

Expenditure is transferred from "Exploration and evaluation" assets to "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" are transferred into "Property, Plant and Equipment" or "Producing Mines. It is at this point that depreciation/amortisation commences over its useful economic life. The asset will be depreciated using the Units of Production method (UOP).

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*
For the year ended 30 June 2021

MINES UNDER CONSTRUCTION (continued)

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 machinery– Between 5 and 10 years
Furniture 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

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.

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*

For the year ended 30 June 2021

FINANCIAL INSTRUMENTS – INTITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT (continued)

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

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.

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.

TRIAL PRODUCTION REVENUE AND COSTS

Revenue

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. These steps are as follows: identification of the customer contract; identification of the contract performance obligations; determination of the transaction price; allocation of the transaction price to the performance obligations; and revenue recognition as performance obligations are satisfied.

Under IFRS 15, revenue is recognised when performance obligations are met. This is the point of delivery of goods to the customer. Revenue is measured at the fair value of consideration received or receivable from sales of gold to an end user, net of buyer's discount, treatment charges, freight costs and value added tax. The application of the standard including the five-step approach has not resulted in any changes to the timing of recognition of revenue in the current or any prior period. Accordingly, the information for 2020 has not been restated.

Revenues from the sale of tantalite ore produced as a by-product of the evaluation or "testing" phase are offset against the cost of the intangible asset that is being created. This can be seen by reference to Note 11, Mines Under Construction.

Trial Production Costs

Costs associated with the production of gold during the trial production phase are estimated to match the revenue generated and are deducted from the mines under construction representing the cost of said production.

EARNINGS PER SHARE

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (note 10).

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing cists associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares.

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*
For the year ended 30 June 2021

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 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 tantalite mining operation in Namibia and the diamond mining operation in South Africa.

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.

Valuation of options

The valuation of the options involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions and valuation methodology adopted have been described in more detail in Note 22. The estimates and assumptions could materially affect the Income Statement.

Carrying value of mines under construction (Note 11)

The Group tests annually whether its mines under construction have suffered any impairment and management make judgements in this respect. The judgements are based on the recoverable amounts of cash generating units ("CGUs") which are 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 tantalite mine 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 three principal variables in the Company's forecasts are as follows: resources, pricing and operational efficiency. In reviewing sensitivities, the following should be considered: a further 622,200 tonnes of lithium and tantalite resources have been identified at Purple Haze and Homestead in addition to the resources at White City, the Company's financial forecasts assume a 65% operational efficiency and resources are forecast to be sold on long term contracts to end users reducing commodity risk.

In assessing the carrying amounts of its diamond operations, the Company has commissioned an independent feasibility study which has concluded that the market value of its operations is significantly greater than carrying value.

Investment in subsidiaries

The investments in subsidiaries are recognised at cost less accumulated impairments. Details of the investments are listed in Note 13.

Upon acquisition, the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, is recognised under mines under construction.

Any potential impairments to the investments in subsidiaries are measured in line with the impairment of mines under construction in the paragraph above.

The Directors are confident that the future operational cashflows forecast to be generated from the sale of diamonds, tantalum and HMS will be sufficient to repay the intergroup loans.

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*
For the year ended 30 June 2021

4 SEGMENTAL REPORTING

The Directors are of the opinion that under IFRS 8 – Operating Segments the Group operates in three primary business segments; being holding company expenses, tantalite mining and diamond mining activities. The secondary segment is geographic. Pre-production/ trial revenue earned during the year ended 30 June 2021 were from immaterial sales to Alexkor and JAE Mining.

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 2021 £'000	Year ended 30 June 2020 £'000
Holding company	**(424)**	(58)
Tantalite mining activity	**(506)**	(953)
Diamond mining activity	**(234)**	(9)
	(1,164)	(1,020)

Net assets /(liabilities)	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Holding company	**10,303**	10,379
Tantalite mining activity	**(5,280)**	(6,433)
Diamond mining activity	**(300)**	(104)

Segmentation by geographical area

Loss before income tax	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
United Kingdom	**(424)**	(58)
Namibia	**(506)**	(953)
South Africa	**(234)**	(9)
	(1,164)	(1,020)

Net assets /(liabilities)	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
United Kingdom	**10,303**	10,379
Namibia	**(5,280)**	(6,433)
South Africa	**(300)**	(104)

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*
For the year ended 30 June 2021

5 REVENUE

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Revenue from external customers	**55**	-

Revenues of £55,000 were derived from customers in South Africa, for the sale of the by-products of testing and evaluation activities in Deep Blue Minerals Limited. The revenues were derived from pre-production activities and have been considered against the Mines Under Construction intangible asset recognised in the Group, (Note 11).

6 OPERATING LOSS

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Loss for the period has been arrived at after charging:		
Staff costs as per Note 8 below	**577**	410
Auditors' remuneration	**40**	35
Depreciation of property, plant and equipment	**126**	85
Share-based payment expense	**172**	114

7 AUDITORS' REMUNERATION

The analysis of auditors' remuneration is as follows:

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Fees payable to the Group's auditors for the audit of the Group's annual accounts	**40**	32
Total audit fees	**40**	32
Fees payable to the Group auditor and their associates for other services to the Group:		
Tax services	-	3
	40	35

8 STAFF COSTS

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

	Year ended 30 June 2021 Number	Year ended 30 June 2020 Number
Group total staff	**16**	8

	£'000	**£'000**
Wages and salaries	**367**	279
Share based payment in respect of exercise of options	**172**	114
Other benefits	**2**	5
Social security costs	**36**	12
	577	410

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*
For the year ended 30 June 2021

8 STAFF COSTS (continued)

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. All emoluments are short term in nature and the Directors are considered to key management.

9 TAXATION

The weighted average applicable tax rate of 28.17% (2020: 28.25%) is a combination of the rates used in the UK, Namibia and South Africa.

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Analysis of income tax expense:		
Current tax	**-**	-
Deferred tax	**-**	-
Total income tax expense	**-**	-
Loss on continuing operations before tax	**(1,164)**	(1,020)
Tax at the weighted average tax rate of 28.25% (2020 28.25%)	**(329)**	(288)
Effects of:		
Expenses not deductible for tax purposes	**1**	1
Unutilised tax losses carried forward	**328**	287
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.

At 31 December 2021, the Group had unutilised tax losses of £5,497,000 (2020: £5,169,000).

10 EARNINGS PER SHARE

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

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Loss for the year attributable to owners of the Company	**(1,164)**	(769)
Weighted average number of ordinary shares in issue for basic and fully diluted earnings	**686,324,120**	369,151,344
EARNINGS PER SHARE (PENCE PER SHARE)		
BASIC AND FULLY DILUTED:		
- from continuing and total operations	**(0.17)**	(0.21)

The Company has outstanding warrants and options as disclosed under Note 22 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.

In addition, the effect of the issue of ordinary shares shortly after year end, would also have been anti-dilutive, and accordingly is not considered. The issue however, may be dilutive in future periods.

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*

For the year ended 30 June 2021

11 MINES UNDER CONSTRUCTION

GROUP	Construction in progress £'000	Mining licences £'000	Total £'000
At 1 July 2019	**2,402**	**10**	**2,412**
Recognised on acquisition of Deep Blue Minerals	686	23	709
Sale of by-products	(235)	-	(235)
Exchange translation difference	(69)	-	(69)
At 30 June 2020	**2,784**	**33**	**2,817**
Additions	-	-	-
Trial production revenue	(55)	-	(55)
Exchange translation difference	132	3	135
At 30 June 2021	**2,861**	**36**	**2,897**

Revenues from the sale of the by-product of testing and evaluation activities have been offset against the costs of the intangible asset. These totalled £54,952 in the year (2020: £235,462).

12 PROPERTY, PLANT AND EQUIPMENT

GROUP	Leasehold land & buildings £'000	Plant & machinery £'000	Furniture & equipment £'000	Total £'000
Cost				
At 1 July 2019	**126**	**1,004**	**40**	**1,170**
Exchange translation difference	(1)	(110)	(4)	(115)
Additions	-	70	-	70
Cost at 30 June 2020	**125**	**964**	**36**	**1,125**
Exchange translation difference	-	24	3	27
Additions	-	197	-	197
Cost at 30 June 2021	**125**	**1,185**	**39**	**1,349**
Depreciation				
At 1 July 2019	**25**	**412**	**24**	**461**
Exchange translation difference	-	(52)	(4)	**(56)**
Charge for the year	5	72	8	**85**
Depreciation at 30 June 2020	**30**	**432**	**28**	**490**
Exchange translation difference	-	16	1	17
Charge for the year	5	116	5	126
Depreciation at 30 June 2021	**35**	**564**	**34**	**633**
Net book value at 30 June 2021	**90**	**621**	**5**	**716**
Net book value at 30 June 2020	95	532	8	635

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*
For the year ended 30 June 2021

13 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The Company's investments in its subsidiary and associated undertakings

COMPANY	Total £'000
Cost and net book value	
As at 1 July 2019	**2,207**
Capitalisation of loan to Aftan	281
Acquisition of Deep Blue Minerals (Pty) Ltd	600
Acquisition of 25% stake in African Tantalum (Pty) Ltd	26
As at 30 June 2020	**3,114**
As at 30 June 2021	**3,114**

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

At 30 June 2021 the subsidiaries were as follows:

Subsidiary undertakings	Country of registration	Principal activity	Holding	%
African Tantalum (Pty) Ltd	Namibia	Intermediate holding company	Ordinary shares	100%
Namibia Tantalite Investments (Pty) Ltd	Namibia	Tantalite mining	Ordinary shares	100%
Tameka Shelf Company Four (Pty) Ltd	Namibia	Mining licence holder	Ordinary shares	100%
Deep Blue Minerals (Pty) Ltd	South Africa	Mining licence holder	Ordinary shares	90%
Kazera Trading Limited	UK	Dormant	Ordinary shares	100%

14 BUSINESS ACQUISITION

On 17 June 2020, the Company acquired 90% of the issued share capital of Deep Blue Minerals (Pty) Ltd ("Deep Blue") for a consideration of £600,000.

In accordance with IFRS 3 'Business Combinations', this transaction has been accounted for using the acquisition method of accounting. The consolidated income statement for the year ended 30 June 2020 includes the results of Deep Blue from 17 June 2020, the date of the acquisition. The assets and liabilities of Deep Blue have been consolidated from the date of acquisition using the fair value of the assets and liabilities at that date. The recognised value of assets purchased were as follows:

	Total £'000
Consideration – equity instruments	600
Total consideration	**600**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Capitalised exploration	24
Cash and cash equivalents	-
Trade and other payables	(119)
Total identifiable net assets	**(95)**
Non-controlling interest	9
Recognised as Mines under Construction	686
Total	**600**

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*
For the year ended 30 June 2021

15 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On 26 June 2020, the Company purchased an additional 25% of the issued share capital in African Tantalum (Pty) Ltd ("AFTAN") for £26,008. Immediately prior to the purchase, the carrying amount of the existing 25% non-controlling interest in AFTAN was £1,424,000. The Group recognised the decrease in non-controlling interests of £1,424,000 and a decrease in equity attributable to the owners of the parent of £1,450,000. The effect on the equity attributable to the owners of Kazera Global plc during the year is summarised as follows:

	Total
	£,000
Carrying amount of non-controlling interests acquired	1,424
Consideration paid to non-controlling interests	(1,450)
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity	**(26)**

16 LONG-TERM LOAN

COMPANY	**Loan to Aftan Tantalum £'000**	**Loan to Deep Blue Minerals £'000**	**Total £'000**
As at 1 July 2019	**5,984**	**-**	**5,984**
Part capitalisation of loan to Aftan (note 13)	(281)	-	(281)
Increase in loan	1,026	102	1,128
As at 30 June 2020	**6,729**	**102**	**6,831**
Increase in loan	416	397	813
As at 30 June 2021	**7,145**	**499**	**7,644**

During the year ended 30 June 2020, approximately 25% of the intercompany loan was converted into shares in Aftan. The intercompany loan to Aftan bears interest at 12% p.a. The Directors are confident that the future operational cashflows forecast to be generated from the sale of diamonds, tantalum and HMS will be sufficient to repay the intergroup loans.

17 TRADE AND OTHER RECEIVABLES

	GROUP		**COMPANY**	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Other receivables	**162**	177	**17**	100
Prepayments and accrued income	**6**	12	**6**	12
	168	189	**23**	112

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

18 CASH AND CASH EQUIVALENTS

	GROUP		**COMPANY**	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Cash and cash equivalents	**47**	425	**3**	401

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.

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*
For the year ended 30 June 2021

19 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Current Liabilities				
Trade payables	**128**	46	**108**	23
Other payables	**7**	123	**3**	-
Accruals	**74**	55	**69**	56
	209	224	**180**	79
Non-Current Liabilities				
Other payables	**220**	-	**90**	-
Accruals	**211**	-	**211**	-
	431	-	**301**	-

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

20 PROVISIONS

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Mine rehabilitation provision	**45**	-	-	-
Mine decommissioning provision	**10**	-	-	-
	55	**-**	**-**	**-**

The provisions for mine rehabilitation and decommissioning represents the management's best estimate of the costs which will be incurred in the future to meet the Group's obligations under existing Namibian law and the terms of the Group's mining and other licences and contractual arrangements. Estimates are based upon costs that are regularly reviewed and adjusted as new information becomes available. The current estimate was discounted at a rate of 7.50% and the liabilities become payable in the next five years being licence validity period.

21 SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	**Price per Share (pence)**	**Nominal value £'000**	**Share premium £'000**
ISSUED AND FULLY PAID:				
At 1 July 2019, shares of 1p each	**286,561,208**	**1 pence**	**2,866**	**14,307**
27 August 2019 -Share split				
Ordinary shares	286,561,208	0.1	286	-
Deferred shares	286,561,208	0.9	2,580	-
	286,561,208		**2,866**	**14,307**
Share issues, net of share issue costs	388,866,666	0.1	389	1,404
At 30 June 2020	**675,427,874**		**3,255**	**15,711**
Share issues	24,339,780	0.1	24	152
At 20 June 2021	**699,767,653**		**3,279**	**15,863**

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*

For the year ended 30 June 2021

21 SHARE CAPITAL AND SHARE PREMIUM (continued)

Share issues

On 2 July 2020, a total of 5,023,114 new ordinary shares were issued, being 4,523,114 shares at 0.58 pence per share and 500,000 shares at 0.5 pence per share.

On 7 July 2020, 800,000 new ordinary shares were issued to outstanding creditors at 0.5 pence per share.

On 5 February 2021, 5,000,000 new ordinary shares were issued at a price of 0.3 pence per share for warrants exercised.

On 18 February 2021, 1,666,666 new ordinary shares were issued at a price of 0.6 pence per share for warrants exercised.

On 31 March 2021, 5,250,000 new ordinary shares were issued at a price of 1.0 pence per share for warrants exercised.

On 14 April 2021, 1,500,000 new ordinary shares were issued at a price of 1.0 pence per share for warrants exercised.

On 21 April 2021, 1,100,000 new ordinary shares were issued at a price of 1.0 pence per share for warrants exercised.

On 5 May 2021, 4,000,000 new ordinary shares were issued at a price of 1.0 pence per share for warrants exercised.

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 22)

Currency translation reserve: Reserve arising from the translation of foreign subsidiaries at consolidation. The total movement in the foreign currency translation reserve was presented in both the Statement of Changes in Equity and in Other Comprehensive Income in the current year. During the prior year, this movement was presented in the Statement of Changes in Equity.

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

22 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 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.

On 2 October 2019, 3,333,333 share warrants were issued granted to Peterhouse Capital Limited, at an exercise price of 0.6p per share.

On 23 March 2020, a total of 66,666,667 share warrants were issued to G Clarke (8,333,333), N Harrison (8,333,333) and R Jennings (50,000,000) at an exercise price of 0.3p per share.

On 4 June 2020, a total of 26,500,000 share options were issued to G Clarke (5,000,000), N Harrison (5,000,000), L Johnson (5,000,000), D Edmonds (10,000,000) and B James (1,500,000) at an exercise price of 1p per share.

The fair value of the options has been calculated using the Black-Scholes valuation model. The assumptions used in the fair value calculation were as follows:

Date of grant	**21 Dec 2018**	**2 Oct 2019**	**23 Mar 2020**	**4 Jun 2020**
Number of options	10,000,000	3,333,333	66,666,667	26,500,000
Exercise price (pence)	1.75p	0.6p	0.3p	1p
Risk free interest (%)	0.5%	0.5%	0.5%	0.5%
Expected volatility (%)	50%	50%	50%	50%
Expected life (years)	3.66	2.9	2	5

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*

For the year ended 30 June 2021

22 SHARE-BASED PAYMENTS (continued)

The total share-based payment expense recognised in the income statement for the year ended 30 June 2021 in respect of the share options granted was £172,000 (2020: £114,000).

The share options are only exercisable when NTI have entered full production for at least six months.

The total share options at 30 June 2021 are as follows:

	Number	Exercise price	Vesting date	Expiry date
At 1 July 2019	10,000,000	1.75p	21.12.2021	21.12.2023
Granted	26,500,000	1p	03.06.2025	03.06.2025
Granted	66,666,667	0.3p	23.03.2022	23.03.2022
Granted	3,333,333	0.6p	23.09.2022	23.09.2022
At 30 June 2020	106,500,000			
Granted/(Exercised)	(5,000,000)			
At 30 June 2021	101,500,000			

23 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:

	2021 £'000	2020 £'000
Financial assets at amortised cost:		
Cash and cash equivalents	**47**	**425**
Loans and receivables	**162**	**177**
	209	**602**

FINANCIAL LIABILITIES BY CATEGORY

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

	2021 £'000	2020 £'000
Financial liabilities at amortised cost:		
Trade and other payables	**209**	**224**
	209	**224**

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 £'000	1-3 months £'000	3 months to 1 year £'000	1-5 years £'000	Over 5 years £'000
30 June 2021					
Non-interest bearing:					
Trade and other payables	–	209	-	–	–
Short term borrowings	–	-	–	–	–

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*
For the year ended 30 June 2021

23 FINANCIAL INSTRUMENTS (continued)

	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 2020					
Non-interest bearing:					
Trade and other payables	–	224	–	–	–
Short term borrowings	–	–	–	–	–

24 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 £46,780 (2020: £424,920) 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.

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.

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 South African Rands their value is dependent on the global market value of the available Tantalite resources.

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*

For the year ended 30 June 2021

24 RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The table below details the split of the cash held as at 30 June 2021 between the various currencies. The impact due to movements in the exchange rates is considered to be immaterial.

Namibian Dollar (NAD)	South African Rand (ZAR)	GBP Sterling (£)	Total GBP Sterling (£)
1,108	829,906	3,426	46,780

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.

25 EVENTS AFTER THE REPORTING PERIOD

On 17 September 2021, 10,000,000 new ordinary shares were issued at a price of 1.0 pence per share for warrants exercised.

On 30 September 2021, the Company acquired a 60% controlling stake in Whale Head Minerals (Pty) Ltd for a consideration of $250,000, payable by the issue of 13,527,957 shares at 1.358 per share.

On 4 October 2021, 5,000,000 new ordinary shares were issued at a price of 1.0 pence per share for warrants exercised.

On 7 October 2021, 16,666,666 new ordinary shares were issued at a price of 0.3 pence per share for warrants exercised.

On 12 October 2021, 1,825,000 new ordinary shares were issued at a price of 1.0 pence per share for warrants and options exercised.

On 18 October 2021, 1,666,667 new ordinary shares were issued at a price of 0.6 pence per share for warrants exercised.

On 27 October 2021, the Company announced that it has entered into a new loan facility of £250,000 with RiverFort Global Opportunities, PCC Limited and Align Research Limited. The facility allows drawdowns over the next 6 months and is repayable at the end of 2022. Sums drawn down on the New Facility attract a fixed interest rate of 5% payable for the period ended 30 April 2022 and 0.5% per month thereafter until the repayment date of 31 Dec 2022. The lenders may also elect to receive this interest in new ordinary shares in the capital of the Company at a deemed price of 2p per share on the repayment date.

On 27 October 2021, the Company announced that Westleigh Investments Holdings Limited (a company controlled by Giles Clarke and Nick Harrison) has agreed to formalize the arrangements pursuant to which it has financed the Company's operations over recent months into a fixed term loan of £200,0000 repayable at the end of 2022.

On 27 October 2021, the Company also announced that Giles Clark and Nick Harrison have agreed that the deferred salaries owed to them of £127,493 will be converted into a fixed term loan repayable at the end of 2022.

On 1 November 2021, 3,500,000 new ordinary shares were issued at a price of 1.0 pence per share for warrants exercised.

On 31 December 2021, 2,500,000 new ordinary shares were issued at a price of 1.0 pence per share for warrants exercised. The Company has also agreed, in exchange for the warrant holder agreeing to hold new shares issued to them for a period of at least 3 months, to issue them a further 2,500,000 warrants with an exercise price of 2p, exercisable on or before 1 February 2023.

On 8 February 2022, the Company issued 5,579,468 new ordinary shares at a price of 1.2546p per share.

On 2 March 2022, 10,000,000 new ordinary shares were issued at a price of 1.0 pence per share for warrants exercised.

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*

For the year ended 30 June 2021

26 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 (2020: £48,013) 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.

On 7 July 2020, the Company issued 800,000 ordinary shares at a price of 0.5p per share to Westleigh Investment Holdings ("WIHL"), a company which is controlled by Giles Clarke and Nick Harrison.

During the year, WIHL, a company which is controlled by Giles Clarke and Nick Harrison provided a loan to the Company of £90,000. This loan was still outstanding as at 30 June 2021.

There have been no other material transactions with related parties.

27 ULTIMATE CONTROLLING PARTY

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

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