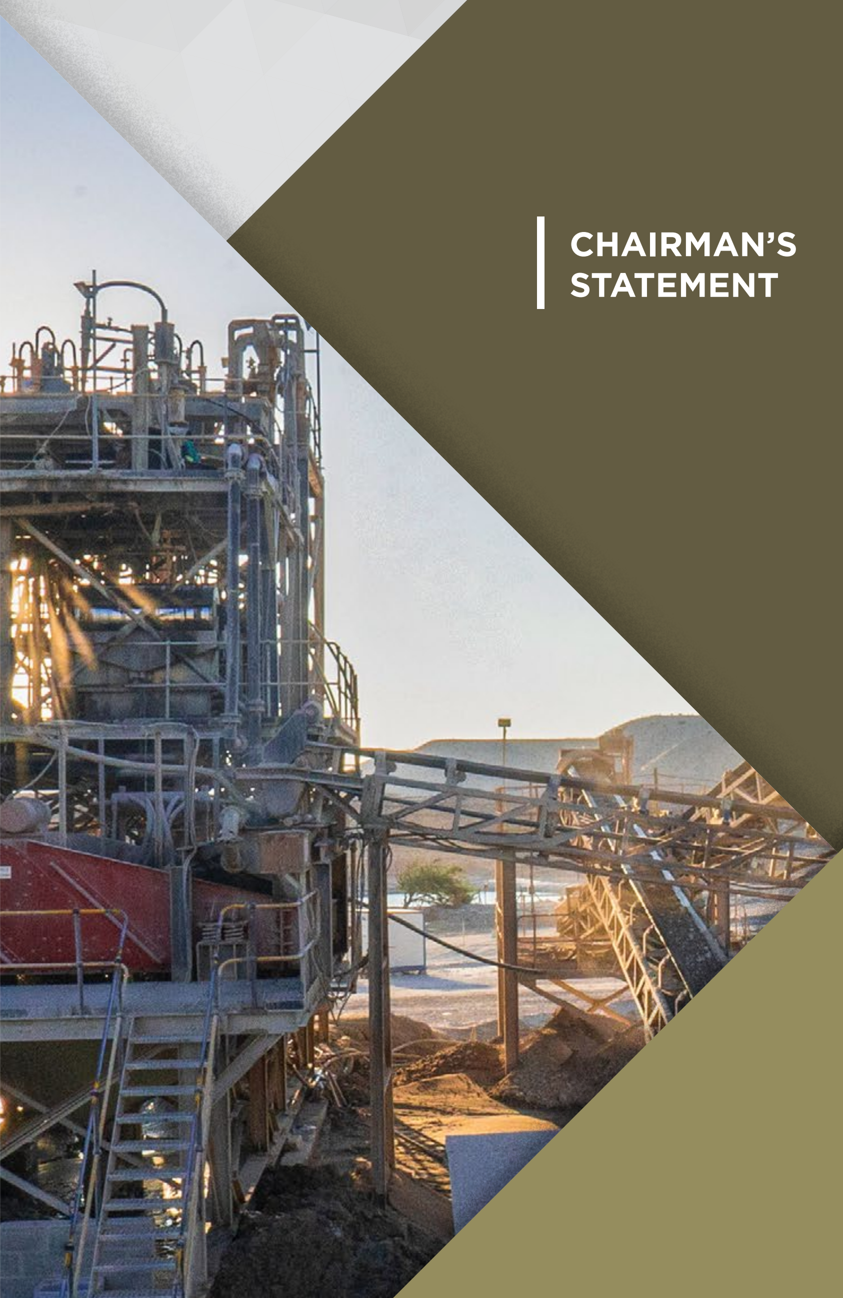
AFRITIN
MINING

ANNUAL REPORT
2020

TABLE OF CONTENTS

AFRITIN MINING



CHAIRMAN'S STATEMENT

GLEN PARSONS
CHAIRMAN

Dear Shareholders,

I am pleased to present to you, the shareholders, the Annual Report of AfriTin Mining Limited for the year ended 29 February 2020 which provides an update on activities relating to our flagship Uis tin mine in Namibia.

The year was a transformational one for the Company, with two key objectives achieved at our flagship asset, namely: achieving initial production of tin concentrate through our newly constructed pilot processing plant; and recording first revenues following our shipment of tin concentrate out of Walvis Bay. I believe that to go from admission to trading on AIM in 2017, when the mine was dormant with no pilot plant infrastructure, to becoming an active tin producer in a relatively short space of time, is an excellent achievement and testament to our entire team's commitment.

Africa was previously a major source of tin production, with volumes peaking in the 1970s, and we believe this resurgent region will be the next growth area for the metal. The current JORC-compliant resource at Uis is based on the V1 and V2 pegmatite ore zones and represents material from two of the twelve existing pits at site. There are over 180 pegmatites identified within five kilometres of the current pilot processing plant. The prospectivity of the Uis area could lead to the creation of a large tin and associated metals mine, and the Company is well placed to unlock this potential.

As communicated to shareholders in August 2019, AfriTin transitioned from developer to producer with the first production of tin concentrate as part of the commissioning of the Phase 1 pilot plant. The objective for Phase 1 is a ramp-up programme to 720 tonnes of tin concentrate per annum. This first step is an important part of AfriTin's evolving strategy and is the precursor to the implementation of Phase 2, with the objective of increasing capacity to 5 000 tonnes per annum of tin concentrate as we look to become the African tin champion.

Despite the global tin market being small compared to other base metals, tin is predicted to be the metal most positively impacted by advances in new technologies such as robotics, renewables and energy storage, amongst others (according to a study done by the Massachusetts Institute of Technology in 2018). Clearly the more traditional uses for tin are the basis of the demand for the metal, but it is exciting to contemplate these new growth areas.

Tin prices were relatively high at the beginning of 2019, which we believe was due to constrained Indonesian supply. As this bottleneck opened around April 2019, demand softened, followed by the price falling to three-year lows. Looking ahead, the general consensus is that prices are unlikely to rise quickly due to the amount of idle capacity at both mines and smelters in China and Indonesia. Should demand recover – which it appears likely to do in the long term – refined tin could re-enter the market at short notice. In March 2020, prices dropped as the COVID-19 pandemic spread globally and impacted global economies. With the easing of global lockdown restrictions prices have rebounded over the last two to three months and are now back at pre COVID-19 levels. However, with the continued uncertainty surrounding the COVID-19 pandemic, global commodity markets are understandably unpredictable at the moment. With this being said, the board remains confident in the long-term fundamentals of tin and we believe the Company is set to benefit from them.

Namibia continues to be an excellent country in which to operate and do business. The country welcomes long-term investment in its mining sector and recognises the importance of our operations to both the local area in which we operate and the country as a whole. An example of this is how easily and quickly we were able to organise and connect to the country's state power grid. This was not only a vital step for our operation, but it also highlights the ease of doing business in this fantastic country. On that note, I'd like to thank both our local Namibian partners and the government for their continued encouragement and support for what we are trying to achieve at Uis.

Another exciting milestone that the Company achieved this year is the identification of additional commodities at Uis beyond the primary tin mineral. Of particular interest is the addition of tantalum and lithium to the resource estimate, which could provide additional revenue streams in the future. We have always stated that this could be an option for the Company, especially if the production of these other mineral concentrates is a by-product credit from our mining of the tin orebody. Although our priority remains tin, we look forward to exploring this further and quantifying the economic value this can add to the Company.

As always, I would like to thank all our shareholders, stakeholders and the entire AfriTin team for their continued support throughout this year and beyond. Clearly, although we are living in uncertain times, my Board and I have full confidence in the Company's ability to see these through and come out the other side even stronger.

GLEN PARSONS

Chairman

27 August 2020

CHIEF EXECUTIVE OFFICER'S STATEMENT

ANTHONY VILJOEN
CHIEF EXECUTIVE OFFICER

INTRODUCTION

In the year under review we achieved a number of important milestones as we continue towards our goal of transforming Uis into a full-scale producing tin mine.

Since our IPO in 2017, our team has done excellent work in transforming the mine from its dormant state following its closure in the 1980s, to what is now an operational facility. We have managed to accomplish this through the construction of the Phase 1 pilot plant, which allowed us to achieve two important objectives in the year, namely, proof of commercial scale concept and generation of first revenues.

THE YEAR IN REVIEW

We achieved a major milestone in July 2019, with the completion of the Uis Phase 1 pilot plant, consisting of a 4-stage crusher, 3-stage DMS and a dewatering circuit. Shortly thereafter, in August 2019, we achieved first production of a saleable tin concentrate - a testament to the talent and hard work put in by the entire team. In addition to tin production, the Phase 1 pilot plant is a crucial step in proving the metallurgical process in the lead-up to the Phase 2 project. While our focus remains on ramping up the pilot plant to its design capacity of 500 000 tonnes of ore feed per annum, it is the lessons learned from Phase 1 that will be invaluable when we progress to Phase 2.

We received a strong vote of confidence in the long-term development plan of our mine when we concluded an off-take agreement with Thaisarco, a key player in the global, conflict-free tin concentrate market. As part of the contract signed on 1 August 2019, concentrate produced during the period of the off-take is to be shipped to Thaisarco in Phuket, Thailand from the port of Walvis Bay. Thaisarco will pay AfriTin on the basis of actual tin content in the concentrate. This agreement provides us with a steady revenue stream from an industry leader in the manufacture of tin, tin-alloys and tin-related products.

This financial year saw the conclusion of our maiden sale of tin concentrate and dispatch of our second shipment of tin concentrate from the Uis mine. The first shipment of tin concentrate and first revenues from the Uis tin mine in three decades marks a significant milestone for the Company and the Erongo region of Namibia and has transformed us into a revenue-generating Company, an achievement of which I am immensely proud.

We have always known that a key value catalyst at Uis would be the economic extraction of additional minerals from the orebody, as well as the surrounds. In March 2019, we announced the discovery of significant grades of lithium in pegmatites of the ML 133 Licence, located in the Nainais area. The ML 133 Licence is outside of the current development area at the Uis mine, but remains of strategic importance for the company. Mineralogical testing confirmed the presence of lithium minerals, specifically petalite, within the pegmatites in the licence area and this certainly warrants further investigation to explore its economic potential. Although this is not an immediate development priority for the Company, it does provide us with a considerable upside target for additional resources. Lithium remains a major component in battery storage technologies and the exploitation of lithium from this licence area could potentially contribute value to the Company in the future. We look forward to exploring this opportunity further.

Access to a stable power supply is a vital component in mine construction, from both the general operation at site to keeping costs low with an affordable power feed. In April 2019, we concluded a formal supply agreement for electrical grid power with state-owned utility, Namibia Power Corporation, to provide the full on-site power requirements for the Phase 1 project. Grid power is significantly more cost effective than the diesel-generated power that was previously used to power the mine and the Phase 1 facility. Under the agreement, we will get a supply voltage of 66 kV and a supply capacity of 1.5 MVA for a period of 10 years. This agreement will provide the site with reliable energy, which is so vital when operating in a remote region such as Uis. It will also improve the planned cost structure, and further support the economic viability of our project. Furthermore, we have also established a secure supply of water for mining and processing in a water-scarce area.

To prove the commercial concept and confirm the historical (non-JORC) tonnages and grade at Uis, originally declared by SRK in 1989, we undertook a confirmatory drilling programme designed to support the declaration of a mineral resource estimate on the V1 and V2 pegmatites. The objective of the drilling programme was to announce a JORC (2012) compliant measured, indicated and inferred mineral resource estimate for Uis. Three sets of drilling results were announced during the year, one in May and two in June. These drilling campaigns yielded a number of encouraging results. For example, we saw an intersection of 108.97 metres at 0.17% Sn, which indicates that the V1 and V2 pegmatites merge and thicken at depth. Following these announcements that were made to the market, we were able to announce a JORC-compliant resource of 71.54 million tonnes of ore at a grade of 0.134% Sn for 95 539 tonnes of contained tin, an inferred mineral resource estimate of 71.54 million tonnes of ore at 85 ppm tantalum for 6 091 tonnes contained tantalum, and an inferred mineral resource estimate of 71.54 million tonnes of ore at 0.63% lithium oxide for 450 265 tonnes contained lithium oxide. The full details of these drilling programmes are set out in the announcements dated 28 May 2019, 10 June 2019 and 26 June 2019. The additional downdip drilling confirmed an extension and thickening of the orebody at depth, affirming our belief in the scale of this deposit and increasing the resource historically stated by SRK (1989) on the V1/V2 orebody. Confirming the historical data at Uis has always been a crucial step in the progression and development of the project, as we needed to confirm the anticipated resource at the mine when we first came to the London Stock Exchange in 2017. This resource contains one of the largest tin inventories of its kind in the world, and encourages further development of additional outcropping pegmatites within the mining licence area, in which over 180 pegmatite bodies have been identified.

To strengthen our financial position, the Company agreed a £1.9m working capital facility with Nedbank Namibia on 12 August 2019. This facility has enabled our team to focus on ramp-up activities to achieve the design capacity of the Phase 1 pilot plant. Procuring financing from a local Namibian financial institution highlights the support for, and belief in, AfriTin's long-term business case, and emphasises the importance of the Uis tin mine to the Namibian economy. As discussed below, this facility has been renewed and increased post period end.

In November 2019, we raised £3.8m by way of convertible loan notes with a strategic African tin trading group and existing shareholders. These funds are for general working capital purposes relating to the progression of the project towards feasibility studies for the Phase 2 expansion at Uis and initial test work on the lithium discovery within the pegmatite orebody. This convertible was anchored by AfriMet. We have been collaborating with AfriMet to establish multiple channels of revenue generation from the trade in tin and tantalum products.

As per the update in February 2020, the processing plant throughput increased by an average of 63% month-on-month from November 2019 to January 2020. Enhancements to the pilot processing plant are underway to increase throughput and achieve nameplate production of 60 tonnes of tin concentrate per month. The continued ramp-up is supported by a number of operational commissioning initiatives including: the transition from the current six-day plant roster to continuous 24/7 operation; the de-bottlenecking of and enhancements to the pilot processing plant, in particular the fines tailings dewatering circuits which require additional capacity due to a higher-than-expected fines ratio in the run-of-mine feed; the expansion of the on-site laboratory to facilitate metal accounting and increased plant recovery; and the implementation of a computerized maintenance management system to support targeted plant availability.

POST-PERIOD ACTIVITIES

Post the period under review, we announced a Company update following the global outbreak of the COVID-19 pandemic and the new legislation that was implemented by the Government of Namibia. In order to tackle the spread of COVID-19, the Namibian government announced a 21-day lockdown effective 27 March 2020. Under the government legislation, mining operations were categorised as critical economic services and minimum operational activity was permitted to continue, including critical maintenance work. To comply with this directive, the Uis tin mine suspended mining from the open pit but continued feeding the processing plant from the run-of-mine stockpile during this period. Full production has since resumed and the Company continues to operate the Uis tin mine at full scale despite ongoing COVID-19 measures in Namibia and South Africa. The health, safety and well-being of our employees, contractors and the local community are of utmost importance to the Company. All necessary steps to mitigate a possible outbreak have been taken, and the Company is pleased to report that there continue to be no confirmed cases of COVID-19 at the Uis tin mine.

On 5 May 2020, loan notes to the value of £2.05m were issued at an interest rate of 10% per annum.

In July 2020, the offtake agreement with Thaisarco was renewed for a further 12 months and the Company looks forward to building on this robust relationship.

On 3 August 2020, the Company secured additional financing by way of a placing and subscription to raise £3.05 million at a price of 2.1 pence per ordinary share. In addition to this, the Company has renewed and increased its working capital and VAT facilities with Nedbank Namibia for a further 12 month period.

We are delighted that we have continued our relationship with our offtake partner, Thaisarco, and our banking partner, Nedbank Namibia, as we believe that both show a confidence in our Company, asset and commodity.

CONCLUSION

I would like to take this opportunity to thank all the key stakeholders in our business: the government and people of Namibia, my fellow directors, all our employees, shareholders, advisors and wider stakeholders. These are no doubt difficult times in the global markets and I'm very proud of what our team has been able to achieve this year, in particular producing our first tin concentrate and generating our first revenues. I look forward to continued progress at Uis as we continue to ramp up our mining efforts and scale up our operations.

This report was approved by the Board on 27 August 2020.

ANTHONY VILJOEN

Chief Executive Officer

27 August 2020

FINANCIAL REVIEW

ROBERT SEWELL
CHIEF FINANCIAL OFFICER

The year under review saw first revenue of £47k recorded from the sale of tin concentrate shortly before year end, the Company's primary product in addition to the on-going revenue generated from the sale of sand at Zaaiplaats.

With Uis becoming a fully-fledged operation during the year, administrative expenses across the Group increased to £1 815k for the year (year ending 28 February 2019: £1 098k). Furthermore, the increase is as a result of the group incurring a full year of office rental costs, an increase in salary cost due to an increase in head count given the ramp up of operations, the once-off issue of shares to new key members of the management team and due diligence costs relating to potential future financing options.

The Group's loss for the year totalled £1 830k (year ending 28 February 2019: £1 057k).

Basic loss per share from operations of 0.29 pence was recorded (2019: 0.23 pence).

The commencement of a preliminary economic assessment for Phase 2 and other exploration and evaluation work resulted in expenditure of £522k being capitalised to the exploration and evaluation intangible asset (2019: £571k).

Progress continued throughout the year on the Phase 1 Pilot Plant project and capital expenditure on this project amounted to £7.4m during the year under review (2019: £4.7m) relating to the construction of the processing plant as well as capitalised ramp-up and project team costs.

As at 28 February 2020, the Group had cash in the bank of £575k (2019: £1 781k) with the primary movements reflecting cash used in operations totalling £1 254k mainly due to operating costs incurred, investing cash outflows of £7.7m mainly due to the capital expenditure detailed above and £7.8m of financing cash inflows. During the year, a working capital facility of N$38m (approximately £1.9m) was granted to the Company by Nedbank Namibia. At 28 February 2020, N$24.7m (approximately £1.2m) had been drawn down on this facility. The facility was successfully renewed and increased subsequent to year end (see below) and is due for annual review and renewal next in July 2021. The remaining significant financing cash inflows related to the equity raise in May 2019 detailed below and £3.8m raised through a convertible loan note that matures in May 2021 and can be settled in equity at the Company's discretion.

The inventory balance has increased to £247k (2019: £25k) as a result of the operations at the Uis tin mine ramping up and £185k of tin concentrate (28 tonnes) being on hand and ready for shipment at year end which have subsequently been shipped.

The majority of trade and other receivables of £649k (2019: £474k) relate to VAT refunds in both Namibia and South Africa. As at the date of this report, all outstanding VAT receivables from year end have been received and refunds from Namibia are now being received on a more timely basis.

Net proceeds from an equity raise in May 2019 of £2 876k account for the majority of the movement in the share capital balance for the financial year.

Share-based payment charges relating to the share option scheme amounting to £365k (2019: £157k), as well as a charge of £38k (2019: £65k) relating to shares to be issued to certain directors and employees in lieu of fees/salaries, were recognised in the share-based payment reserve during the year.

Apart from trade and other payables of £895k (comprising £571k trade creditors and £324k other payables) (2019: £379k), the other significant liability on the balance sheet is the environmental rehabilitation provision and lease liabilities recognised following IFRS requirements applicable in the current year. The increase in trade and other payables is as a result of Uis becoming a fully-fledged operation during the year.

FUNDING

Subsequent to year end, the completion of a convertible loan note for £2.05m on 5 May 2020, an equity subscription of £3.05m on 3 August 2020 as well as the renewal and increase in the Nedbank Namibia working capital facility will allow us to continue the ramp up of the Uis project. The convertible loan note matures in May 2021 and can be settled in cash or equity subject to the agreement of both parties. Based on the recent funding, the Company has strengthened its financial position and forecasts indicate that the Group will have sufficient working capital for at least the next 12 months. However, as detailed in note 2 to the financial statements which highlights the material uncertainty over going concern, this is dependent on a number of factors including the £2.05m loan note holder agreeing to settle the loan note in equity, the renewal of the working capital facility in July 2021 and operational performance in the COVID-19 environment. In the event that additional funding is required the Company is confident that such funding will be available through debt or equity given the strength of the Uis Project.

ROBERT SEWELL

Chief Financial Officer

27 August 2020

DIRECTORS' REPORT

The Directors of AfriTin hereby present their report together with the consolidated financial statements for the period from 1 March 2019 to 29 February 2020.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the Group (AfriTin and its subsidiaries) is mineral exploration and the development of mining and exploration projects in both Namibia and South Africa. A review of the Group's progress and prospects is given in the CEO's statement in this Annual Report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is subject to a variety of risks, specifically those relating to the mining and exploration industry. As an entrepreneurial business operating in emerging markets, there is clearly an elevated risk which is balanced by potentially greater rewards. The Board is mindful of, and monitors, both its corporate risk and individual project risk. Outlined below are the principal risk factors that the Board feels may affect performance. The risks detailed below are not exhaustive, and further risks and uncertainties may exist which are currently unidentified or considered to be immaterial. The risks are not presented in any order of priority. The primary change in risk compared to the prior period has been the emergence of COVID-19 and its related impacts as detailed below.

	Risk and Impact	Mitigation
COVID-19	COVID-19 resulted in widespread socio-economic disruption around the world. Post period end, the countries where the Group operates, namely Namibia, South Africa and the United Kingdom were subject to lockdown restrictions to contain the spread of the disease. The Group's operation in Namibia remained open (albeit it with a temporary suspension on mining) during the lockdown due to an exemption granted to the mining industry but did suffer supply-chain disruptions which delayed production ramp-up. The Group's operations are continuing with minimal disruption now that global lockdown measures have eased. However, there continues to be a risk that lockdown measures return in the event of further COVID-19 outbreaks which could result in interruptions to operations through supply chain disruption, illness amongst our workforce or offtake, together with potential volatility in tin and tantalum prices. There are still significant restrictions in place for international travel which limit personnel from the Group's head office in South Africa from visiting the mine, which limits management oversight.	The countries in which the Group operates have all instituted measures to limit the spread of COVID-19. The Group is following the guidelines of the World Health Organisation (WHO) and is complying with the regulations of Namibia, South Africa and the United Kingdom related to COVID-19. In addition, the Group has updated its health and safety policies and procedures to align with the above guidelines and to translate those guidelines into workplace-specific measures. The location of the Group's operation in Namibia is relatively remote. However, movement of personnel between locations on site, and between the site and other cities or towns is restricted in order to mitigate the risk of local infection. The Group has adopted technological tools, such as online video conferencing and project and team management software, to enable office-bound staff to work remotely.

	Risk and Impact	Mitigation
		The Group has a well established network of suppliers in Namibia and South Africa and the procurement team is liaising with existing suppliers to minimise supply-chain disruptions and sourcing from alternative suppliers where needed.
Volatility of metal prices	Tin and tantalum prices are subject to high levels of volatility and are impacted by numerous factors that are outside of the control of the Group. A low tin or tantalum price could affect the financial performance of the Group which may affect the ability of the Group to fund future growth.	The Board and management constantly monitor the markets in which the Group operates. Long-term financial planning is undertaken on a regular basis.
Foreign exchange	With AfriTin's operations mainly in Namibia and South Africa, but tin sales based in US Dollars and funding based in Pound Sterling, the volatility and movement in the Rand exchange rate could be a significant risk factor to the Group.	The Group holds the majority of its funds in major currencies. It attempts to match cash held in a particular currency to the currency in which liabilities are incurred.
Development projects	Development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, estimates of proven and probable reserves and cash operating costs are, to a large extent, based on the interpretation of geological data obtained from drillholes and other sampling techniques and feasibility studies which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, as well as the configuration of the orebody, expected throughput and recovery rates, comparable facility and equipment operating costs, anticipated climatic conditions, and other factors. Issues with the continued ramp-up with the Phase 1 plant as a result of metallurgical challenges, financial constraints or supply chain issues. As a result, it is possible that actual cash operating costs and economic returns may differ materially from those currently estimated.	The Group has appointed a strong and experienced team of geoscientists and engineers, complemented by experienced consultants in specialist areas. Any new capital projects are supported by feasibility studies. The Uis Phase 1 pilot plant will assist in understanding the metallurgy and processing elements of the project which will provide essential up-front information for the implementation of Phase 2.

	Risk and Impact	Mitigation
Exploration and mining risks	The business of mineral exploration involves a high degree of risk. Whilst the discovery of a mineral deposit may result in substantial rewards, few properties at the exploration stage are ultimately developed into producing mines. The operations of the Group may be disrupted by a variety of risks and hazards which are beyond the control of the Group, including geological, geotechnical and seismic factors, environmental hazards, industrial accidents, occupational and health hazards, technical failures, labour disputes, unexpected rock properties, explosions, flooding, and extended interruptions due to inclement or hazardous weather conditions and other acts of God.	Exploration projects are carefully managed with regular review by the Board of progress against targets and expenditure. Funds are only expended in areas deemed prospective. The Group adheres strictly to a health and safety programme. When constructing a mine site, external geotechnical, environmental and geo-hydrological consultants are used to ensure all potential risks of this nature are understood and mitigation plans are put in place.
Social license to operate	Past environmental incidents in the extractive industry highlight risks such as water management, tailings storage facilities and other potential hazards to both the environment and community health and safety.	Our ability to maintain regulatory compliance in order to protect the environment, as well as the health and safety of our host communities and our workers, remains our top priority. We seek to build partnerships with host governments and local communities based on trust to drive shared long-term value while working to minimise the social and environmental impacts of our activities. The Board oversees the Group's environmental, safety and health, and corporate social responsibility programmes, policies and performance.
Capital budget overruns	Whilst best estimates are used in preparing capital project budgets, the strategy of relying on historical mine information prior to construction of the Phase 1 pilot plant, coupled with the fact that these budgets are dependent on a number of external factors which are beyond the control of the Group, results in a risk of material overruns versus budget.	Capital expenditure and project execution are subject to pre-defined governance and approval procedures. Management and the Board regularly review project progress and related expenditure on projects. This includes reviewing actual costs against budgeted costs, updating working capital models, and assessing potential impacts on future cash flow.
Power and water supply	Power sources and water supply are key to the functioning of viable mining operations. A lack of power or water, or uncertainties around their	The Group has concluded a formal electrical power supply agreement with Namibia Power Corporation for power at the mining and processing

	Risk and Impact	Mitigation
	supply, would adversely impact the feasibility of the operation.	in Uis and this will provide enough power for Phase 1 of the project. Diesel generators will serve as backup power. A geohydrological study, water drilling and test pumping programme has demonstrated the viability of using groundwater sources for the Phase 1 pilot plant. This was confirmed with the implementation and successful operation of a water supply network. Solutions for Phase 2 in terms of both electrical power and water supply are in the process of being reviewed.
Country and political risk	AfriTin's operations are predominantly based in Namibia and South Africa. Emerging-market economies are generally subject to greater risks including legal, regulatory, tax, economic and political risks, which are potentially subject to rapid change.	The AfriTin team is highly experienced at operating in Africa. AfriTin routinely monitors political and regulatory developments in its countries of operation at both regional and local level.
Key personnel risk	The success and operational performance of the Group is dependent on the skills, expertise and knowledge of management and qualified personnel. Group profitability could be impacted in the event that key personnel leave the business.	The Group has built a strong team of executives, scientists, engineers and support personnel who are experienced and versatile enough to address shortcomings that may arise from the loss of employees. In addition, the Group has developed long-standing relationships with consulting firms in key specialist areas. Remuneration arrangements, given the stage of the Group's development, are intended to be sufficiently competitive to attract, retain and motivate high-quality executives capable of achieving the Group's objectives, thereby enhancing shareholder value.
Financing	The successful extraction of tin, tantalum and eventually lithium will require significant capital investment. The Group's ability to raise further funds will depend on the success of existing and acquired operations. Market conditions may not be conducive to financing. The Group may not be successful in procuring the requisite funds. Refer to note 2 to the financial statements for further details in relation to financing risks and going concern.	The Group has sufficient funds for its near-term goal of ramping up the Uis pilot plant production and has a supportive shareholder base and other interested investors to engage with for future funding rounds. The Group monitors cash flows on a monthly basis.

RESULTS AND DIVIDEND

The Group's results show a loss for the year of £1 830 457. The Directors will not be recommending a dividend.

SHARE CAPITAL AND FUNDING

Full details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year, are shown in Note 22. The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company

DIRECTORS

The Directors who served the Company during the year and to date are as follows:

Anthony Viljoen	(appointed 23 October 2017)	Chief Executive Officer
Glen Parsons	(appointed 23 October 2017)	Chairman/Independent Non-Executive Director
Laurence Robb	(appointed 23 October 2017)	Independent Non-Executive Director
Roger Williams	(appointed 23 October 2017)	Independent Non-Executive Director
Terence Goodlace	(appointed 23 May 2018)	Independent Non-Executive Director

DIRECTORS' INTERESTS

The Directors' beneficial interests in the shares of the Company at 29 February 2020 were:

	Ordinary shares of no par value	Share options
Anthony Viljoen	5 541 970	10 600 000
Glen Parsons	2 707 486	4 500 000
Roger Williams	2 201 437	4 000 000
Laurence Robb	820 815	4 000 000
Terence Goodlace	-	4 000 000

DIRECTORS' INDEMNITY INSURANCE

The Group has maintained insurance throughout the year for its directors and officers against the consequences of actions brought against them in relation to their duties for the Group.

EMPLOYEE INVOLVEMENT POLICIES

The Group places considerable value on the awareness and involvement of its employees in the Group's exploration and development activities. Within the bounds of commercial confidentiality, information is disseminated to all levels of staff about matters that affect the progress of the Group, and that are of interest and concern to them as employees.

CREDITORS' PAYMENT POLICY AND PRACTICE

The Group's policy is to ensure that, in the absence of dispute, all suppliers are dealt with in accordance with its standard payment policy to abide by the terms of payment agreed with suppliers when agreeing the terms of each transaction. Suppliers are made aware of the terms of payment. The number of days of average daily purchases included in trade payables at 29 February 2020 was 30 days.

RELATED-PARTY TRANSACTIONS

Details of related-party transactions are given in Note 27 of the consolidated financial statements.

EVENTS AFTER BALANCE SHEET DATE

Events after balance sheet date are detailed in Note 26 of the consolidated financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

The Directors will place a resolution before the Annual General Meeting to reappoint BDO LLP as the Group's auditor for the ensuing year.

ELECTRONIC COMMUNICATIONS

The maintenance and integrity of the Group's website is the responsibility of the Directors; the work carried out by the auditor does not involve consideration of these matters and accordingly the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The Group's website is maintained in compliance with AIM Rule 26.

By order of the Board

ANTHONY VILJOEN

Chief Executive Officer

27 August 2020

CORPORATE GOVERNANCE REPORT

INTRODUCTION

As a listed company traded on the AIM market of the London Stock Exchange, we recognise the importance of sound corporate governance throughout our organisation, giving our shareholders and other stakeholders including employees, customers, suppliers and the wider community confidence in our business. We endeavour to conduct our business in an ethical and sensitive manner irrespective of race, colour or creed.

AfriTin has chosen to adopt the Quoted Companies Alliance (QCA) Corporate Governance Code 2018 for Smaller Companies. The table below outlines how we apply each of the code's ten key principles to our business.

Principle	Application
1. Establish a strategy and business model which promote long-term value for shareholders.	The Company is the first pure tin company listed in London and its vision is to create a portfolio of world-class, conflict-free, tin-producing assets. The Company's flagship asset is the Uis brownfield tin mine in Namibia, formerly the world's largest hard-rock tin mine. The Company is managed by an experienced Board of Directors and management team with a current two-fold strategy: fast track Uis brownfield tin mine in Namibia to commercial production (the intention is to ramp up to 5 000 tonnes of concentrate) and consolidate other quality African tin assets. The Company strives to capitalise on the solid supply/demand fundamentals of tin by developing a critical mass of tin resource inventory, achieving production in the near term and further scaling production by consolidating tin assets in Africa. The Company is subject to a variety of risks, specifically those relating to the mining and exploration industry. The principal risk factors facing the business as well as mitigation of those risks are outlined in the Directors' Report in this Annual Report.
2. Seek to understand and meet shareholder needs and expectations.	The Board is committed to maintaining good communication and having a constructive dialogue with all its shareholders. Management, led by the CEO, undertake regular presentations and roadshows to investors as appropriate. This enables them to develop a balanced understanding of the issues and concerns of shareholders. The views of shareholders are communicated to the rest of the Board. Furthermore, the Company keeps shareholders informed on the Company's progress through its public announcements and its website. All reports and press releases are published in the Investor Relations section of the Company's website.
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success.	The Board recognises that its prime responsibility is to promote the success of the Company for the benefit of its members as a whole. This success is largely reliant on its relations with its stakeholders, both internal (employees and shareholders) and external (customers, suppliers, business partners and advisors). Employees, community members and other stakeholders work in collaboration with one another and with transparency and accountability. Open dialogue and engagement with community members at our sites is central to maintaining

Principle	Application
	a successful relationship and essential to ensuring long-term sustainability for all parties involved. The Company endeavours to systematically examine the environmental impact of any of our operations and will adopt measures to mitigate this. The goal is to minimise the negative impacts on the environment of the different processes related to the extraction of tin. The Company operates in the most environmentally and socially responsible way possible. The Company maintains a regular dialogue with key suppliers. The Company places considerable value on the awareness and involvement of its employees in its activities. Within the bounds of commercial confidentiality, information is disseminated to all levels of staff about matters that affect the progress of the Company and that are of interest and concern to them as employees. The Company has set up a share option scheme for key employees which will give them a stake in the Company's long-term success.
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation.	As an entrepreneurial business operating in emerging markets there is clearly an elevated risk which is balanced by potentially greater rewards. The Board is mindful of and monitors both its corporate risks and individual project risks. The Board ensures that there is a risk-management framework in place which identifies and addresses all relevant risks in order to execute and deliver strategy. Key risks are reviewed by the Board regularly and disclosed in the Directors' Report. The Audit Committee receives feedback from the external auditor on the state of the Company's internal controls, and reports their findings to the Board.
5. Maintain the Board as a well-functioning, balanced team led by the chair.	The Board is made up of a Chairman, three Non-Executive Directors and the CEO. The roles of the Chairman and CEO are clearly separated. The CEO is responsible for the day-to-day operational management of the business and is supported by a Chief Financial Officer, a Chief Operating Officer, geologists and engineers. The Chairman is responsible for the leadership and effective working of the Board, for the implementation of sound corporate governance, for setting the Board agenda, and ensuring that Directors receive accurate, timely and clear information. The Chairman and Non-Executive Directors (Glen Parsons, Terence Goodlace, Laurence Robb and Roger Williams) are considered to be independent of management and free to exercise independent judgement. It is acknowledged that the Non-Executive Directors do have share options. However, the quantum of these share options is not material and is too low to affect independence. The Board meets at least every three months or at any other time deemed necessary for the good management of the business. Every Director has attended all Board meetings whilst being a Director of the Company.

Principle	Application
6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.	Directors who have been appointed to the Company have been chosen because of the skills and experience they offer. The composition of the Board as well as biographical details are included within the Board of Directors page on the Company website. Furthermore, the Company has put in place an Audit Committee and a Remuneration Committee. The Directors have access to training (online training or external training courses) to ensure that their skills are kept up to date. The Board and its committees will also seek external expertise and advice where required. Directors are briefed on regulations that are relevant to their role as directors of an AIM-quoted company from the Company's nominated advisor. Robert Sewell (Chief Financial Officer) and Frans van Daalen (Chief Operating Officer) attend Board meetings by invitation to provide input from a financial and operational perspective.
7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.	The Board considers evaluation of its performance and that of its committees and individual directors to be an integral part of corporate governance to ensure it has the necessary skills, experience and abilities to fulfil its responsibilities. The goal of the Board evaluation process is to identify and address opportunities for improving the performance of the Board and to solicit honest, genuine and constructive feedback. The Chairman is responsible for ensuring the evaluation process is "fit for purpose", as well as dealing with matters raised during the process. Succession planning is a vital task for boards and the management of succession planning represents a key measure of the effectiveness of the Board.
8. Promote a corporate culture that is based on ethical values and behaviours.	The Company has a strong ethical culture, which is promoted by the Board and the management team. The Company endeavours to conduct its business in an ethical, professional and responsible manner, treating all employees, customers, suppliers and partners with equal courtesy and respect at all times.
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.	The Board approves the Company's strategy and ensures that necessary resources are in place in order for the Company to meet its objectives. Whilst the Board has delegated the operational management of the Company to the Chief Executive Officer and other senior management, there are detailed specific matters subject to the approval of the Board. These include: • annual budget; • interim and final financial statements; • management structure and appointments;

Principle	Application
	• mergers, acquisitions and disposals; • capital raising; • joint ventures and investments; • projects of a capital nature; and • significant contracts. The Non-Executive Directors have a particular responsibility to constructively challenge the strategy proposed by the executive management team, to scrutinise and challenge performance, to ensure appropriate remuneration, and to ensure that succession planning arrangements are in place in relation to senior members of the management team. The senior management team enjoy open access to the Non-Executive Directors. The Chairman is responsible for leadership of the Board and ensuring its effectiveness. The Chairman with the assistance of the Chief Executive Officer sets the Board's agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues. The role of the Audit Committee and the Remuneration Committee is set out further on in this report. The governance structures will evolve over time in parallel with the Company's objectives, strategy, and business model to reflect the development of the Company.
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 good communication and having constructive dialogue with all of its stakeholders, including shareholders, providing them with access to information to enable them to come to informed decisions about the Company. The Investor Relations section on the Company's website provides all required regulatory information as well as additional information shareholders may find helpful, including: • information on Board members, advisors and significant shareholdings; • a historical list of the Company's announcements; • corporate governance information; • historical Annual Reports and notices of Annual General Meetings; and • share price information and interactive charting facilities to assist shareholders in analysing performance. Results of shareholder meetings and details of votes cast will be publicly announced through the regulatory system and displayed on the Company's website with suitable explanations of any actions undertaken as a result of any significant votes for or against resolutions.

THE BOARD OF DIRECTORS

The Board currently comprises:

Independent Non-Executive Chairman
- Glen Parsons (appointed 23 October 2017)

Independent Non-Executive Directors
- Roger Williams (appointed 23 October 2017)
- Laurence Robb (appointed 23 October 2017)
- Terence Goodlace (appointed 23 May 2018)

Executive Director
- Anthony Viljoen (appointed 23 October 2017) Chief Executive Officer

Operational management in South Africa and Namibia is led by Anthony Viljoen supported by a Chief Financial Officer (Robert Sewell), a Chief Operating Officer (Frans van Daalen), geologists and engineers. Operational management is also supported technically through various consultancy agreements that were in place during the year under review.

The Board met formally four times during the year and also met frequently on an ad-hoc basis. This included a Board site visit to Uis.

All press releases, including operational updates, are approved by the entire Board.

THE AUDIT COMMITTEE

The Audit Committee meets at least twice a year and is composed exclusively of Non-Executive Directors: Roger Williams (Chairman) and Glen Parsons. The Chief Financial Officer, Robert Sewell, attends Audit Committee meetings by invitation. The committee is responsible for:

- reviewing the annual financial statements and interim reports prior to approval, focusing on changes in accounting policies and practices, major judgemental areas, significant audit adjustments, going concern and compliance with accounting standards, stock exchange requirements, and legal requirements;
- receiving and considering reports on internal financial controls, including reports from the auditor, and reporting auditor findings to the Board;
- considering the appointment of the auditor and their remuneration, including reviewing and monitoring their independence and objectivity;
- meeting with the auditor to discuss the scope of the audit, issues arising from their work and any matters they wish to raise; and
- developing and implementing policy on the engagement of the external auditor to supply non-audit services.

The Audit Committee is provided with details of any proposed related-party transactions in order to consider and approve the terms and conditions of such transactions.

The Audit Committee met three times during the year to consider the following agenda items:

June 2019:
- External audit report
- Critical accounting estimates
- Going concern assessment
- Impairment
- Approval of the Annual Report for the year ended 28 February 2019

November 2019:
- Half-year results and report to 31 August 2019
- Going concern assessment

February 2020:
- Auditor independence
- External audit plan for the year ended 29 February 2020

THE REMUNERATION COMMITTEE

The Remuneration Committee meets at least once a year and is composed exclusively of Non-Executive Directors: Glen Parsons (Chairman) and Roger Williams.

The Committee is responsible for reviewing the performance of senior management and for setting the scale and structure of their remuneration, determining the payment of bonuses, considering the grant of options under any share option scheme and, in particular, the price per share and the application of performance standards which may apply to any such grant, paying due regard to the interests of shareholders and the performance of the Group.

The Remuneration Committee met formally twice during the year to consider the following agenda items:

September 2019:
- Award of share options for senior management

January 2020:
- Approval of remuneration structure for new senior staff member
- Consideration of salary increases. No salary increases were granted to senior staff.

INTERNAL CONTROLS

The Board acknowledges its responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Group and to ensure the reliability of financial information for both internal use and external publication. Whilst the Board is aware that no system can provide absolute assurance against material misstatement or loss, in light of the increased activity and further development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

RISK MANAGEMENT

The Board considers risk assessment and management to be important in achieving its strategic objectives. Project milestones and timelines are regularly reviewed

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Companies (Guernsey) Law, 2008 requires the Directors to prepare Group financial statements for each financial year in accordance with generally accepted accounting principles. The Directors are required by the AIM rules of the London Stock Exchange to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The financial statements of the Group are required by law to give a true and fair view of the state of the Group's affairs at the end of the financial year and of the profit or loss of the Group for that year and are required by IFRS as adopted in the EU to reflect fairly the financial position and performance of the Group.

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

i) Select suitable accounting policies and then apply them consistently;
ii) Make judgements and accounting estimates that are reasonable and prudent;
iii) State whether they have been prepared in accordance with IFRS as adopted by the EU; and
iv) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions, disclose with reasonable accuracy at any time the financial position of the Group, and enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Group 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 Group's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm they have discharged their responsibilities as noted above.

INDEPENDENT AUDITOR'S REPORT

OPINION

We have audited the financial statements of AfriTin Mining Limited ('the Parent Company') and its subsidiaries ('the Group') for the year ended 29 February 2020 which comprises the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and notes to the consolidated financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:
- give a true and fair view of the state of the Group's affairs as at 29 February 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

THE YEAR IN REVIEW

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 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 to the financial statements concerning the Group's ability to continue as a going concern. The matters explained in note 2 indicate that the Group will need agreement from loan note holders to convert its £2.05m loan notes to equity and renew its existing working capital facility, or secure alternative funding, to meet its liabilities as they fall due within the next twelve months. In addition, note 2 highlights that the Group's forecasts are dependent on achieving the forecast operational cash flows and additional funding may be required if further operational disruption arising due to the COVID-19 pandemic occurs which impacts the ability of the Group to continue ramping up production at the Uis tin mine or the level of operating cash flow generation.

As stated in note 2 these events or conditions, along with the other matters disclosed in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Given the conditions and uncertainties noted above, we considered going concern to be a key audit matter. Our audit procedures in response to this key audit matter included the following:

- We discussed the potential impact of COVID-19 with management, including their assessment of potential risks and uncertainties including areas such as the production build up associated with the mine commissioning, commodity prices and the availability of financing that are relevant to the Group's business model and operations. We formed our own assessment of risks and uncertainties based on our understanding of the business and mining sector.
- We obtained management's stress testing analysis which was performed to determine the point at which liquidity breaks and considered whether such scenarios were reasonably possible based on our knowledge of the business.

- We critically assessed management's base case financial forecast to 30 September 2021. We confirmed that the underlying assumptions and cash flow forecast have been approved by the Board.
- We compared the forecast tin and tantalum prices to prevailing market prices, historic trends and market commentary on forecast prices.
- We obtained an understanding of the status of the plant commissioning and production growth, compared the forecast to recent production data and challenged management on the extent to which inherent risks were addressed within the forecast production profile.
- We agreed the post balance sheet date loan note fundraising of £2.05m and equity fundraising of £3.05m to bank statements and signed agreements. We confirmed that the loan note requires approval by the Group and lender to be converted into equity.
- We agreed the extension of the Group's working capital facility to signed agreements.
- We evaluated the adequacy of disclosures made in the financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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' above we have identified the following key audit matter:

Matter Identified	**Our Response**
Carrying value of the Uis mining assets As detailed in note 13 and 14, the Group's assets associated with the Uis mine area represent a key asset for the Group included within property, plant and equipment and intangible exploration and evaluation assets. Management have performed an impairment indicator review for the Phase One development asset under IAS 36 'Impairment' and identified indicators of potential impairment as set out in note 2. Management performed an impairment test which required judgment and estimation, as set out in note 2, and concluded that no impairment was required. Management have performed an impairment indicator review for the remaining Phase Two exploration and evaluation asset under IFRS 6 'Exploration & Evaluation for Mineral Resources'. Following this assessment, which required judgement and estimation, the Board concluded that no impairment indicators existed as set out in note 2. Given the significance of the Uis project and the judgements and estimates applied by management, we considered the carrying value within the consolidated statement of financial position of the Uis assets to be a significant focus area for our audit.	We evaluated management's and the Board's impairment indicator reviews and formed our own assessment of whether impairment indicators existed. In respect of the Phase One development assets, we obtained and evaluated management's impairment models and critically challenged the appropriateness of the key estimates and assumptions. This included a comparison of commodity price forecasts to historically achieved prices and third-party independent market outlook reports and recalculation of discount rates. We compared the production assumptions to actual data and the most recent JORC compliant Competent Person's Report and met with operational management to assess the production growth assumptions and associated capital expenditure plans. We compared the operating cost assumptions to current year actual cost rates. We assessed management's conclusion that COVID-19 is considered to be a non-adjusting post balance sheet event taking into account the timeline of events in Namibia in terms of COVID-19 case numbers and government restrictions. We obtained and reviewed the relevant licences to confirm title and validity of the Group's interests. We considered management's sensitivity analysis and performed our own sensitivity calculations in relation to tin and tantalum prices, discount rates, production levels and operating costs. In respect of the Phase Two exploration assets we considered the Group's budgets and strategic plans for exploration and reviewed the results of activity in the period to assess whether work undertaken to date would indicate a potential impairment.
Key observations	
We found the key assumptions made by management and the Board in respect of the judgements around the carrying value of the Uis mining assets to be reasonable and the disclosures in the financial statements to be in line with the accounting standards.	

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Group materiality was determined to be £210,000 (2019 – £150,000). The basis for determining materiality was 1.0% (2019 – 1%) of total assets. We considered total assets to be the financial metric of the most interest to shareholders and other users of the financial statements given the Group's stage of development and therefore considered this to be an appropriate basis for materiality.

Performance materiality is the application of materiality at the individual account or balance level set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance materiality was set at £157,500 (2019 – £112,500) for the Group. The basis for performance materiality was 75% (2019 – 75%) of the above materiality levels. We selected the level of performance materiality based on an assessment of the history of errors and the number of significant components.

Each significant component of the group was audited to a lower level of materiality ranging from £95,000 to £100,000 (2019 – £90,000 to £135,000).

We agreed with the Audit Committee that we would report to them all individual audit differences identified during the course of our audit in excess of £10,000 (2019 - £3,000). We also agreed to report differences below this threshold that, in our view warranted reporting on qualitative grounds.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Whilst AfriTin Mining Limited is a Company registered in Guernsey and listed on AIM in the UK, the Group's principal operations are located in Namibia and South Africa. In approaching the audit we considered how the Group is organised and managed. We assessed the business as being principally a single project comprising of the Namibia subsidiaries that operate the Uis Mine, a corporate head office function and an exploration business unit.

As part of our audit strategy we identified the significant components of the Group. We identified two significant components.

The Namibian significant component was subject to a full scope audit. The audit of this significant component was performed locally by a BDO member firm. As part of our audit strategy the Group audit team sent detailed Group Reporting Instructions to the component auditor, attended the clearance meeting with the component auditor and management and reviewed the component auditor's working papers.

The corporate head office function based in South Africa which was a significant component was also subject to a full scope audit. This work was performed by BDO LLP.

The remaining components of the Group were considered non-significant and such components were subject to analytical review procedures together with specified audit procedures over exploration and evaluation related assets.

We set out in the Key Audit Matters section above the risks that had the greatest impact on our audit strategy and scope.

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Parent Company; or
- the Parent Company financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the 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 financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

USE OF OUR REPORT

This report is made solely to the Parent Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ryan Ferguson

For and on behalf of BDO LLP, Recognised Auditor
London, United Kingdom

27 August 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

FINANCIAL STATEMENTS

AFRITIN
MINING

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 29 February 2020

	Notes	Year ended 29 February 2020 £	Year ended 28 February 2019 £
Continuing operations			
Revenue	5	69 032	26 782
Cost of Sales		(47 336)	-
Gross Profit		**21 696**	**26 782**
Administrative expenses	6	(1 815 227)	(1 097 718)
Operating loss		**(1 793 531)**	**(1 070 936)**
Finance income	8	3 793	13 416
Finance cost	9	(40 719)	-
Loss before tax		**(1 830 457)**	**(1 057 520)**
Income tax expense	10	-	-
Loss for the year		**(1 830 457)**	**(1 057 520)**
Other comprehensive income/loss			
Items that will or may be reclassified to profit or loss:			
Exchange differences on translation of share-based payment reserve		(1 039)	(1 577)
Exchange differences on translation of foreign operations		(1 113 281)	(421 827)
Exchange differences on non-controlling interest		4 167	332
Total comprehensive loss for the year		**(2 940 610)**	**(1 480 592)**
Loss for the year attributable to:			
Owners of the parent		(1 781 962)	(1 050 074)
Non-controlling interests		(48 495)	(7 446)
		(1 830 457)	**(1 057 520)**
Total comprehensive loss for the year attributable to:			
Owners of the parent		(2 896 282)	(1 473 478)
Non-controlling interests		(44 328)	(7 114)
		(2 940 610)	**(1 480 592)**
Loss per ordinary share			
Basic and diluted loss per share (in pence)	11	(0.29)	(0.23)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 29 February 2020

	Notes	29 February 2020 £	28 February 2019 £
Assets			
Non-current assets			
Intangible assets	13	7 441 018	7 012 317
Property, plant and equipment	14	12 467 868	5 785 043
Total non-current assets		**19 908 886**	**12 797 360**
Current assets			
Inventories	15	246 910	25 221
Trade and other receivables	16	648 722	474 963
Cash and cash equivalents	17	574 600	1 781 335
Total current assets		**1 470 232**	**2 281 519**
Total assets		**21 379 118**	**15 078 879**
Equity and liabilities			
Equity			
Share capital	22	20 487 239	17 337 718
Convertible loan note reserve	28	3 770 645	-
Accumulated deficit		(4 365 500)	(2 583 538)
Warrant reserve	23	78 651	78 651
Share-based payment reserve	24	559 534	220 729
Foreign currency translation reserve		(1 535 108)	(421 827)
Equity attributable to the owners of the parent		**18 995 461**	**14 631 733**
Non-controlling interests		(51 812)	(7 484)
Total equity		**18 943 649**	**14 624 249**
Non-current liabilities			
Environmental rehabilitation liability	20	86 005	75 180
Lease liability	21	181 544	-
Total non-current liabilities		**267 549**	**75 180**
Current liabilities			
Trade and other payables	19	894 830	379 450
Borrowings	18	1 230 961	-
Lease liability	21	42 129	-
Total current liabilities		**2 167 920**	**379 450**
Total equity and liabilities		**21 379 118**	**15 078 879**

The notes on pages 47 to 79 form part of these financial statements. The financial statements were authorised and approved for issue by the Board of Directors and authorised for issue on 27 August 2020.

ANTHONY VILJOEN
Chief Executive Officer
27 August 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 29 February 2020

	Share capital £	Convertible loan note reserve £	Accumulated deficit £	Warrant reserve £	Share-based payment reserve £	Foreign currency translation reserve £	Total £	Non-controlling interests £	Total equity £
Total equity at 28 February 2018	**10 853 631**	-	**(1 533 464)**	**29 783**	-	-	**9 349 950**	**(370)**	**9 349 580**
Loss for the year	-	-	(1 050 074)		-		**(1 050 074)**	(7 446)	**(1 057 520)**
Other comprehensive income/loss	-	-	-	-	(1 577)	(421 827)	**(423 404)**	332	**(423 072)**
Transactions with owners:							-		-
Warrants granted in the year	(48 868)	-	-	48 868	-	-	-	-	-
Share-based payments in the year	-	-	-	-	222 306	-	**222 306**	-	**222 306**
Issue of shares	6 858 813	-	-	-	-	-	**6 858 813**	-	**6 858 813**
Share issue costs	(325 858)	-	-	-	-	-	**(325 858)**	-	**(325 858)**
Total equity at 28 February 2019	**17 337 718**	-	**(2 583 538)**	**78 651**	**220 729**	**(421 827)**	**14 631 733**	**(7 484)**	**14 624 249**
Loss for the year	-	-	(1 781 962)	-	-	-	**(1 781 962)**	(48 495)	**(1 830 457)**
Other comprehensive income/loss	-	-	-	-	(1 039)	(1 113 281)	**(1 114 320)**	4 167	**(1 110 153)**
Transactions with owners:									
Share-based payments in the year	-	-	-	-	403 562	-	**403 562**	-	**403 562**
Issue of shares	3 261 208	-	-	-	(63 718)	-	**3 197 490**	-	**3 197 490**
Share issue costs	(111 687)	-	-	-	-	-	**(111 687)**	-	**(111 687)**
Issue of convertible loan notes	-	3 800 000	-	-	-	-	**3 800 000**	-	**3 800 000**
Convertible loan note issue costs	-	(29 355)	-	-	-	-	**(29 355)**	-	**(29 355)**
Total equity at 29 February 2020	**20 487 239**	**3 770 645**	**(4 365 500)**	**78 651**	**559 534**	**(1 535 108)**	**18 995 461**	**(51 812)**	**18 943 649**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 29 February 2020

	Notes	Year ended 29 February 2020 £	Year ended 28 February 2019 £
Cash flows from operating activities			
Loss before taxation		**(1 830 457)**	**(1 057 520)**
Adjustments for:			
Depreciation of property, plant and equipment	14	128 130	22 824
Share-based payments		184 888	205 962
Equity-settled transactions		109 190	-
Finance income	8	(3 793)	(13 416)
Finance costs	9	40 719	-
Changes in working capital:			
Increase in receivables		(220 634)	(379 245)
Increase in inventory		(241 546)	(26 222)
Increase/(decrease) in payables		578 828	(119 708)
Net cash used in operating activities		**(1 254 675)**	**(1 367 325)**
Cash flows from investing activities			
Finance income	8	3 793	13 416
Purchase of intangible assets	13	(596 291)	(570 767)
Purchase of property, plant and equipment (including capitalised cash interest of £55 235 (2019: Nil))	14	(7 159 313)	(4 901 993)
Net cash used in investing activities		**(7 751 811)**	**(5 459 344)**
Cash flows from financing activities			
Finance costs	9	(562)	-
Lease payments	21	(68 015)	-
Net proceeds from issue of shares	22	2 876 705	5 682 954
Net proceeds from issue of convertible loan notes		3 770 645	-
Proceeds from borrowings	18	4 840 989	-
Repayment of borrowings	18	(3 610 028)	-
Net cash generated from financing activities		**7 809 734**	**5 682 954**
Net decrease in cash and cash equivalents		**(1 196 752)**	**(1 143 715)**
Cash and cash equivalents at the beginning of the year		1 781 335	2 904 767
Foreign exchange differences	17	(9 983)	20 283
Cash and cash equivalents at the end of the year		**574 600**	**1 781 335**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 29 February 2020

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

AfriTin Mining Limited ("AfriTin") was incorporated and domiciled in Guernsey on 1 September 2017, and admitted to the AIM market in London on 9 November 2017. The company's registered office is 18-20 Le Pollet, St Peter Port, Guernsey, GY1 1WH and operates from Illovo Edge Office Park, 2nd Floor, Building 3, Corner Harries and Fricker Road, Illovo, Johannesburg, 2116, South Africa.

These financial statements are for the year ended 29 February 2020 and the comparative figures are for the year ended 28 February 2019.

The AfriTin Group comprises AfriTin Mining Limited and its subsidiaries as noted below.

AfriTin Mining Limited ("AML") is an investment holding company and holds 100% of Guernsey subsidiary, Greenhills Resources Limited ("GRL").

GRL is an investment holding company that holds investments in resource-based tin and tantalum exploration companies in Namibia and South Africa. The Namibian subsidiary is AfriTin Mining (Namibia) Pty Limited ("AfriTin Namibia"), in which GRL holds 100% equity interest. The South African subsidiaries are Mokopane Tin Company Pty Limited ("Mokopane") and Pamish Investments 71 Pty Limited ("Pamish 71"), in which GRL holds 100% equity interest.

AfriTin Namibia owns an 85% equity interest in Uis Tin Mining Company Pty Limited ("UTMC"). The minority shareholder in UTMC is The Small Miners of Uis who own 15%.

Mokopane owns a 74% equity interest in Renetype Pty Limited ("Renetype") and a 50% equity interest in Jaxson 641 Pty Limited ("Jaxson").

The minority shareholders in Renetype are African Women Enterprises Investments Pty Limited and Cannosia Trading 62 CC who own 10% and 16% respectively.

The minority shareholder in Jaxson is Lerama Resources Pty Limited who owns a 50% interest in Jaxson. Pamish 71 owns a 74% interest in Zaaiplaats Mining Pty Limited ("Zaaiplaats"). The minority shareholder in Zaaiplaats is Tamiforce Pty Limited who owns 26%.

AML holds 100% of Tantalum Investment Pty Limited, a company containing Namibian exploration licenses EPL5445 and EPL5670 for the exploration of tin, tantalum and associated minerals.

As at 29 February 2020, the AfriTin Group comprised:

Company	Equity holding and voting rights	Country of incorporation	Nature of activities
AfriTin Mining Limited	N/A	Guernsey	Ultimate holding company
Greenhills Resources Limited[1]	100%	Guernsey	Holding company
AfriTin Mining Pty Limited[1]	100%	South Africa	Group support services
Tantalum Investment Pty Limited[1]	100%	Namibia	Tin & tantalum exploration
AfriTin Mining (Namibia) Pty Limited[2]	100%	Namibia	Tin & tantalum operations
Uis Tin Mining Company Pty Limited[3]	85%	Namibia	Tin & tantalum exploration
Mokopane Tin Company Pty Limited[2]	100%	South Africa	Holding company
Renetype Pty Limited[4]	74%	South Africa	Tin & tantalum exploration
Jaxson 641 Pty Limited[4]	50%	South Africa	Tin & tantalum exploration
Pamish Investments 71 Pty Limited[2]	100%	South Africa	Holding company
Zaaiplaats Mining Pty Limited[5]	74%	South Africa	Property owning

[1] Held directly by AfriTin Mining Limited

[2] Held by Greenhills Resources Limited

[3] Held by AfriTin Mining (Namibia) Pty Limited

[4] Held by Mokopane Tin Company Pty Limited

[5] Held by Pamish Investments 71 Pty Limited

These financial statements are presented in Pound Sterling (£) because that is the currency in which the Group has raised funding on the AIM market in the United Kingdom. Furthermore, Pound Sterling (£) is the functional currency of the ultimate holding company, AfriTin Mining Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU adopted IFRS").

The Group has adopted the standards, amendments and interpretations effective for annual periods beginning on or after 1 March 2019. The adoption of IFRS 16 "Leases" had a material effect on the financial statements of the Group. See Note 3.

The consolidated financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity and areas where assumptions and estimates are significant to the consolidated financial statements are discussed further in this note. The principal accounting policies are set out below.

GOING CONCERN

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

At year end, the company had cash in the bank of £574k and had drawn down £1.2m of the £1.9m Nedbank working capital facility.

Subsequent to year end, a loan note issue in May 2020 raised £2.05m and an equity subscription in August 2020 raised £3.05m gross proceeds. The £2.05m loan note, together with the previous £3.8m loan note raised in November 2019 mature in May 2021.

Furthermore, the Nedbank working capital and VAT facility was renewed in July 2020 and increased from N$38m (approx. £1.9m) to N$43m (approx. £2.1m). The N$4.2m Nedbank guarantee to Namibia Power Corporation Pty Limited in relation to a deposit for the supply of electrical power continues to be in place. The Nedbank facility falls due for renewal in July 2021.

The Company is commissioning and ramping up the Phase 1 pilot plant at Uis with the purpose of proving up the feasibility of a much larger, profitable Phase 2 plant to go into full commercial production. Whilst the ramp up was adversely impacted by supply chain disruption associated with COVID-19, the ramp up is now continuing with minimal disruption following easing of government restrictions and measures implemented by the mine.

Management have prepared a detailed cashflow forecast for the period to 30 September 2021 and stress tests of those forecasts. The base case forecast demonstrates that the Group will have sufficient funds to meet its liabilities as they fall due and includes the following key assumptions:

- The previous £3.8m convertible loan notes and recent £2.05m loan notes are assumed to be settled in equity. Per the agreements, the £3.8m convertible loan notes can be settled in equity at the discretion of the Company. However, settlement of the £2.05m loan notes in cash or shares is subject to agreement by both parties and therefore equity settlement cannot be guaranteed and is dependent on the loan note holders.
- The working capital facility with Nedbank Namibia is anticipated to be renewed in July 2021 under the annual review and renewal applicable to the facility.
- Prices have been set at $17,500 which is the current spot price per tonne of tin and $150,000 per tonne of tantalum.
- The forecasts assume a continued ramp up in production to steady state for Phase One of the operation by November 2020.

Whilst the Board anticipate that the £2.05m loan note will be settled in equity based on discussions with the loan note holders when the loan was subscribed, there can be no guarantee that this event will occur and if it is not forthcoming the Group will likely need to raise additional funds.

Whilst the board fully anticipate the renewal of the working capital facility in July 2021, noting the recent renewal of the facility, there can be no guarantee that this will occur.

Additionally, the Group's forecasts are based on anticipated growth in production which is considered achievable by the Board. However the Board have considered the risks and uncertainties associated with COVID-19 on the Group's operations including the potential impact on areas including risks to supply chain and access to site by consultants, additional government restrictions and potential volatility in commodity prices. In the event of further disruption to the production ramp up or operational cash flow as a result of COVID-19 or other related operational issues, the Group may require additional funding.

These matters indicate a material uncertainty exists which may cast significant doubt on the Group's ability to continue as a going concern. No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the combined Group not continue as a going concern.

BASIS OF CONSOLIDATION

Subsidiaries

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.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree 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 acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

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 are 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.

The acquisition of subsidiaries that do not meet the definition of a business and hold early stage exploration licenses are accounted for as asset purchases with the fair value of consideration being allocated to the assets.

Inter-company transactions, balances and unrealised gains/losses on transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Non-controlling interests

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that present ownership interests entitling their holders to a proportionate share of the net assets upon liquidation are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the management steering committee that makes strategic decisions.

FOREIGN CURRENCIES

Functional and presentational currency

The individual financial statements of each Group company are prepared in the currency of the primary economic environment in which they operate (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in Pound Sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation date where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges

and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within "finance income or costs".

Group companies

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

i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
ii) income and expenses for each income statement are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
iii) all resulting exchange differences are recognised in other comprehensive income.

REVENUE RECOGNITION

IFRS 15 "Revenue from Contracts with Customers" established a comprehensive framework for determining whether, how much and when revenue is recognised. The core principle is that an entity recognises revenue to depict the transfer of promised goods and services to the customer of an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In the current year, the Group began generating revenue from its primary activity, the sale of tin concentrate, and it continued to generate immaterial revenue from the sale of sand.

The Group produces and sells tin concentrate from its Uis tin mine in Namibia. Once concentrate has been produced at the Uis plant, it is bagged, sampled and loaded into containers for transportation to the port in Walvis Bay for shipment.

The company currently has an off-take agreement with its customer, Thailand Smelting and Refining Co. ("Thaisarco"), which was signed on 1 August 2019. The salient terms of the off-take agreement are as follows:

- Concentrate produced during the period of the agreement is to be shipped to Thaisarco in Phuket, Thailand from the port of Walvis Bay;
- Thaisarco pays AfriTin on the basis of actual tin content in the concentrate per Thaisarco's analysis at the London Metal Exchange price less treatment charges, unit deductions and impurity charges;
- Pricing shall be declared within 20 market days after arrival of concentrate at Thaisarco's works.

The Group can elect for the sale of each shipment to occur under the following terms:

Option 1: Standard provisional payment

Thaisarco shall pay 80% provisional payment on the basis of actual tin content as per their own analysis. Payment is to be made within 10 working days after the arrival of concentrate at Thaisarco's works. The performance obligation is satisfied when the concentrate arrives at the Songkhla Port in Thailand being the point at which title and risk pass. Any quality or price adjustments are recognised when the final assay and tin price are known.

Option 2: Provisional payment option against original bill of lading

Thaisarco shall pay 80% provisional payment on the basis of provisional tin content per UTMC's analysis. The provisional payment shall be done against presentation of a provisional invoice and an original bill of lading. The performance obligation is satisfied when the provisional payment is received by UTMC, being the point at which title and risk pass. Any quality or price adjustments are to be recognized when the final assay and tin price are known.

During the year, the Group concluded all sales under Option 1.

Revenue is recognised at a point in time when control of the goods has transferred to the customer, which is when the concentrate arrives at the Songkhla Port in Thailand under Option 1 or when provisional payment is received by UTMC under Option 2. There is limited judgement needed to identify the point at which control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession of the products. At this point, the Group will have a present right to payment and retains none of the significant risks and rewards of the goods in question.

Variable consideration relating to final assay results is constrained in estimating revenue unless it is highly probable that there will not be a future reversal in the amount of revenue recognised when the final assay has been determined.

FINANCE INCOME

Interest revenue is recognised when it is probable that economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax charge is based on taxable profit for the period. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount 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 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. Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based upon rates enacted and substantively enacted at the reporting date. Deferred tax is charged or credited to profit or loss, except when it relates to items credited or charged to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

INTANGIBLE EXPLORATION AND EVALUATION ASSETS

All costs associated with mineral exploration and evaluation including the costs of acquiring prospecting licenses; mineral production licenses and annual license fees; rights to explore; topographical, geological, geochemical and geophysical studies; exploratory drilling; trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource; are capitalised as intangible exploration and evaluation assets and subsequently measured at cost.

If an exploration project is successful, the related expenditures will be transferred at cost to property, plant and equipment and amortised over the estimated life of the commercial ore reserves on a unit of production basis (with this charge being taken through profit or loss). Where capitalised costs relate to both development projects and exploration projects, the Group reclassifies a portion of the costs which are considered attributable to near term production based on a percentage of the ore resource expected to be mined in the relevant phase. Where a project does not lead to the discovery of commercially viable quantities of mineral resources and is relinquished, abandoned, or is considered to be of no further commercial value to the Group, the related costs are recognised in the income statement.

The recoverability of deferred exploration costs is dependent upon the discovery of economically viable

ore reserves, the ability of the Group to obtain necessary financing to complete the development of ore reserves and future profitable production or proceeds from the extraction or disposal thereof.

IMPAIRMENT OF EXPLORATION AND EVALUATION ASSETS

Intangible exploration and evaluation assets are reviewed regularly for indicators of impairment following the guidance in IFRS 6 "Exploration for and Evaluation of Mineral Resources" and tested for impairment where such indicators exist.

In accordance with IFRS 6, the Group considers the following facts and circumstances in their assessment of whether the Group's exploration assets may be impaired:

- whether the period for which the Group has the right to explore in a specific area has expired during the period or will expire in the near future, and is not expected to be renewed; or
- whether substantive expenditure on further exploration for and evaluation of mineral resources in a specific area is neither budgeted nor planned; or
- whether exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable deposits and the Group has decided to discontinue such activities in the specific area; or
- whether sufficient data exists to indicate that although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

If any such facts or circumstances are noted, the Group, as a next step, perform an impairment test in accordance with the provisions of IAS 36 "Impairment of Assets". In such circumstances, the aggregate carrying value of the mining exploration and assets is compared against the expected recoverable amount of the cash-generating unit. The recoverable amount is the higher of value in use and the fair value less costs to sell.

WARRANT RESERVE

The warrants issued by the Company are recorded at fair value on initial recognition net of transaction costs. The fair value of warrants granted is recognised as an expense or as share issue costs, with a corresponding increase in equity. The fair value of the warrants granted is measured using the Black Scholes valuation model, taking into account the terms and conditions under which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of warrants that vest.

CONVERTIBLE LOAN NOTE RESERVE

The proceeds received on issue of the Group's convertible loan notes are allocated into their liability and equity components based on the terms of the agreement.

The Group takes into account:

- whether there is a contractual obligation to settle in cash;
- whether there is a contractual obligation to issue a variable number of shares; and
- whether the instruments book value is variable.

Where none of the above criteria are met, the convertible loan notes are allocated as equity.

SHARE-BASED PAYMENT RESERVE

Where equity settled share options are awarded to directors or employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the statement of comprehensive income is charged with the fair value of goods and services received.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less accumulated depreciation.

Land is not depreciated. Depreciation is provided on all plant and equipment at rates calculated to write each asset down to its estimated residual value, using the straight-line method over the estimated useful life of the asset as follows:

- The mining asset and the decommissioning asset are amortised over the life of the mine or 20 years, whichever is the lesser. Depreciation begins when the asset is available for use and continues until the asset is derecognised, even if it is idle;
- Right-of-use asset over the period of the lease contract;
- Computer equipment over three years;
- Furniture over five years;
- Vehicles over four years.

Mining assets under construction are not depreciated.

The estimated useful lives, residual values and depreciation methods are reviewed at each year end and adjusted if necessary.

Gains or losses on disposal are included in profit or loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

RIGHT-OF-USE ASSET

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset, for a period of time, in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset. This may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purposes the asset is used. In rare cases where the decision about how and for what purpose the assets is used is predetermined, the Group has the right to direct the use of the asset if either:
    - the Group has the right to operate the asset; or
    - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The right-of-use asset is initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is annually assessed for impairment and will be adjusted for certain remeasurements of the lease liability.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

At each statement of financial position date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where there has been a change in economic conditions that indicate a possible impairment in a cash-generating unit, the recoverability of the net book value relating to that mine is assessed by comparison with the estimated discounted future cash flows based on management's expectations of future commodity prices and future costs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent that it reverses gains previously recognised in other comprehensive income.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the income statement, net of any depreciation that would have been charged since the impairment.

INVENTORIES

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Weighted average cost is used to determine the cost of ordinarily interchangeable items.

FINANCIAL INSTRUMENTS

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

FINANCIAL ASSETS

Financial assets are classified as at amortised cost only if the asset is held to collect the contractual cash flows and the contractual terms of the asset give rise to cash flows that are solely payments of principal and interest. At subsequent reporting dates, financial assets at amortised cost are measured at amortised cost less any impairment losses.

IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses on a forward-looking basis the expected credit losses, defined as the difference between the contractual cash flows and the cash flows that are expected to be received, associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the simplified approach permitted by IFRS 9 "Financial Instruments" is applied, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Losses are recognised in the income statement. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the income statement.

Trade and other receivables

Trade and other receivables are initially recognised at the fair value of the consideration receivable less any impairment.

Trade and other receivables are subsequently measured at amortised cost, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and deposits on a term of not greater than three months.

FINANCIAL LIABILITIES

Financial liabilities include trade and other payables, derivatives and other longer-term financing, classified into one of the following categories:

Fair value through profit and loss: The liabilities are carried in the statement of financial position at fair value with changes in fair value recognised in the income statement.

Financial liabilities carried at amortised cost:

Trade and other payables

Trade and other payables are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method.

REHABILITATION COSTS

The net present value of estimated future rehabilitation costs is provided for in the financial statements and capitalised within property, plant and equipment on initial recognition. Rehabilitation will generally occur on closure or after closure of a mine.

Initial recognition is at the time of the construction or disturbance occurring and thereafter as and when additional construction or disturbances take place. The estimates are reviewed annually to take into account the effects of inflation and changes in the estimated cost of the rehabilitation works and are discounted using rates that reflect the time value of money. Annual increases in the provision due to the unwinding of the discount are recognised in the statement of comprehensive income as a finance cost. The present value of additional disturbances and changes in the estimate of the rehabilitation liability are recorded to mining assets against an increase/decrease in the rehabilitation provision.

The rehabilitation asset will be amortised over the life of the mine once commercial production commences. Rehabilitation projects undertaken, included in the estimates, are charged to the provision as incurred. Environmental liabilities, other than rehabilitation costs, which relate to liabilities arising from specific events, are expensed when they are known, probable and may be reasonably estimated.

LEASE LIABILITY

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease. The liability is subsequently measured at amortized cost using the effective interest method. Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements is described below:

Estimates and judgements are continually evaluated. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and in future years if the revision affects both current and future years.

i) ***Going concern and liquidity***

Significant estimates were required in forecasting cash flows used in the assessment of going concern including tin and tantalum prices, the level of production and the rate at which production ramp up is achieved, operating costs and capital expenditure requirements. Additionally, judgment has been applied in assessing the likely form of settlement of one of the loan notes, renewal of the working capital facility and the risks associated with COVID-19; together with mitigating steps available to the Group is required.

ii) ***Decommissioning and rehabilitation obligations***

Estimating the future costs of environmental and rehabilitation obligations is complex and requires management to make estimates and judgements as most of the obligations will be fulfilled in the future and contracts and laws are often not clear regarding what is required. The resulting provisions (see Note 20) are further influenced by changing technologies, political, environmental, safety, business and statutory considerations.

The Group's rehabilitation provision is based on the net present value of management's best estimates of future rehabilitation costs. Judgement is required in establishing the disturbance and associated rehabilitation costs at year end, timing of costs, discount rates and inflation. In forming estimates of the cost of rehabilitation which are risk adjusted, the Group assessed the Environmental Management Plan and reports provided by internal and external experts. Actual costs incurred in future periods could differ materially from the estimates and changes to environmental laws and regulations, life of mine estimates, inflation rates and discount rates could affect the carrying amount of the provision. The carrying amount of the rehabilitation obligations for the Group at 29 February 2020 was £86 005 (February 2019: £75 180).

iii) ***Acquisition of Tantalum Investment Pty Limited ("Tantalum") in the prior year***

On 2 October 2018, the Group completed the acquisition of Tantalum which has interests in tin exploration projects in Namibia. The total cost of the acquisition was £850 000. Due to the lack of processes and outputs relating to Tantalum at the time of purchase, the Board did not consider the entity acquired to meet the definition of a business. As such, the Group has accounted for the acquisition of Tantalum as an asset purchase. Further details are disclosed in Note 12.

iv) ***Impairment indicator assessment for exploration & evaluation assets***

Determining whether an exploration and evaluation asset is impaired requires an assessment of whether there are any indicators of impairment, including by reference to specific impairment indicators prescribed in IFRS 6 "Exploration for and Evaluation of Mineral Resources". If there is any indication of potential impairment, an impairment test is required based on value in use of the asset. The valuation of intangible exploration assets is dependent upon the discovery of economically recoverable deposits which, in turn, is dependent on future tin prices, future capital expenditures and environmental, regulatory restrictions and the successful renewal of licenses. The directors have concluded that there are no indications of impairment in respect of the carrying value of intangible assets at 29 February 2020 based on results of exploration to date, the status of licences, planned future development of the projects and current and forecast tin prices. Exploration and evaluation assets are disclosed fully in Note 13.

v) ***Impairment assessment for property, plant and equipment***

Management performed an impairment indicator assessment at 29 February 2020 and identified a potential impairment indicator based on the Group's market capitalisation and the decrease in tin prices and performed an impairment test accordingly. The impairment test was performed on a fair value less cost to sell basis and included assessments of different scenarios associated with capital development and expansion opportunities. The forecasts required estimates regarding forecast tin and tantalum prices, ore resources and production, together with operating and capital costs. The impairment test was performed at a discount rate of 11.7% post tax nominal.

vi) ***Transfer of capitalised exploration costs to property, plant and equipment in the prior year***

On 28 February 2019, the Group transferred the Uis Phase One exploration and evaluation asset to mine development costs. The determination that the project had reached a stage of being commercially viable and technically feasible for extraction represented a key judgement. In forming this judgement, the Board considered factors including: a) the mine permit had been awarded; b) the Project had secured funding for development and construction of the plant; c) the production phase due to commence shortly is anticipated to be profitable and cash generative; d) the mine development plan had been established; and e) the results of exploration data including internal and external assessments.

Where capitalised costs relate to both development projects and exploration projects, the Group reclassifies a portion of the costs which are considered attributable to near-term production based on a percentage of the ore resource expected to be mined in the relevant phase. Judgement was involved in determining the percentage split of capitalised costs between exploration expenditure and costs that relate to the development stage asset and should be transferred to PPE. In calculating the percentage split, the key inputs were total ore resource, ore resource for Phase One, nameplate capacity of the plant and estimated timing for Phase Two.

3. ADOPTION OF NEW AND REVISED STANDARDS

IFRS 16 "Leases"

The Group adopted IFRS 16 with a transition date of 1 March 2019. IFRS 16 introduces a single lease accounting model. This standard requires lessees to account for all leases under a single on-balance sheet model.

The Group has applied the modified retrospective approach where the cumulative effect of initially applying IFRS 16 is recognised at the date of initial application. Therefore, there is no impact on any comparative accounting periods. The modified retrospective approach recognises the right-of-use asset at the date of initial application at an amount equal to the lease liability, which has been discounted using the rate implicit in the lease agreement.

Under the new standard, a lessee is required to recognise all lease assets and liabilities on the balance sheet; recognise depreciation of leased assets and interest on lease liabilities over the lease term; and separately present the principal amount of cash paid and interest in the cash flow statement. The requirements of IFRS 16 extend to certain service contracts, such as mining contractors in which the contractor provides services and the use of assets, which may impact the Group.

The Group has elected not to recognise assets and liabilities for leases with a term of 12 months or less as well as leases of low value items. These lease payments are recognised as an expense on a straight-line basis over the term of the lease.

Below is a summary of the impact upon adoption of IFRS 16 "Leases":
A right-of-use asset amounting to £276 547 and corresponding lease liability relating to the corporate office building were recognised on initial application. Depreciation relating to this right-of-use asset of £58 220 was charged during the year and finance charges of £33 128 were raised on the lease liability during the year.

ACCOUNTING STANDARDS AND INTERPRETATIONS NOT APPLIED

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

IFRS 3	Amendments to IFRS 3 "Business Combinations": Definition of business	1 January 2020
IAS 1 and IAS 8	Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors": Definition of material	1 January 2020
Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
IFRS 17	IFRS 17 "Insurance Contracts"	1 January 2021

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Group based on current operations.

4. SEGMENTAL REPORTING

The reporting segments are identified by the management steering committee (who are considered to be the chief operating decision-makers) by the way that the Group's operations are organised. As at 29 February 2020, the Group operated within two operating segments, tin exploration and mining activities in Namibia and South Africa.

Segment results

The following is an analysis of the Group's results by reportable segment.

	South Africa £	Namibia £	Total £
Year ended 29 February 2020			
Results			
Other income	21 696	47 336	69 032
Associated costs	(14 006)	(436 922)	(450 928)
Segmental profit/(loss)	**7 690**	**(389 586)**	**(381 896)**
Year ended 28 February 2019			
Results			
Other income	26 782	-	26 782
Associated costs	(13 623)	(93 711)	(107 334)
Segmental profit/(loss)	**13 159**	**(93 711)**	**(80 552)**

The reconciliation of segmental gross loss to the Group's loss before tax is as follows:

	Year ended 29 February 2020 £	Year ended 28 February 2019 £
Segmental loss	(381 896)	(80 552)
Unallocated costs	(1 411 635)	(990 384)
Finance income	3 793	13 416
Finance costs	(40 719)	-
Loss before tax	**(1 830 457)**	**(1 057 520)**

Unallocated costs mainly comprise of corporate overheads and costs associated with being listed in London.

Other Segmental Information

	South Africa £	Namibia £	Total £
As at 29 February 2020			
Intangible assets	3 108 713	4 332 305	7 441 018
Other reportable segmental assets	60 323	13 041 793	13 102 116
Other reportable segmental liabilities	(64 997)	(774 676)	(839 673)
Unallocated net liabilities	-	-	(759 812)
Total consolidated net assets	**3 104 039**	**16 599 422**	**18 943 649**
As at 28 February 2019			
Intangible assets	3 214 042	3 798 275	7 012 317
Other reportable segmental assets	89 103	6 061 366	6 150 469
Other reportable segmental liabilities	(70 203)	(286 546)	(356 749)
Unallocated net assets	-	-	1 818 212
Total consolidated net assets	**3 232 942**	**9 573 095**	**14 624 249**

Unallocated net assets/liabilities are mainly comprised of cash and cash equivalents and the working capital facility which are managed at a corporate level.

5. REVENUE

	Year ended 29 February 2020 £	Year ended 28 February 2019 £
Revenue from the sale of tin	47 336	-
Revenue from the sale of sand	21 696	26 782
	69 032	**26 782**

6. ADMINISTRATIVE EXPENSES

The loss for the year has been arrived at after charging:

	Year ended 29 February 2020 £	Year ended 28 February 2019 £
Staff costs (see Note 7)	793 687	519 823
Depreciation of property, plant & equipment	128 130	22 824
Operating lease expense	-	20 332
Professional fees	88 550	75 076
Travelling expenses	98 988	105 939
Other costs	652 999	313 724
Auditor's remuneration	52 873	40 000
	1 815 227	**1 097 718**

7. STAFF COSTS

	Year ended 29 February 2020 £	Year ended 28 February 2019 £
Staff costs capitalised under property, plant & Equipment	1 185 121	570 042
Staff costs capitalised under intangible assets	104 521	75 005
Staff costs recognised as administrative expenses	575 561	313 860
Shares issued (including amounts capitalised)	65 470	65 297
Share-based payment charge (including amounts capitalised)	403 562	157 008
	2 334 235	**1 181 212**

Key management personnel have been identified as the Board of Directors, Frans van Daalen (Chief Operating Officer of the Group) and Robert Sewell (Chief Financial Officer of the Group). Details of key management remuneration are shown in Note 27.

The average number of staff during the year was 66 (February 2019: 22) with an average total cost for the year of £25 970 (February 2019: £52 693).

Emoluments of £190 932 including £65 281 of share options and shares to be issued (February 2019: £172 210 including £45 562 of share options and shares to be issued) were in respect of the highest-paid Director during the year.

8. FINANCE INCOME

	Year ended 29 February 2020 £	Year ended 28 February 2019 £
Bank interest	**3 793**	**13 416**

9. FINANCE COST

	Year ended 29 February 2020 £	Year ended 28 February 2019 £
Interest on lease liability	33 128	-
Interest on environmental rehabilitation liability	7 029	-
Bank interest	562	-
	40 719	-

10. TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

	Year ended 29 February 2020 £	Year ended 28 February 2019 £
Factors affecting tax for the year:		
The tax assessed for the year at the Guernsey corporation tax charge rate of 0%, as explained below:		
Loss before taxation	(1 830 457)	(1 057 520)
Loss before taxation multiplied by the Guernsey corporation tax charge rate of 0%	-	-
Effects of:		
Differences in tax rates (overseas jurisdictions)	(327 821)	(160 094)
Tax losses carried forward	327 821	160 094
Tax for the year	-	-

Accumulated losses in the subsidiary undertakings for which there is an unrecognised deferred tax asset are £1 797 379 (2019: £842 560).

11. LOSS PER SHARE FROM CONTINUING OPERATIONS

The calculation of a basic loss per share of 0.29 pence (February 2019: loss per share of 0.23 pence), is calculated using the total loss for the year attributable to the owners of the Company of £1 781 962 (February 2019: £1 050 074) and the weighted average number of shares in issue during the year of 623 591 330 (February 2019: 465 473 041).

Due to the loss for the year, the diluted loss per share is the same as the basic loss per share. The number of potentially dilutive ordinary shares, in respect of share options, warrants and shares to be issued as at 29 February 2020 is 69 080 819 (February 2019: 48 566 727). These potentially dilutive ordinary shares may have a dilutive effect on future earnings per share.

As part of the issuing of loan notes subsequent to year end (Refer to Note 26), 20 500 000 warrants were issued.

12. ASSET ACQUISITION

Acquisition of Tantalum Investment Pty Limited ("Tantalum") in the prior year

On 2 October 2018, the Group completed the acquisition of Tantalum which has interests in tin exploration projects in Namibia. The consideration of £850 000 was settled by way of issue of 25 000 000 ordinary shares of the Company which were issued to a group of sellers. Due to the lack of processes and outputs relating to Tantalum at the time of purchase, the Board does not consider the entity acquired to meet the definition of a business. As such, the Group has accounted for the acquisition of Tantalum as an asset purchase.

The relative fair values of the identifiable assets and liabilities acquired and included in the consolidation are:

	£
Intangible assets – exploration and evaluation	850 000

13. INTANGIBLE ASSETS

	Exploration and evaluation assets £	Computer software £	Total £
As at 28 February 2018	**6 300 864**	-	**6 300 864**
Additions for the year – other expenditure	570 767	-	570 767
Additions for the year – acquisition of Tantalum	850 000	-	850 000
Reclassification to property, plant and equipment	(488 891)	-	(488 891)
Foreign exchange difference	(220 423)	-	(220 423)
As at 28 February 2019	**7 012 317**	-	**7 012 317**
Additions for the year - other expenditure	522 131	125 894	648 025
Exchange differences	(209 954)	(9 370)	(219 324)
As at 29 February 2020	**7 324 494**	**116 524**	**7 441 018**

For the purposes of impairment testing, the intangible exploration and evaluation assets are allocated to the Group's cash-generating units, which represent the lowest level within the Group at which the intangible exploration and evaluation assets are measured for internal management purposes, which is not higher than the Group's operating segments as reported in Note 4.

The amounts for intangible exploration and evaluation assets represent costs incurred on active exploration projects. Amounts capitalised are assessed for impairment indicators under IFRS 6 at each year end as detailed in the Group's accounting policy. In addition, the Group routinely reviews the economic model and reasonably possible sensitivities and considers whether there are indicators of impairment.

The directors have concluded that there are no indicators of impairment in respect of the carrying value of exploration and evaluation assets at 29 February 2020 based on planned future development of the projects and current and forecast tin prices. In making this assessment a tin price of USD16 500/tonne was used.

The Company's subsidiary, Greenhills Resources Limited has the following:

i) a 74% interest in Renetype Pty Limited ("Renetype") which holds an interest in Prospecting Right 2205.
ii) an 85% interest in Uis Tin Mining Company Pty Limited ("UTMC") which holds an interest in mining rights, ML129, ML133 and ML134.
iii) a 50% interest in Jaxson 641 Pty Limited ("Jaxson") which holds an interest in Prospecting Right 428.
iv) a 74% interest in Zaaiplaats Mining Pty Limited ("Zaaiplaats") which holds an interest in Prospecting Right 183.

The Company has a 100% interest in Tantalum Investment Pty Limited ("Tantalum") which holds an interest in Exclusive Prospecting Licence 5445 and Exclusive Prospecting Licence 5670.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Mining Asset under Construction	Decommissioning Asset	Right-of-use Asset	Computer Equipment	Furniture	Vehicles	Total
Cost								
As at 28 February 2018	**15 366**	**518 841**	-	-	**4 540**	-	-	**538 747**
Additions for the year – other expenditure	-	4 721 734	78 168	-	64 701	74 065	88 902	5 027 570
Transfer from exploration and evaluation asset	-	488 891	-	-	-	-	-	488 891
Foreign exchange differences	(1 927)	(233 695)	(2 988)		(3 043)	(2 831)	(3 398)	(247 882)
As at 28 February 2019	**13 439**	**5 495 771**	**75 180**	-	**66 198**	**71 234**	**85 504**	**5 807 326**
Additions for the year - other expenditure	-	7 370 105	10 715	276 547	35 768	20 290	-	7 713 425
Exchange differences	(1 001)	(864 947)	(6 398)	(20 583)	(7 593)	(6 776)	(6 369)	(931 667)
As at 29 February 2020	**12 438**	**12 000 929**	**79 497**	**255 964**	**94 373**	**84 748**	**79 135**	**12 607 084**
Accumulated Depreciation								
As at 28 February 2018	-	-	-	-	**378**	-	-	**378**
Charge for the year	-	-	-	-	11 135	4 280	7 409	22 824
Exchange differences	-	-	-	-	(473)	(164)	(282)	(919)
As at 28 February 2019	-	-	-	-	**11 040**	**4 116**	**7 127**	**22 283**
Charge for the year	-	-	-	58 220	32 573	15 962	21 375	128 130
Exchange differences	-	-	-	(4 333)	(3 274)	(1 468)	(2 122)	(11 197)
As at 29 February 2020	-	-	-	**53 887**	**40 339**	**18 610**	**26 380**	**139 216**
Net Book Value								
As at 29 February 2020	**12 438**	**12 000 929**	**79 497**	**202 077**	**54 034**	**66 138**	**52 755**	**12 467 868**
As at 28 February 2019	**13 439**	**5 495 771**	**75 180**	-	**55 158**	**67 118**	**78 377**	**5 785 043**
As at 28 February 2018	**15 366**	**518 841**	-	-	**4 162**	-	-	**538 369**

15. INVENTORIES

	29 February 2020 £	28 February 2019 £
Tin concentrate on hand	185 338	-
Consumables	61 572	25 221
	246 910	**25 221**

16. TRADE AND OTHER RECEIVABLES

	29 February 2020 £	28 February 2019 £
Trade receivables	42 772	42 463
Other receivables	111 614	83 615
VAT receivables	494 336	348 885
	648 722	**474 963**

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value due to their short-term nature. No allowance for any expected credit losses against any of the receivables is provided.

The total trade and other receivables denominated in South African Rand amount to £65 288 (February 2019: £80 662) and denominated in Namibian Dollars amount to £517 322 (February 2019: £316 307).

17. CASH AND CASH EQUIVALENTS

	29 February 2020 £	28 February 2019 £
Cash on hand and in bank	**574 600**	**1 781 335**

Cash and cash equivalents (which are presented as a single class of assets on the face of the Statement of Financial Position) comprise cash at bank. The Directors consider that the carrying amount of cash and cash equivalents approximates their fair value. The total cash and cash equivalents denominated in South African Rand amount to £48 887 (February 2019: £82 287), the total cash and cash equivalents denominated in Namibian Dollars amount to £240 623 (February 2019: £660 190) and the total cash and cash equivalents denominated in US Dollars amount to £132 (February 2019: £132).

18. BORROWINGS

	29 February 2020 £	28 February 2019 £
Working capital facility	**1 230 961**	-

On 16 August 2019, a working capital facility of N$35 000 000 (approximately £2 million) and a VAT facility for N$8 000 000 (approximately £456 000) was entered into between the Company's subsidiary, AfriTin Mining (Namibia) Pty Limited and Nedbank Namibia.

The VAT facility is secured by assessed/audited VAT returns (refunds) which have not been paid by Namibia Inland Revenue. Nedbank Namibia provides a facility amounting to 70% of the total unpaid refunds. Any drawdowns against this facility are repaid to the bank upon receipt of cash from Namibia Inland Revenue.

The working capital facility and the VAT facility were reviewable on 31 July 2020 and were renewed post period end. Interest accrues on these loans at the prime rate charged by Nedbank Namibia.

Both AfriTin, as the parent company of AfriTin Mining (Namibia) Pty Limited, and Bushveld Minerals Limited ("Bushveld"), a shareholder holding approximately 8% of the Company, provide collateral in the form of a joint suretyship.

Included within the facility amount of N$35 000 000, Nedbank Namibia have provided AfriTin Mining (Namibia) Pty Limited with a N$4 117 500 guarantee to Namibia Power Corporation Pty Limited in relation to a deposit for the supply of electrical power. As a result of the guarantee provided by Nedbank Namibia, no cash was paid over for the deposit.

19. TRADE AND OTHER PAYABLES

	29 February 2020 £	28 February 2019 £
Trade payables	570 779	266 184
Other payables	71 117	110 716
Accruals	252 934	2 550
	894 830	**379 450**

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The average credit period taken for trade purchases is 30 days.

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-arranged credit terms. No interest has been charged by any suppliers as a result of late payment of invoices during the year.

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

The total trade and other payables denominated in South African Rand amount to £165 988 (February 2019: £149 684) and £622 762 (February 2019: £179 394) is denominated in Namibian Dollars.

20. ENVIRONMENTAL REHABILITATION LIABILITY

	£
Balance at 28 February 2018	-
Increase in provision	78 168
Foreign exchange differences	(2 988)
Balance at 28 February 2019	**75 180**
Increase in provision	10 717
Interest expense	7 029
Foreign exchange differences	(6 921)
Balance at 29 February 2020	**86 005**

Provision for future environmental rehabilitation and decommissioning costs are made on a progressive basis. Estimates are based on costs that are regularly reviewed and adjusted appropriately for new circumstances. The environmental rehabilitation liability is based on disturbances and the required rehabilitation as at 29 February 2020.

The rehabilitation provision represents the present value of decommissioning costs relating to the dismantling of mechanical equipment and steel structures related to the Phase 1 Pilot Plant, the demolishing of civil platforms and reshaping of earthworks. A provision for this requires estimates and assumptions to be made around the relevant regulatory framework, the magnitude of the possible disturbance and the timing, extent and costs of the required closure and rehabilitation activities. In calculating the appropriate provision, cost estimates of the future potential cash outflows based on current studies of the expected rehabilitation activities and timing thereof are prepared. These forecasts are then discounted to their present value using a risk-free rate specific to the liability. In determining the amount attributable to the rehabilitation liability, management used a discount rate of 9.35%, an inflation rate of 5.5% and an estimated mining period of 38 years. Actual rehabilitation and decommissioning costs will ultimately depend upon future market prices for the necessary rehabilitation works and timing of when the mine ceases operation.

21. LEASE LIABILITY

A lease liability is raised for the rental of an office building. The lease commenced on 1 December 2018 and has a term of 5 years.

The following is a reconciliation of the operating lease commitment to the lease liability as at 1 March 2019:

	£
Operating lease commitment as at 1 March 2019	**389 317**
Less the effect of discounting using the incremental borrowing rate as at the date of initial application	(112 770)
Lease liability raised	**276 547**

	£
Balance at 28 February 2019	-
Additions	276 547
Interest expense	33 128
Lease payments	(68 015)
Foreign exchange differences	(17 987)
Balance at 29 February 2020	**223 673**

The following is the split between the current and the non-current portion of the liability

	29 February 2020 £	28 February 2019 £
Non-current liability	181 544	-
Current liability	42 129	-
	223 673	-

22. SHARE CAPITAL

	Number of ordinary shares of no par value issued and fully paid	Share Capital £
Balance at 28 February 2018	**297 481 929**	**10 853 631**
Capital raise - 14 June 2018	220 515 292	5 953 913
Share issue costs - excluding warrants	-	(325 858)
Share issue costs - fair value of warrants	-	(48 868)
Shares issued to Hannam & Partners	1 591 304	54 900
"Tantalum" Acquisition	25 000 000	850 000
Balance at 28 February 2019	**544 588 525**	**17 337 718**
Capital raise - 22 May 2019	99 613 074	2 988 392
Share issue costs	-	(111 687)
Shares issued to Hannam & Partners	327 868	10 000
Shares issued to directors/employees	8 616 906	262 816
Balance at 29 February 2020	**653 146 373**	**20 487 239**

Authorised: 966 302 399 ordinary shares of no par value
Allotted, issued and fully paid: 653 146 373 shares of no par value

On 2 October 2018, AfriTin Mining Limited acquired the entire issued share capital of Tantalum Investment Pty Limited, containing Namibian exploration licenses EPL5445 and EPL5670 for the exploration of tin, tantalum and other associated minerals from Jan Jonathan Serfontein. The purchase price of £850 000 was settled by way of issue of 25 000 000 ordinary shares in the Company, at a price of 3.40p.

On 22 May 2019, AfriTin Mining Limited completed an equity fundraising by way of a direct subscription of 99 613 074 ordinary shares of no par value in the Company at a price of 3 pence per share.

On 10 December 2019, 8 616 906 ordinary shares of no par value were issued to various directors and employees in lieu of payment of director fees and part settlement of salaries. Furthermore 327 868 shares were issued to Hannam and Partners, in accordance with the terms of their broker agreement with the Company. These shares were issued at a price of 3.05 pence per share.

23. WARRANT RESERVE

The following warrants were granted during the year ended 28 February 2019:

Date of grant	23 January 2019
Number granted	3 800 000
Contractual life	2 years
Estimated fair value per warrant (£)	0.01286

The following warrants were granted during the period ended 28 February 2018:

Date of grant	9 November 2017
Number granted	1 871 939
Contractual life	3 years
Estimated fair value per warrant (£)	0.01591

The estimated fair values were calculated by applying the Black Scholes pricing model. The model inputs were:

Date of grant	23 January 2019	9 November 2017
Share price at grant date (pence)	4.15	3.90
Exercise price (pence)	4.50	3.90
Expected life	2 years	3 years
Expected volatility	60%	60%
Expected dividends	Nil	Nil
Risk-free interest rate	1.24%	1.24%

In accordance with the terms of a Demerger Agreement between Bushveld Minerals Limited and AfriTin Mining Limited, Bushveld warrant holders were entitled to exercise the same amount of warrants in AfriTin for £nil consideration subject to the demerger ratio of 0.0899. This agreement effectively gave rise to 43 120 AfriTin warrants on admission. In the period to 28 February 2018, 17 137 of these warrants were exercised. The remaining 25 983 of these warrants expired during the year ended 28 February 2019.

The warrants in issue during the year are as follows:

Outstanding at 28 February 2018	**1 897 922**
Exercisable at 28 February 2018	**1 897 922**
Granted during the year	3 800 000
Expired during the year	(25 983)
Exercised during the year	-
Outstanding at 28 February 2019	**5 671 939**
Exercisable at 28 February 2019	**5 671 939**
Granted during the year	-
Expired during the year	-
Exercised during the year	-
Outstanding at 29 February 2020	**5 671 939**
Exercisable at 29 February 2020	**5 671 939**

The warrants outstanding at the year-end have an average exercise price of £0.043 (February 2019: £0.043), with a weighted average remaining contractual life of 0.83 years (February 2019: 1.83 years).

In the year ended 29 February 2020, there were no warrant charges (February 2019: £48 868) accounted for as there were no warrant issues during the year.

24. SHARE-BASED PAYMENT RESERVE

Director share options

The following director share options were granted during the year ended 29 February 2020:

Date of grant	18 October 2019	18 October 2019	18 October 2019
Number granted	3 200 000	3 200 000	3 200 000
Vesting period	1 year	2 years	3 years
Contractual life	5 years	5 years	5 years
Estimated fair value per option (pence)	1.4790	1.3340	1.2510

The estimated fair values were calculated by applying the Black Scholes pricing model. The model inputs were:

Date of grant	18 October 2019	18 October 2019	18 October 2019
Share price at grant date (pence)	3.15	3.15	3.15
Exercise price (pence)	3.75	4.50	5.00
Expiry date	18 October 2024	18 October 2024	18 October 2024
Expected volatility	60%	60%	60%
Expected dividends	Nil	Nil	Nil
Risk-free interest rate	1.24%	1.24%	1.24%

The following director share options were granted during the year ended 28 February 2019:

Date of grant	14 June 2018	14 June 2018	14 June 2018
Number granted	8 750 000	4 375 000	4 375 000
Vesting period	1 year	18 months	2 years
Contractual life	5 years	5 years	5 years
Estimated fair value per option (pence)	1.1040	0.9090	0.7280

The estimated fair values were calculated by applying the Black Scholes pricing model. The model inputs were:

Date of grant	14 June 2018	14 June 2018	14 June 2018
Share price at grant date (pence)	2.8	2.8	2.8
Exercise price (pence)	4.5	6.0	8.0
Expiry date	14 June 2023	14 June 2023	14 June 2023
Expected volatility	60%	60%	60%
Expected dividends	Nil	Nil	Nil
Risk-free interest rate	1.24%	1.24%	1.24%

The director share options in issue during the year are as follows:

Outstanding at 1 March 2018	-
Granted during the year	17 500 000
Forfeited during the year	-
Exercised during the year	-
Expired during the year	-
Outstanding at 28 February 2019	**17 500 000**
Exercisable at 28 February 2019	-
Granted during the year	9 600 000
Forfeited during the year	-
Exercised during the year	-
Expired during the year	-
Outstanding at 29 February 2020	**27 100 000**
Exercisable at 29 February 2020	**13 125 000**

The director share options outstanding at the year-end have an average exercise price of £0.053 (February 2019: £0.058), with a weighted average remaining contractual life of 3.77 years (February 2019: 4.29 years).

The director must remain as a director of the Company for the share options to vest. There are no market-based vesting conditions on the share options.

Employee share options

The following employee share options were granted during the year ended 29 February 2020:

Date of grant	18 October 2019	18 October 2019	18 October 2019
Number granted	4 110 001	4 110 000	4 109 999
Vesting period	1 year	2 years	3 years
Contractual life	5 years	5 years	5 years
Estimated fair value per option (pence)	1.4790	1.3340	1.2510

The estimated fair values were calculated by applying the Black Scholes pricing model. The model inputs were:

Date of grant	18 October 2019	18 October 2019	18 October 2019
Share price at grant date (pence)	3.15	3.15	3.15
Exercise price (pence)	3.75	4.50	5.00
Expiry date	18 October 2024	18 October 2024	18 October 2024
Expected volatility	60%	60%	60%
Expected dividends	Nil	Nil	Nil
Risk-free interest rate	1.24%	1.24%	1.24%

The following employee share options were granted during the year ended 28 February 2019:

Date of grant	1 October 2018	1 October 2018	1 October 2018
Number granted	11 250 000	5 625 000	5 625 000
Vesting period	1 year	18 months	2 years
Contractual life	5 years	5 years	5 years
Estimated fair value per option (pence)	1.5750	1.3240	1.0830

The estimated fair values were calculated by applying the Black Scholes pricing model. The model inputs were:

Date of grant	1 October 2018	1 October 2018	1 October 2018
Share price at grant date (pence)	3.5	3.5	3.5
Exercise price (pence)	4.5	6.0	8.0
Expiry date	30 September 2023	30 September 2023	30 September 2023
Expected volatility	60%	60%	60%
Expected dividends	Nil	Nil	Nil
Risk-free interest rate	1.24%	1.24%	1.24%

The employee share options in issue during the year are as follows:

Outstanding at 1 March 2018	-
Granted during the year	22 500 000
Forfeited during the year	-
Exercised during the year	-
Expired during the year	-
Outstanding at 28 February 2019	**22 500 000**
Exercisable at 28 February 2019	-
Granted during the year	12 330 000
Forfeited during the year	-
Exercised during the year	-
Expired during the year	-
Outstanding at 29 February 2020	**34 830 000**
Exercisable at 29 February 2020	**11 250 000**

The employee share options outstanding at the year-end have an average exercise price of £0.053 (February 2019: £0.058), with a weighted average remaining contractual life of 3.96 years (February 2019: 4.59 years)

The employee must remain in employment with the Company for the share options to vest. There are no market-based vesting conditions on the share options.

Director shares to be issued

Directors fees of £24 050 (February 2019: £24 050) are owing to the directors at the end of the year. These fees will be settled through the issuing of shares. The corresponding credit has been recorded in the share-based payment reserve.

Employee shares to be issued

Employee salaries of £13 961 (February 2019: £41 248) are owing to employees at the end of the year. These fees will be settled through the issuing of shares. The corresponding credit has been recorded in the share-based payment reserve.

25. FINANCIAL INSTRUMENTS

The Group is exposed to the risks that arise from its use of financial instruments. This note describes the objectives, policies and processes of the Group for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing returns to shareholders. In order to maintain or adjust the capital structure, the Group may issue new shares or arrange debt financing.

The capital structure of the Group consists of cash and cash equivalents and equity, comprising issued capital, issued convertible loan notes and retained losses.

The Group is not subject to any externally imposed capital requirements.

SIGNIFICANT ACCOUNTING POLICIES

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement and the basis for recognition of income and expenses for each class of financial asset, financial liability and equity instrument are disclosed in note 2.

PRINCIPAL FINANCIAL INSTRUMENTS

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Borrowings
- Lease liability
- Convertible loan notes

CATEGORIES OF FINANCIAL INSTRUMENTS

The Group holds the following financial assets:

	Year ended 29 February 2020 £	Year ended 28 February 2019 £
Measured at amortised cost:		
Trade and other receivables	154 386	126 805
Cash and cash equivalents	574 600	1 781 335
Total financial assets	**728 986**	**1 908 140**

The Group holds the following financial liabilities:

	Year ended 29 February 2020 £	Year ended 28 February 2019 £
Measured at amortised cost:		
Trade and other payables	894 830	379 450
Borrowings	1 230 961	-
Lease liability	223 673	-
Total financial liabilities	**2 349 464**	**379 450**

Maturity analysis of the contractual undiscounted cashflows:

	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years
Trade and other payables	894 830	-	-	-
Borrowings	-	1 230 961	-	-
Lease Liability	9 705	32 424	53 753	127 791
	904 535	**1 263 385**	**53 753**	**127 791**

GENERAL OBJECTIVES, POLICIES AND PROCESSES

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The Board receives reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

CREDIT RISK

The Group's principal financial assets are bank balances and trade and other receivables.

Credit risk arises principally from the Group's cash balances. Credit risk is the risk that the counterparty fails to repay its obligation to the Group in respect of amounts owed. The Group gives careful consideration to which organisations it uses for its banking services in order to minimize credit risk. Credit risk relating to other receivables is minimal. There are no formal procedures in place for monitoring and collecting amounts owed to the Group. A risk management framework will be developed over time, as appropriate to the size and complexity of the business.

The concentration of the Group's credit risk is considered by counterparty, geography and by currency. The Group has split its cash reserves across multiple banks in an effort to mitigate credit risk. The Pound Sterling and US Dollar accounts are held with a bank in Mauritius which has a rating of Baa1 (Moody's), the Rand account is held with a bank in South Africa which has a rating of Ba1 (Moody's) and the Namibian Dollar account is held with a bank in Namibia with a rating of Ba2 (Moody's). While the credit ratings of the countries in which the cash is held have been downgraded during the year, the banks chosen remain stable and do not present any further risks.

The concentration of credit risk was as follows:

	29 February 2020 £	28 February 2019 £
Currency		
Sterling	284 958	1 038 726
USD	132	132
South African Rand	48 887	82 287
Namibian Dollars	240 623	660 190
	574 600	**1 781 335**

There are no other significant concentrations of credit risk as at the balance sheet date.

At 29 February 2020, the Group held no collateral as security against any financial asset. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained. At 29 February 2020, no financial assets were past their due date. The Group applies IFRS 9 to measure expected credit losses for receivables and these are regularly monitored and assessed. There has been no impairment of financial assets during the year. Management considers the above measures to be sufficient to control the credit risk exposure.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board manages liquidity risk by regularly reviewing the Group's gearing levels, cash-flow projections and associated headroom and ensuring that excess banking facilities are available for future use.

The Group maintains good relationships with its banks, which have high credit ratings and its cash requirements are anticipated via the budgetary process. At 29 February 2020, the Group had £574 600 (2019: £1 781 335) of cash reserves.

MARKET RISK

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates.

Interest rate risk

The Group was exposed to minimal interest rate risk during the year. For this reason, no sensitivity analysis has been performed regarding interest rate risk.

Foreign exchange risk

The Group has foreign currency denominated assets and liabilities. Exposure to exchange rate fluctuations therefore arise. The carrying amount of the Group's foreign currency denominated monetary assets and liabilities, all in Pound Sterling, are shown below.

	Year ended 29 February 2020 £	Year ended 28 February 2019 £
Cash and cash equivalents	289 642	742 609
Other receivables	88 274	48 811
Trade and other payables	(788 750)	(329 078)
Borrowings	(1 230 961)	-
	(1 641 795)	**462 342**

The Group is exposed to a level of foreign currency risk. Due to the minimal level of foreign exchange transactions, the Directors currently believe the foreign currency risk is at an acceptable level.

The Group does not enter into any derivative financial instruments to manage its exposure to foreign currency risk.

The following table details the Group's sensitivity to a 10% increase and decrease in the Pound Sterling against the Rand and the Namibian Dollar. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign currency rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates.

	Rand denominated monetary items £	Rand currency impact Strengthening £	Rand currency impact Weakening £
Assets	92 269	101 496	83 042
Liabilities	(165 988)	(182 586)	(149 389)
	(73 719)	**(81 090)**	**(66 347)**

	Namibian dollar denominated monetary items £	Namibian dollar currency impact Strengthening £	Namibian dollar currency impact Weakening £
Assets	285 515	314 067	256 964
Liabilities	(1 853 724)	(2 039 096)	(1 668 351)
	(1 568 209)	**(1 725 029)**	**(1 411 387)**

26. EVENTS AFTER BALANCE SHEET DATE

Loan note facility

On 5 May 2020, loan notes to the value of £2 050 000 were issued. The loan notes bear an interest rate of 10% per annum (payable in full on redemption) and have a 12-month term. The redemption of the notes can be by way of cash or shares, but the repayment mechanism will be by way of mutual agreement and the Company is not obliged to issue shares. The notes are unsecured and rank in subordination to the working capital facility with Nedbank Namibia.

As part of the agreement, the subscribers to the notes received 10 warrants for each £1 subscribed, each warrant giving the holder the right to subscribe for one share in AfriTin. The warrants can be exercised at any time from the date of issue and will lapse after 3 years. The exercise price of the warrants is 1.95 pence.

Equity Fundraising

On 3 August 2020, the Company completed an equity fundraising by way of a placing and direct subscription of 145,238,089 ordinary shares of no par value in the Company at a price of 2.1 pence per share, to raise approximately £3 million before expenses.

COVID-19

Post the period under review, following the global outbreak of the COVID-19 pandemic, new legislation was implemented by the Government of Namibia. In order to tackle the spread of COVID-19, the Namibian Government announced a 21-day lockdown effective 27 March 2020. Under the government legislation, mining operations were categorised as critical economic services and minimum operational activity was permitted to continue, including critical maintenance work. To comply with this directive, the Uis tin mine suspended mining from the open pit but continued feeding the processing plant from the run-of-mine stockpile during this period. Full production has since resumed and the Company continues to operate the Uis tin mine at full scale despite ongoing COVID-19 measures in Namibia and South Africa. The health, safety and well-being of our employees, contractors and the local community are of utmost importance to the Company. All necessary steps to mitigate a possible outbreak have been taken, and the Company is pleased to report that there continue to be no confirmed cases of COVID-19 at the Uis tin mine.

27. RELATED-PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Goldiblox Pty Limited ("Goldiblox") is a related party due to Frans van Daalen, key management personnel of AfriTin Mining Limited being a 50% shareholder of Goldiblox. During the prior year, Goldiblox charged the Group £66 554 for management services. Furthermore, the Group acquired a DMS plant from Goldiblox during the current year for £155 678. At year end, the Group did not owe Goldiblox any funds.

Bushveld Minerals Limited ("Bushveld") is a related party due to Anthony Viljoen, Chief Executive Officer, being a Non-Executive Director on the Bushveld Board. During the year, Bushveld charged the Group £85 596 (February 2019: £22 477) for use of office space and £nil (February 2019: £18 592) for employee costs. At year end, the Group owed Bushveld £71 762. Furthermore, Bushveld provide suretyship of £1 491 000 as collateral for the Nedbank Namibia working capital facility.

The remuneration of the key management personnel of the Group, which includes the Directors, Frans van Daalen and Robert Sewell, is set out below.

29 February 2020

	Shares /Share Options £	Shares Issued in Relation to Director Fees/Salary £	Director Fees/Salary £	Other Fees £	Total £
Non-Executive Directors					
Glen Parsons (Chairman)	17 626	40 000	-	-	57 626
Terence Goodlace	15 471	-	28 772	-	44 243
Laurence Robb	15 471	13 000	12 000	22 000	62 471
Roger Williams	15 471	25 000	-	-	40 471
Executive Director					
Anthony Viljoen (Chief Executive Officer)	41 440	23 841	125 650	-	190 932
Other key management personnel					
Robert Sewell (Chief Financial Officer)	43 078	55 147	87 257	-	185 482
Frans van Daalen (Chief Operating Officer)	68 944	10 994	114 656	-	194 594
	217 501	**167 983**	**368 335**	**22 000**	**775 819**

28 February 2019

	Shares /Share Options £	Shares Issued in Relation to Director Fees/Salary £	Director Fees/Salary £	Other Fees £	Total £
Non-Executive Directors					
Glen Parsons (Chairman)	15 100	12 333	-	-	27 433
Terence Goodlace	12 583	-	21 996	-	34 579
Laurence Robb	12 583	4 008	12 000	-	28 591
Roger Williams	12 583	7 708	-	-	20 291
Executive Director					
Anthony Viljoen (Chief Executive Officer)	35 233	10 329	126 648	-	172 210
Other key management personnel					
Robert Sewell (Chief Financial Officer)	10 641	6 979	83 851	-	101 471
Frans van Daalen* (Chief Operating Officer)	18 380	8 166	112 302	-	138 848
	117 103	**49 524**	**356 797**	-	**523 425**

*Salary cost of £28 266 was paid to Frans van Daalen via Goldiblox.

28. RESERVES WITHIN EQUITY

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Convertible loan note reserve

The convertible loan note reserve represents proceeds on issue of convertible loan notes relating to equity component.

On 26 November 2019, the Group raised £3.8m through the issuing of convertible loan notes which mature in May 2021. The instruments entitle the holders to a 10% coupon. Under the terms of the instrument the Group can elect to settle the loan note into a fixed number of shares at a 4p conversion rate. The Group can elect to redeem the loan notes early in cash at a premium of 10%. As there is no obligation to settle in cash the loan notes have been accounted for in equity as an increase in the convertible loan note reserve.

Warrant reserve

The warrant reserve represents the cumulative charge to date in respect of unexercised share warrants at the balance sheet date.

Share-based payment reserve

The share-based payment reserve represents the cumulative charge to date in respect of unexercised share options at the balance sheet date as well as fees/salaries owed to directors/employees to be settled through the issuing of shares.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of entities with a functional currency other than Pound Sterling.

Retained earnings/accumulated deficit

The retained earnings/accumulated deficit represents the cumulative profit and loss net of distribution to owners.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

AfriTin Mining Limited
(Incorporated in Guernsey under registered number 63974)

Registered office:

18-20 Le Pollet, St Peter Port Guernsey, GY1 1WH

28 August 2020

THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial advisor who specialises in advising on shares or other securities and who is, in the case of UK shareholders, authorised under the Financial Services and Market Act 2000.

If you have sold or transferred your shares in AfriTin Mining Limited, please forward this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or transferred part of your registered holding of shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

Notice of an Annual General Meeting of AfriTin Mining Limited to be held at 11:00 am on 29 September 2020 at 18-20 Le Pollet, St Peter Port, Guernsey, GY1 1WH. Members of the Company are requested to return the enclosed Form of Proxy which, to be valid, must be completed and returned in accordance with the instructions printed thereon so as to be received as soon as possible by the Company's Registrars, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, but in any event so as to be received by the company Secretary at the registered office in accordance with the provisions of the Company's Articles of Incorporation not less than 48 hours (excluding any non-business days) before the time appointed for the Annual General Meeting. Completion and return of a Form of Proxy will not preclude a member of the Company from attending and voting in person at the Annual General Meeting should they so wish.

PLEASE READ CAREFULLY – ARRANGEMENTS FOR THE ANNUAL GENERAL MEETING IN LIGHT OF COVID-19

The Company is carefully monitoring the COVID-19 situation, including the guidance issued by the States of Guernsey, and will continue to do so in the lead up to the Meeting.

At the present time, quarantine measures apply to all travellers arriving in Guernsey who have visited a Group A or Group B country within the previous 7 days. Details of the categorisation of countries, and the specific measures which apply, are available at: https://covid19.gov.gg/guidance/travel/general. As a result of these quarantine measures, the Board is conscious that shareholders may find it difficult to attend the Meeting in person, and have put in place the following precautions (the "COVID-19 Precautions"):

1. At the date of this Notice, restrictions on movement within Guernsey have been lifted, although quarantines remain in place for travellers. It is expected that shareholders in Guernsey, or those who wish to travel to Guernsey for the Meeting subject to quarantine measures, will be able to attend the Meeting as normal. However, the Board recognises that this may not be possible for the majority of shareholders. Accordingly, the Company urges shareholders to vote by proxy and to appoint the chairman of the Meeting as their proxy for that purpose. If a shareholder appoints someone other than the chairman of the Meeting as their proxy, that proxy, if not present in Guernsey, may not be able physically to attend the Meeting or cast the shareholder's vote. All votes on the resolutions contained in this Notice will be held by poll, so that all voting rights exercised by shareholders who are entitled to do so at the Meeting will be counted.

2. The Board encourages all shareholders to exercise their votes by proxy, and to submit any questions in respect of the Meeting in advance. This should ensure that your votes are registered in the event that attendance at the Meeting is not possible. Shareholders are encouraged to use the online voting facilities detailed below where possible rather than submitting a paper proxy card to the Company Secretary, the Oak Trust.

3. Shareholders who do choose to attend the Meeting in person are asked to comply with the States of Guernsey's guidance on respecting personal space and practising good hand hygiene, and with any distancing requirements requested by the chairman of the meeting.

The security arrangements proposed by the Board are subject to constant review, and should they be subject to change in line with changing guidance from the States of Guernsey, or in the event that the situation surrounding COVID-19 should affect the plans to hold the Meeting at the proposed date and time or at the proposed address, the Company will update shareholders through a market announcement and will provide further details on the Company's website. The Board reserves the right, should it become necessary, to restrict attendance at the Meeting as part of security arrangements pursuant to Article 46 of the Articles of Incorporation of the Company (the "Articles").

PROXY

To register your vote electronically, log on to our registrar's web site at www.signalshares.com and follow the instructions on screen. To be valid your proxy must be registered not later than 48 hours (excluding non-working days) before the time fixed for the Meeting. Do not show these details to anyone unless you wish them to give proxy instructions on your behalf.

NOTICE OF MEETING

A Form of Proxy for use by shareholders is enclosed. To register a vote electronically, log on to the Registrar's web site at www.signalshares.com and follow the instructions on screen.

ORDINARY RESOLUTIONS

1. That Nick Babbé be appointed as Chairman of the annual general meeting in accordance with and pursuant to article 19.1.5 of Articles of Incorporation of the Company.
2. To receive and adopt the Annual Financial Statements of the Company and the Directors' report and the report of the Auditors for the year ended 29 February 2020.
3. That Laurence Robb shall be re-elected as a director of the Company, having retired by rotation and offered himself for re-election.
4. That Messrs BDO LLP be reappointed as Auditors to the Company.
5. That the Directors be authorised to approve the remuneration of the Company's Auditors.
6. In substitution for any and all previous authorisations, the Directors of the Company be and are hereby authorised to exercise all powers of the Company to issue, grant rights to subscribe for, or to convert any securities into, up to 406,828,971 shares (together "Equity Securities") in the capital of the Company in accordance with Article 4.2 of the Articles of Incorporation of the Company such authority to expire, unless previously renewed, revoked or varied by the Company by ordinary resolution, at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date falling 15 months from the date of the passing of this Resolution, but in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require Equity Securities to be issued or granted after the authority given to the Directors of the Company pursuant to this Resolution ends and the Directors of the Company may issue or grant Equity Securities under any such offer or agreement as if the authority given to the Directors of the Company pursuant to this Resolution had not ended. This Resolution is in substitution for all unexercised authorities previously granted to the Directors of the Company to issue or grant Equity Securities.

EXTRAORDINARY RESOLUTIONS

7. That the Directors be and are hereby authorised to exercise all powers of the Company to grant rights to subscribe for shares to directors or employees of the Company in accordance with Article 4.2 of the Articles as part of the previously adopted directors and employees share option schemes (together the "Options"), and to issue shares pursuant to the exercise of such Options, as if the pre-emption rights contained in Article 5.2 of the Articles of Incorporation of the Company did not apply to such issue or grant, provided the total Options outstanding at any point in time may not confer rights to subscribe for shares exceeding 10% of the number of issued shares of the Company at that time, and provided that the authority hereby conferred, unless previously renewed, revoked or varied by the Company by extraordinary resolution, shall expire at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date falling 15 months from the date of the passing of this Resolution (unless previously renewed, revoked or varied by the Company by extraordinary resolution), save that the Company may before such expiry make an offer or agreement which would or might require Options to granted after such expiry and the Directors may issue or grant the Options in pursuance of such an offer or agreement, and issue shares pursuant to the exercise of Options, as if the authority conferred by the above resolution had not expired.
8. If Resolution 6 is passed, the Directors of the Company be and they are hereby authorised to exercise all powers of the Company to issue or grant Equity Securities in the capital of the Company pursuant to the issue or grant referred to in Resolution 6 as if the pre-emption rights contained in Article 5.2 of the Articles of Incorporation of the Company did not apply to such issue or grant provided that the authority hereby conferred, unless previously renewed, revoked or varied by the Company by extraordinary resolution, shall expire at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date falling 15 months from the date of the passing of this Resolution, save that the Company may before such expiry make an offer or agreement which would or might require Equity Securities to be issued or granted after such expiry and the Directors may issue or grant Equity Securities in pursuance of such an offer or agreement as if the authority conferred by the above resolution had not expired. This Resolution is in substitution for all unexercised authorities previously granted to the Directors of the Company to issue or grant Equity Securities in the capital of the Company as if the pre-emption rights contained in Article 5.2 of the Articles of Incorporation of the Company did not apply to such issue or grant

By order of the Board

AR VILJOEN

Director

28 August 2020

COMPANY INFORMATION

COMPANY SECRETARY
Registered Office & Head Office
18 – 20 Le Pollet
St Peter Port
Guernsey

REPRESENTATIVE OFFICE
2nd Floor, Building 3
Illovo Edge Office Park
Corner Harries & Fricker Road Illovo
Johannesburg, 2116
South Africa
Tel: +27 11 268 6555

NOMINATED ADVISOR
WH Ireland
24 Martin Lane
EC4R 0DR London
United Kingdom

INDEPENDENT AUDITOR
BDO LLP
55 Baker Street
W1U 7EU London
United Kingdom

LEGAL COUNSEL – SA
Edward Nathan Sonnenberg
150 West Street Sandown
Johannesburg, 2196
South Africa

LEGAL COUNSEL – UK
Gowling WLG
4 More London Riverside
SE1 2AU London
United Kingdom

CORPORATE ADVISOR & JOINT BROKER
Hannam & Partners
2 Park Street, Mayfair
W1K 2HX London
United Kingdom

JOINT BROKER
Turner Pope Investments
8 Frederick's Place
EC2R 8AB London
United Kingdom

INVESTOR RELATIONS
Tavistock
1 Cornhill, Langbourn
EC3V 3NR London
United Kingdom