



**DEFOLD MINE
(PVT) Ltd**

2020, 2021, 2022 ANNUAL REPORTS



scan me

Transparency | Integrity | Excellency



DEFOLD MINE (PVT) Ltd



Creating Shared Value

Defold Mine's mandate spans the entire mineral value chain from exploration, extraction, mineral processing and value addition.



TABLE OF CONTENTS

1.	DEFOLD MINE COMPANY PROFILE	2
1.1	INTRODUCTION	3
1.2	BACKGROUND	3
1.3	MISSION, VISION & CORE VALUES	4
2.	DIRECTORS & EXECUTIVE MANAGEMENT PROFILES	5
2.1	BOARD MEMBER PROFILES	6
2.2	BOARD CHANGES AFTER REPORTING PERIOD	8
3.	BOARD CHAIRMAN'S STATEMENT	10
4.	GENERAL MANAGER'S STATEMENT	15
5.	CORPORATE GOVERNANCE STATEMENT	22
7.	2022 FINANCIAL STATEMENTS	34
9.	2021 FINANCIAL STATEMENTS	82
10.	2020 FINANCIAL STATEMENTS	124

1. COMPANY PROFILE

1. DEFOLD MINE COMPANY PROFILE

Registration No: 6030/2015

Address:

Defold Mine (Pvt) Ltd.
14165 Sauer Road, Gunhill,
Harare.

Telephone Number:

+263 8677 010 306

Email:

info@defold.co.zw

Website:

www.defold.co.zw

BANKERS:

Bank Name:

CBZ Bank Ltd

Account name:

Defold Mine Private Ltd

Branch:

Corporate Banking



1.1 INTRODUCTION

Defold Mine (Pvt) Ltd is a special purpose vehicle established by the Government under the Ministry of Mines and Mining Development. It was incorporated in 2015 under the Companies Act (now the Companies and Other Business Entities Act Chapter 24:31) under registration number 6030/2015.

Defold Mine is expected to engage in commercial mining related enterprises which would amongst other issues fulfill the following core objectives:

1. Entering viable mining joint ventures that would fully exploit the country's natural resources whilst declaring a dividend to the Government.
2. Ensure import substitution of mining generated products and consumables for Zimbabwe's economy.

1.2 BACKGROUND

Defold Mine (Pvt) Ltd was incorporated on 21 August 2015 as a Special Purpose Vehicle to spearhead national socio-economic development through operating in the extractives sector.

Defold acquired its mandate through Cabinet Resolutions made to accelerate the sustainable socio-economic development in Zimbabwe. Defold Mine's mandate spans the entire mineral value chain from exploration, extraction, mineral processing and value addition.

Defold Mine's mandate spans the entire mineral value chain from exploration, extraction, mineral processing and value addition. Currently Defold has the following project under its portfolio:

PROJECTS

Chrome mining in Guruve, Mahamara and Dande

Alluvial Gold Mining in The Gache Gache Area Mashonaland West

Processing of fresh refractory ores as well as the Kwekwe roasting plant takeover.

Development of the Gemstone industry through facilitating acquisition of mining title, mining, marketing and value addition of gemstones in the country.

Managing and maximising coal value chain to facilitate enhanced production of electricity and coke by-products. Defold will coordinate and maintain strategic extraction of coal in the country by making the necessary investment interventions.

Promotion of local assembly of vehicles utilising CBM Gas in liaison with Ministry of Industry and Commerce.

To facilitate setting up of sodium cyanide manufacturing plant to aid in reducing the import bill.



OUR VISION, MISSION & VALUES



VISION

A sustainable mining development entity by 2025.



MISSION

To harness investment opportunities for wealth creation through sustainable exploitation of minerals for the benefit of all Zimbabweans.



CORE VALUES

Transparency
Integrity
Excellency



2.

BOARD MEMBER PROFILES

Defold Mine (Pvt) Ltd is governed through a board of directors which takes accountability for the business strategy and performance. The day to day business is delegated to executive management who are accountable to the board for the execution of the agreed strategy.

The profiles of the board members and key executive management are detailed below:

2.1 BOARD MEMBER PROFILES



MR. ONESIMO MAZAI MOYO
BOARD CHAIRMAN

- An accomplished accounting professional with over 20 years mining industry experience at an executive level, in both private and public sectors.
- Former roles include: Permanent Secretary for Mines & Mining Development; Chairman of the Mining Affairs Board; General Manager at the Minerals Marketing Corporation of Zimbabwe.
- Mr Moyo has served on various boards for different institutions namely; MMCZ (Executive Director); Zimbabwe School of Mines (Board Chairman); General Beltings Holdings Limited; Shabani and Mashava Mines; BancABC; ZB Asset Management; and Turnall Holdings.



MR. TARIRO NDHLOVU
NON-EXECUTIVE DIRECTOR

- An astute experienced geoscientist with over 28 years in project formulation, management, evaluation and strategic business planning within the mining and exploration sector.
- Currently serves as a Provincial Mining Director within the Ministry of Mines and Mining Development.
- Previously held various positions as a project manager, exploration manager and head of geology having worked for De beers, Mbada Diamonds and other reputable mining houses.



DR. ENG. MERCY MANYUCHI
NON-EXECUTIVE DIRECTOR

- An accomplished chemical engineer with over a decade of experience spanning the mining, energy, and industrial sectors.
- Currently the Chief Director for Mining Development in the Ministry of Mines and Mining Development, where she oversees Energy Minerals, Non-Energy Minerals, Mining Promotion and Investments, and the national portfolio for Research, Minerals Value Addition, and Beneficiation.
- Previous key positions : Director of Mining Research, Value Addition and Beneficiation within the Ministry of Mines and Mining Development; Environment Consultant; Petrochemicals Research Engineer at Sasol; Trainee Process Engineer at Zimbabwe Chemical Refiners; and Production Intern at Pretoria Portland Cement



MR. ELTON SHINGIRAI MAKUMBE
NON-EXECUTIVE DIRECTOR

- A Mining Engineer with over 14 years experience within the public sector.
- Currently serves as a Provincial Mining Director in the Ministry of Mines and Mining Development.
- Previously held various directorship roles in Policy Planning and Coordination and Strategic Policy Planning, Monitoring and Evaluation with the Ministry of Mines and Mining Development.



MR. OMEN DUBE
NON-EXECUTIVE DIRECTOR

- A seasoned mining engineer with over 15 years of experience at senior managerial level in the mining sector and has exposure to various minerals including diamonds, platinum, gold, and other minerals.
- Currently a member of the Association of Mine Managers of Zimbabwe (AMMZ).
- Formerly the Provincial Mining Director under the Ministry of Mines and Mining Development.



MRS. ESTHER TIRIWOKUNZE
NON-EXECUTIVE DIRECTOR

- An experienced accounting professional with over 30 years of experience with various government ministries.
- Presently the Director of Finance and Administration in the Ministry of Local Government and Public Works.

2.2 BOARD CHANGES AFTER REPORTING PERIOD

This section: Introduces the new Directors



MRS MEMORY MUKONDOMI
VICE BOARD CHAIRMAN

- A highly experienced finance professional with over 20 years in public sector accounting and auditing
- Former roles include senior roles in public service and finance, including Director of Finance at the Ministry of Public Service and Chief Internal Auditor at the Ministry of Industry (2005–2012). She began her career as the Controller and Auditor General, progressing to Principal Auditor, and has served on several boards, including NSSA, ZDC, First Mutual Holdings, and COMESA’s Audit Committee.
- Currently: Deputy Accountant General (Financial Accounting Reporting) in the Ministry of Finance and Economic Development



DR. LIZZIE MUJURU
NON-EXECUTIVE DIRECTOR

- A senior academic and forestry expert with over 20 years of experience in teaching, research, and extension activities.
- Former roles: Lecturer and Coordinator of the Masters in Agroforestry Programme at Bindura University. She also chaired the Department of Environmental Sciences and previously lectured at the Zimbabwe College of Forestry and held forestry extension roles at the Forestry Commission.
- Currently a Senior Lecturer at Bindura University, specializing in forestry, agroforestry, and environmental policy



MRS. FLORENCE CHIBASA
NON-EXECUTIVE DIRECTOR

- A seasoned HR leader with over 20 years of experience
- Formerly held senior roles across various organizations, including Zimbabwe Power Company and ZESA Holdings.
- Currently, Head Human Resources and Administration at the Mutapa Investment Fund (MIF)



MS. JOANNA CHANJACK
NON-EXECUTIVE DIRECTOR

- A dedicated legal professional with over seven years of experience, specializing in corporate transactional advice and the preparation and review of legal documents
- Former roles include Head of Legal and Compliance at Avis Bank and a Partner at Mhishi Nkomo Legal Practice, specializing in litigation and corporate governance. She also held directorships at Akili Capital and consulted for African Advisors GBMH.
- Currently serves in duality as a Legal and Compliance Manager; and Designated Data Protection Officer at the Borrowdale Brooke Golf Estate



UNLOCKING
SUSTAINABLE VALUE
FROM OUR COUNTRY'S MINERAL RESOURCES

3. BOARD CHAIRMAN'S STATEMENT



Onesimo Mazai Moyo
Board Chairman

1. INTRODUCTION

1.1 It is my honor to present the Chairman's Statement covering the years'2020, 2021 and 2022. This three-year review captures Defold Mine's journey through one of the most complex operating periods in recent history. The reporting cycle was framed by the far-reaching effects of the COVID-19 pandemic, hyperinflationary pressures, constrained foreign currency availability, and a shifting global mining landscape most notably the pronounced softening of diamond prices in 2022.

Despite these headwinds, Defold Mine made steady progress in strengthening institutional capacity, consolidating governance structures, advancing mining development projects, and improving the quality and timeliness of statutory reporting. The support of the **Ministry of Mines and Mining Development**, our shareholder, has been instrumental in guiding the Company's strategic focus and aligning its operations with national aspirations under Vision 2030 and the **National Development Strategy 1 (NDS1)**.

This Statement narrates the evolution of

Defold's operational and financial performance across the three years, **2020, 2021, and 2022**, the latter being the primary year under review.

2. 2020 ANNUAL REVIEW

2.1 Operating Environment 2020

The year 2020 was dominated by the unprecedented global disruption caused by the COVID-19 pandemic. National lockdowns and strict movement restrictions constrained Defold Mine's ability to operationalize its structures, initiate planned field activities, engage with partners, and gather critical documentation for audits and compliance. Travel limitations slowed the Company's early-stage growth trajectory, delaying project mobilization and extending timelines for joint venture negotiations, mineral title verifications, and feasibility groundwork.

The mining sector in Zimbabwe operated under limited capacity for much of the year. Supply chains were frequently disrupted, logistics costs escalated, and capital inflows were strained by global uncertainty. Inflationary shocks further eroded purchasing power and lifted operating costs across the sector. Despite these macroeconomic pressures and the Company's relatively early stage of institutionalization, Defold maintained commendable financial discipline.

2.2 FINANCIAL PERFORMANCE 2020

In this difficult environment, Defold Mine delivered a surprisingly strong financial performance at the company level. Inflation-adjusted revenue for 2020 amounted to more than ZWL 139 million, supported primarily by early commercial activities. The Company posted a profit after tax of ZWL 73.36 million and maintained assets of approximately ZWL 156 million. These results illustrated sound stewardship during a period of restricted operational activity and affirmed the strength of the Company's underlying investment portfolio.

Group performance, however, reflected the broader pressures faced by Zimbabwe's diamond sector. Subsidiaries operating in the diamond value chain experienced significant market contraction, with the depressed prices affecting revenue and margins. Group revenue stood at ZWL 5.59 billion, but high operating costs, limited production efficiencies. Despite this loss, Group assets closed the year at ZWL 8.75 billion, underlining the long-term value embedded in Defold's mining assets.

2.3 STRATEGIC PROGRESS 2020

Progress was made in laying the foundation for future operationalization. Key policies, internal controls, and governance documents were drafted. Preliminary engagements were initiated for Gold Service Centers, chrome ventures, and gemstone mining initiatives. Importantly, the year positioned Defold to accelerate more effectively once COVID-19 constraints eased.

3. 2021 ANNUAL REVIEW

3.1 OPERATING ENVIRONMENT 2021

2021 marked the beginning of cautious recovery from the pandemic. Although intermittent lockdowns continued, improved access to operations and partners allowed Defold to advance several strategic initiatives. Inflation remained elevated, and foreign currency shortages persisted; however, the mining sector operated with greater consistency compared to 2020.

Defold used this consolidated environment to strengthen governance structures, refine its policy framework, and advance mineral development initiatives. Particular focus was placed on the formalization of artisanal and small-scale miners, preliminary work on chrome joint ventures, gemstone mining preparations in Hurungwe and Karoi reserved area MSW012, and the early conceptualization of Gold Service Centers as a national beneficiation initiative.

3.2 OPERATING ENVIRONMENT 2021

The Company's financial performance improved significantly. Inflation-adjusted revenue increased to ZWL 306.7 million, reflecting improved operational stability and expanded activities. Defold recorded a profit after tax of ZWL 86.9 million and closed the year with total assets exceeding ZWL 515 million. The growth in assets demonstrated deliberate strengthening of the balance sheet as the Company positioned itself for more active mining development. The Group demonstrated modest recovery in 2021. Inflation-adjusted revenue increased to ZWL 11.1 billion, buoyed by a temporary improvement in diamond prices and steady production. However, high operating costs, legacy expenditure burdens, and valuation pressures continued to affect Group results, resulting in a consolidated inflation-adjusted loss after tax of ZWL 2.03 billion. Group assets grew to ZWL 14.35 billion.

3.3 Defold made measurable progress in building systems, strengthening compliance processes, and improving coordination with subsidiaries. Enhanced reporting frameworks and monitoring systems were introduced, and preparations for audit finalisation advanced substantially. The Board intensified its oversight role, ensuring alignment with regulatory requirements under the Public Entities Corporate Governance Act.

4. 2022 ANNUAL REVIEW (PRIMARY YEAR UNDER REVIEW)

4.1 OPERATING ENVIRONMENT 2022

The year 2022 was characterized by a challenging global economic climate. Internationally, diamond prices softened significantly due to reduced demand in key markets such as India, China, and the Middle East. High inventory levels across the global diamond midstream further suppressed price realization.

This downturn had a direct impact on Defold's diamond-related subsidiaries, placing downward pressure on revenue, margins, and overall consolidated profitability. Domestically, Zimbabwe continued to experience hyperinflation, currency volatility, constrained liquidity conditions, and increasing costs of production especially for energy, consumables, and essential inputs.

Despite these pressures, Defold made substantial headway in institutionalizing operations, improving subsidiary oversight, strengthening compliance, and driving progress on joint venture arrangements across gold, chrome, iron ore, and gemstone projects.

4.2 FINANCIAL PERFORMANCE 2022

At the Company level, revenue was ZWL 606.7 million, reflecting heightened activity, expanded investment, and ongoing project preparatory work. However, after adjusting for exchange losses and other income, the Company recorded a loss after tax of ZWL 453.19 million.

Non-current assets rose significantly from ZWL8 million to ZWL 145 million with capital and reserves closing at ZWL 330 million, demonstrating the Company's strengthened development pipeline and growing investment base.

The consolidated Group performance was severely affected by global diamond market conditions. Group revenue declined to ZWL 24.84 billion; this was largely affected by, the decline in rough diamond prices. Consequently more sales volume at the backdrop of softening selling price contributed to a consolidated loss after tax of ZWL 15.75 billion. Total assets grew markedly to ZWL 70.7 billion, driven largely by recapitalization and continued development of underlying mining assets.

4.3 STRATEGIC PROGRESS 2022

Defold made considerable progress on strategic initiatives including the advancement of Gold Service Centers, joint venture negotiations, mineral title processes, and policy alignment. The year also saw significant achievements in audit processes, with the completion of the 2020 and 2021 audits and substantial progress towards finalizing the 2022 financials.

5. CONTRIBUTION TO THE NATIONAL FISCUS AND SECTOR DEVELOPMENT

Defold continued to support national development objectives through formalization programmes, beneficiation initiatives, statutory tax contributions, and alignment with the Ministry of Mines and Mining Development's policy direction. The Company's work on Gold Service Centers and artisanal miner support under the Government approved reservation under MSW012 RA in Hurungwe area for gemstone miners which contributes directly to empowerment, job creation, and improved revenue assurance for the State.

6. GOVERNANCE AND OVERSIGHT

Governance remained a central pillar throughout the review period, with the foundations of Defold Mine's institutional framework being established during these formative years. In 2020, the Company appointed its inaugural Board of Directors, comprising five members and led by Mr. Elton S. Makumbe as the first Board Chairman. Under his leadership, the Board prioritized the creation of essential governance structures and compliance systems at a time when Defold was still transitioning from inception toward full operationalization.

To enhance the effectiveness of Board oversight, several Committees were constituted, including the Finance Committee, the Human Resources & Remuneration Committee, and the Technical Committee. These committees provided focused oversight in their respective areas, ensuring early development of financial stewardship, organizational strengthening, and technical planning for mining projects.

Recognizing the need to establish a functional administrative base, and with support from its shareholder, the Ministry of Mines and Mining Development, the Board oversaw the secondment of three officers from the Ministry to initiate operational reporting and internal coordination. This support enabled the Company to begin building systems and, ultimately, to secure its first office premises in December 2021, marking a critical milestone in Defold's operational journey.

Although the governance structures were still evolving, the Board maintained a reasonable level of oversight during this period and stewarded the Company through its early institutional development. The drafting of the Board Charter commenced in 2021, culminating in its formal adoption in 2022, strengthening alignment with good corporate governance practices and the Public Entities Corporate Governance Act.

In August 2022, a leadership transition occurred, with my appointment as Board Chairman, taking over from Mr. Makumbe. Building on the foundation laid by my predecessor, my focus has been on reinforcing governance discipline, strengthening risk management, and consolidating the strategic direction of the Company to support its anticipated operationalization and long-term sustainability.

Throughout 2020–2022, the Board and its Committees upheld the principles of transparency, accountability, and integrity, progressively improving internal controls, compliance frameworks, and oversight across finance, investments, human resources, audit, risk, and technical functions.

7. DIVIDEND

Given the consolidated Group loss position for the period under review, the Board resolved that no dividend be declared for the years 2020, 2021, and 2022. The priority remains stabilizing operations, rebuilding the Group’s financial position, and achieving sustainable profitability in the medium term.

8. OUTLOOK

Defold enters the next planning cycle with renewed determination. Focus areas include the accelerated operationalization of mining projects, improved subsidiary performance, capital mobilization, title enhancement, cost control, and the strengthening of stakeholder partnerships. While the external environment remains challenging, particularly in the diamond market, Defold is well-positioned to leverage emerging opportunities and contribute meaningfully to Zimbabwe’s mining-led economic transformation.

9. APPRECIATION

On behalf of the Board, I wish to express my sincere appreciation to the **Ministry of Mines and Mining Development**, our shareholder, for its continued guidance and support throughout the period under review. I also extend gratitude to my predecessor, **Mr. Elton S. Makumbe**, who provided steadfast leadership as the inaugural Board Chairman until August 2022, laying the institutional foundations upon which we continue to build.

To management and staff, your dedication, professionalism, and resilience during a demanding operating environment have been instrumental to Defold Mine’s progress. I further acknowledge our partners, regulators, communities, and all stakeholders whose collaboration and commitment continue to propel the Company toward full operationalization and long-term sustainability.



O. Moyo

Board Chairman



4. GENERAL MANAGER'S STATEMENT



Wilfred Tanyanyiwa
Acting General Manager

GENERAL MANAGER'S STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2020, 2021, & 2022

It is my honour to present this General Manager's Annual Statement covering Defold Mine (Private) Limited's operational, financial, and institutional performance for the three-year period 2020–2022. These years were foundational to the Company's transformation from a shelf company into a special-purpose, investment vehicle progressively readying itself for full-scale operations. The period was characterised by macroeconomic volatility, constrained capital markets, and disruptive global events; however, it also marked Defold's steady progress in building governance maturity, strengthening institutional processes, and laying the groundwork for a sustainable mining investment portfolio.

1. 2020 ANNUAL REVIEW

"FOUNDATION, ECONOMIC CONTEXT & FINANCIAL PERFORMANCE"

1.1 OPERATING ENVIRONMENT (2020)

The year 2020 was dominated by the COVID-19 pandemic, which generated unprecedented global and domestic economic shocks. The mining sector experienced supply-chain disruptions, reduced capital inflows, inflationary

pressures, and foreign currency shortages. These conditions significantly affected pricing structures, operational planning, and investor activity across the mineral value chain.

For Defold Mine, 2020 was a structural establishment year. The Company had not yet commenced operations and relied primarily on its early-stage investment portfolio (ZCDC) and administrative support from the shareholder. Despite this, significant groundwork was established for operational readiness.

1.2 OPERATIONAL DEVELOPMENTS

The Ministry of Mines and Mining Development appointed the inaugural Board of Directors, led by Mr. Elton Makumbe as Chairman. The Board comprised five directors and immediately prioritised institution-building. Key governance structures were created, including the Finance Committee, Human Resources Committee, and Technical Committee.

To support early operational reporting, the shareholder seconded three officers to Defold, enabling the initiation of financial reporting, administrative coordination, and the drafting of early policies.

During the year, the Company began internal planning processes and conducted preliminary assessments related to its subsidiary, ZCDC.

1.3 FINANCIAL PERFORMANCE

Defold's financial performance reflected its early-stage status. At Company level, revenue was ZWL 139.8 million (inflation adjusted), yielding a profit before tax of ZWL 97.5 million and profit of ZWL 73.36 million.

At Group level, revenue stood at ZWL 5.6 billion, but high operating expenses and revaluation impacts led to a Group loss of ZWL 4.98 billion and a total comprehensive loss of ZWL 5.19 billion (inflation adjusted).

Total Group assets closed the year at ZWL 8.75 billion, reflecting the value of the Group, while liabilities remained moderate compared to the asset base. Though the year closed with accumulated losses at Group level, the foundations laid in 2020 positioned the Company for structured growth.

2. 2021 ANNUAL REVIEW

"CONSOLIDATION, EARLY STRUCTURAL GAINS & FINANCIAL PROGRESS"

2.1 OPERATING ENVIRONMENT

Economic conditions remained volatile, with high inflation, exchange rate instability, and tightening liquidity affecting the mining sector. Commodity markets showed mixed performance, and capital constraints limited mining project implementation across the country. Nevertheless, gradual sector recovery emerged as global demand stabilised following pandemic disruptions.

2.2 OPERATIONAL PROGRESS

Defold advanced institutional strengthening efforts during 2021. The Board initiated development of the Defold Board Charter, strengthened Committee oversight, and expanded policy development across procurement, finance, HR, and technical governance.

A major milestone was achieved when the Company secured and occupied its first office premises in December 2021, transitioning Defold from a shelved administrative structure to a fully housed corporate operation.

Operationally, Defold continued working on investment management, refining subsidiary oversight mechanisms, and advancing early mining development planning within the framework of the emerging Strategic Plan (2021–2025).

2.3 FINANCIAL PERFORMANCE

At Company level, revenue for 2021 increased to ZWL 306.8 million, driven mainly by shareholder support and management fees. Operating profit reached ZWL 266.5 million, with profit for the year amounting to ZWL 86.9 million.

At Group level, however, results were affected by low-performing subsidiaries and high compliance costs. Group revenue was ZWL 11.1 billion, but operating losses widened to ZWL 695 million, resulting in a Group loss of ZWL 2.03 billion and a total comprehensive loss of ZWL 3.20 billion (inflation adjusted).

The balance sheet strengthened modestly, with Group assets closing at ZWL 14.3 billion, supported by continuous efforts to recapitalise and improve production efficiency.

3. 2022 ANNUAL REVIEW

“TRANSITION TOWARD OPERATIONALISATION & FINANCIAL REFORM”

3.1 OPERATING ENVIRONMENT

The mining sector faced persistent pressures from international supply-chain bottlenecks, currency realignments, and inflationary shocks. Gold prices remained strong, while diamond and certain base mineral prices softened significantly affecting Group performance given exposure to our subsidiary operating in the diamond industry.

Despite the economic headwinds, Defold intensified its transition toward operational readiness, strengthened planning and governance systems, and advanced several strategic initiatives.

3.2 OPERATIONAL AND STRATEGIC PROGRESS

Defold aligned its priorities to the Strategic Plan (2021–2025), advancing key mining development initiatives including:

- preparation for Gold Service Centres
- formalisation support for artisanal and small-scale miners
- advancement of chrome and gemstone project frameworks
- exploration and title verification for strategic minerals
- joint venture negotiations for mining assets.

Internally, corporate governance structures matured significantly. Policy development accelerated, departmental planning tools were refined, and the Company undertook significant branding, compliance, and financial reporting improvements.

3.3 FINANCIAL PERFORMANCE

Revenue was ZWL606.67 million compared to 1.054 billion in 2021 (inflation adjusted), 40% of the revenue was utilised towards operational expenses resulting to an operating profit of ZWL343.3 million. After adjusting for exchange gains and other income the company posted a net loss after tax of ZWL 453.2 million.

Despite subdued profitability, 2022 demonstrated improved financial discipline, completion of audits for prior years, and strengthened alignment with IFRS requirements. These advances provide the baseline for future capital mobilisation and enhanced revenue generation.

Company non-current assets grew from 8.1 million in 2021 to 145.5 million in 2022, a 1692% growth driven by the company focusing on capacitation of its operational. However total assets decreased from ZWL1.8 billion to ZWL1.2 billion in 2022, due to high utilisation of cash resources to support the capitalisation process.

Group revenue fell by 35% from ZWL38.1 billion in 2021 to ZWL24.8 billion in 2022, mainly due to sharp price drops. Cost of sales (including direct selling costs) increased by 108% to ZWL35.7 billion due to more volume of diamonds sold in 2022. This resulted in operating loss of ZWL3.3 billion.

Administrative expenses and other operating expenses for 2022 were lower than 2021 by 56% due to a number of cost savings mechanism implemented. Consequently, the Company recorded an operating loss of ZWL 21.1 billion (2021: ZWL 2.4billion), and a total comprehensive loss of ZWL 12.7billion (2021: ZWL 11.0billion).

Total assets to ZWL 70.7billion, while liabilities rose significantly to ZWL 83.6billion. These financial outcomes underscore the urgent need for enhanced revenue generation, capital support, diamond price exploration and operationalization of mining assets.

4. HUMAN CAPITAL, ADMINISTRATION, AND GOVERNANCE

Defold operated with a lean staff complement over the three-year period. Despite limited human capital, the organisation achieved significant progress through targeted recruitment, capacity building, and the engagement of specialist support.

Governance strengthening was a defining priority from 2020 to 2022. The inaugural Board, led by Mr. Elton Makumbe, laid the foundational governance architecture in setting up the Finance, HR, and Technical Committees and initiating the Board Charter process.

With strategic support from the Ministry of Mines, Defold gradually constructed its administrative base, beginning with seconded officers in 2020 and culminating in the occupation of office premises in 2021.

In 2022, governance structures reached a higher level of maturity:

- the Board Charter was finalised and adopted
- internal controls were upgraded
- audit oversight and IFRS compliance improved
- departmental governance frameworks were strengthened.

Defold prioritised reinforcing coordination, financial discipline, policy implementation, and strategic alignment to ensure that operational systems matched governance expectations.

5. RISKS AND MITIGATION (2020–2022)

Key risks across the three-year period included persistent inflation and currency volatility, limited capitalisation, delays in title processing, Joint Venture partner approval processes, and resource encroachments. Mitigation initiatives centred on stakeholder engagement, phased project implementation, compliance enhancement, and advocacy for diversified revenue streams.

6. OUTLOOK

Defold enters the post-2022 period focused on stabilisation, accelerated project implementation, operationalisation of joint ventures, strengthening revenue performance, and enhancing governance capability. Priority will be placed on capital mobilisation, title acquisition, compliance strengthening, and deepening engagement with communities and regulators.

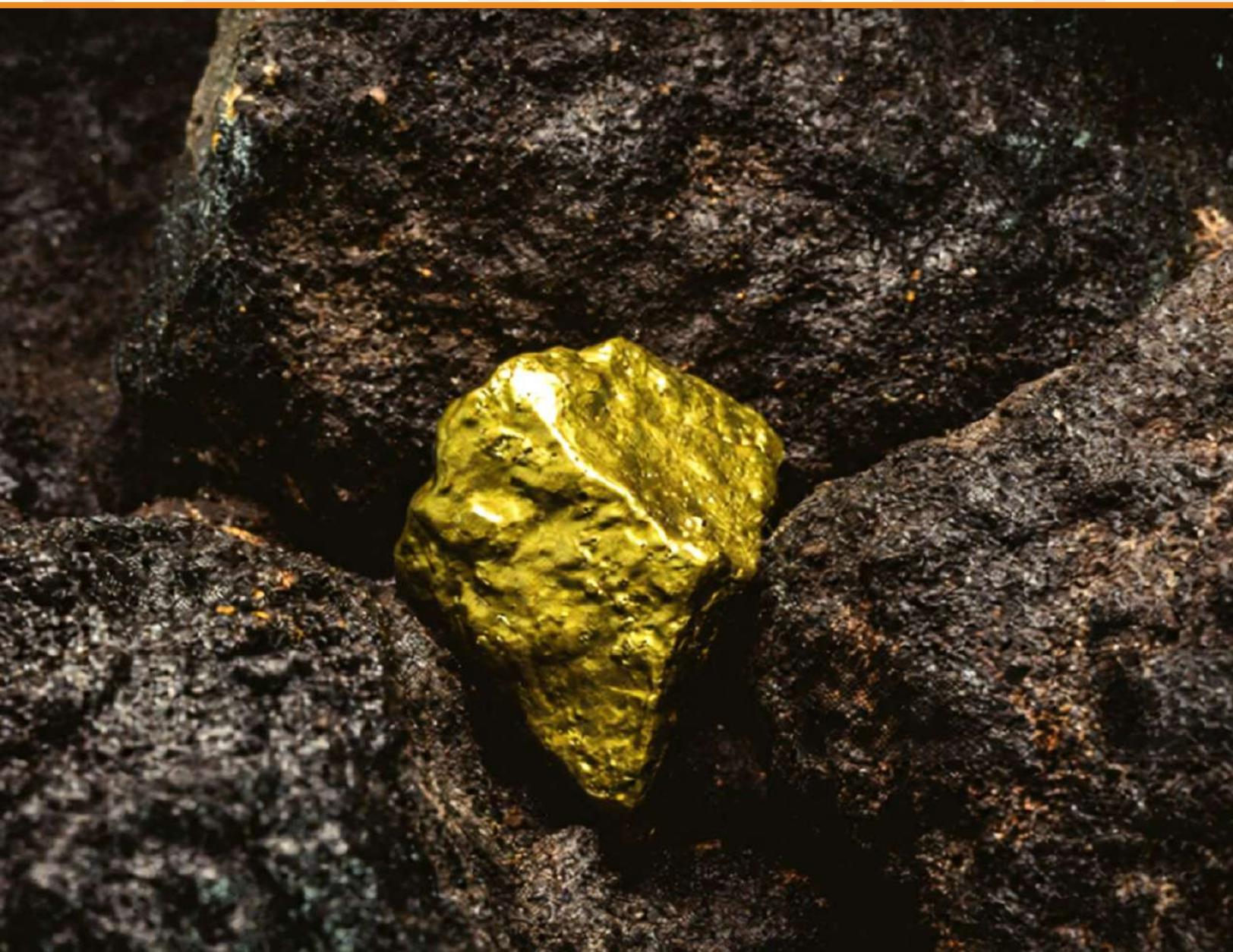
7. APPRECIATION

I extend my gratitude to the Government of Zimbabwe, the Ministry of Mines and Mining Development, the Board of Directors, our partners, and the dedicated men and women of the entire Group. Their commitment, resilience, and collaboration have sustained the Company through a demanding yet transformative period.



W. Tanyanyiwa

General Manager (A)





5. COMPANY SECRETARY'S CORPORATE GORVENANCE REPORT (2020)

FOR THE YEAR ENDED 31 DECEMBER 2020

1. INTRODUCTION

Defold Mine (Private) Limited ("Defold") is committed to high standards of corporate governance consistent with the Public Entities **Corporate Governance Act [Chapter 10:31]**, **Companies and Other Business Entities Act [Chapter 24:31]**, Treasury and OPC circulars, and the oversight framework of the **Ministry of Mines and Mining Development**.

This year, Defold Mine remained non-operational, a Board was appointed in March 2020, comprising 4 Directors and a Chairman. The Board subsequently met and resolved to engage the shareholder, The Ministry of Mines and Mining Development for secondment of officers to fill vital positions in Defold to ensure that the Shelf-company could be operationalized. A Company Secretary, Accountant and Projects Manager were appointed on secondment basis to ensure the Company commences operational activities and services the Board.

For the remainder of the year 2020, the Board strengthened institutional compacity and ensured that systems are in place. As the year progress, the shareholder shared the Vision and Mission they have for Defold Mine (Pvt) which empowered the Board to establish a 5-Year Strategy for the attainment of the Vision in conformity to the National Development Strategy 1.

2. SHAREHOLDING

Defold Mine is wholly owned by the **Ministry of Mines and Mining Development** on behalf of the Government of Zimbabwe.

3. BOARD COMPOSITION

The Board composed of six members brought a wealth of diverse skills and expertise to the organization. Among these members, were three (3) males and three (3) females , reflecting a commitment to gender diversity and inclusion. The composition included six Non-Executive Directors, who contributed oversight and guidance, all appointed by the Shareholder.

Director	Position
Mr Elton S. Makumbe	Board Chairman
Mr Tariro Ndhlovu	Non-Executive Member
Mr Omen Dube	Non-Executive Member
Mrs Esther Tiriwokunze	Non-Executive Member
Eng. Mercy M. Manyuchi	Non-Executive Member
Ms. R. Mupandasekwa	Non-Executive Member

3.1 BOARD CHANGES

During the reporting year, Ms R. Mupandasekwa resigned from the Board of Defold. She held a law qualification as well as being the deputy legal advisor at the Ministry of Mines and Mining Development.

The Board, from inception was and continues to be led by a Non-Executive Chairman, providing strategic leadership, policy direction, and rigorous oversight of risk and organizational performance, ensuring that Defold Mine's strategic direction is clearly set, effectively implemented, and aligned with the overarching objective of enhancing shareholder value.

4. BOARD COMMITTEES AND COMPOSITION

To enhance governance effectiveness, the Board operated through four (4) Committees, each chaired by a Non-executive Director. The committees met at least once every quarter and submitted their reports and recommendations to the Board on a quarterly basis. The following outlines the structure of the committees:

4.1 TECHNICAL COMMITTEE

THE MEMBERS ARE:

Member	
Mr. Tariro Ndhlovu	Non-Executive Chairman
Mr. Omen Dube	Non-Executive Member
Mr. Chancellor Chidziva	Ex officio (Acting Projects Manager)

4.2 HUMAN RESOURCES & REMUNERATION COMMITTEE

THE MEMBERS ARE:

Member	
Eng. Mercy M. Manyuchi	Non-Executive Chairperson
Mr. Elton S. Makumbe	Non-Executive Member
Mrs. Esther Tiriwokunze	Non-Executive Member
Mr. Chancellor Chidziva	Ex officio (Acting Projects Manager)

4.3 FINANCE COMMITTEE

THE MEMBERS ARE:

Member	
Eng. Mercy M. Manyuchi	Non-Executive Chairperson
Mr. Omen Dube	Non- Executive Member

4.4 AUDIT & RISK COMMITTEE

THE MEMBERS ARE:

Member	
Mrs. Esther Tiriwokunze	Non-Executive Chairperson
Mr. Tariro Ndhlovu	Non-Executive Member
Mr. Elton S. Makumbe	Non-Executive Member

5. BOARD MEETINGS

THE MEMBERS ARE:

Director	Main Board	Technical	Finance	Audit & Risk	HR
Mr Elton S. Makumbe	4	NM	NM	NM	1
Mr Tariro Ndhlovu	2	1	NM	NM	NM
Mr Omen Dube	2	1		NM	NM
Mrs Esther Tiriwokunze	4	NM			1
Eng. Mercy M. Manyuchi	3	NM	1	NM	1
Ms Rumbidzai Mupandasekwa	3	NM	NM	NM	1

6. EXECUTIVE MANAGEMENT

The Acting Projects Manager led day-to-day operations whilst on secondment from the Ministry of Mines and Mining Development, reporting to the Board and its Committees. Management focused on:

7. CERTIFICATION OF CORPORATE GOVERNANCE REPORT

In accordance with Section 26 of the Public Entities Corporate Governance Act, I certify that:

1. I have reviewed the governance systems of Defold Mine
2. The report reflects material governance disclosures for 2020
3. The Company has substantially complied with the Act and relevant statutory requirements



W. Tanyanyiwa

Company Secretary (A)

COMPANY SECRETARY'S CORPORATE GORVENANCE REPORT (2021)

FOR THE YEAR ENDED 31 DECEMBER 2021

1. INTRODUCTION

Defold Mine (Private) Limited ("Defold") is committed to high standards of corporate governance consistent with the **Public Entities Corporate Governance Act [Chapter 10:31]**, **Companies and Other Business Entities Act [Chapter 24:31]**, Treasury and OPC circulars, and the oversight framework of the **Ministry of Mines and Mining Development**.

This year, Defold Mine remained resilient in the face of the global pandemic COVID-19, and managed to meet as a Board providing the company with direction and oversight. The Board approved an annual budget prepared by management. The Board also saw through the operationalization of the Company with significant strides made towards appointment of substantive staff members and moving into an office premises for operations to kick-start.

2. SHAREHOLDING

Defold Mine remains wholly owned by the **Ministry of Mines and Mining Development** on behalf of the Government of Zimbabwe.

3. BOARD COMPOSITION

The Board composed of six members brought a wealth of diverse skills and expertise to the organization. Among these members, were three (3) males and two (2) females, reflecting a commitment to gender diversity and inclusion. The composition included six Non-Executive Directors, who contributed oversight and guidance, all appointed by the Shareholder.

Director	Position
Mr Elton S. Makumbe	Board Chairman
Mr Tariro Ndhlovu	Non-Executive Member
Mr Omen Dube	Non-Executive Member
Mrs Esther Tiriwokunze	Non-Executive Member
Eng. Mercy M. Manyuchi	Non-Executive Member

3.1 BOARD CHANGES

In 2020, one of the members, Ms R. Mupandasekwa resigned from the Board of Defold. She held a law qualification and a suitable replacement has not yet been done to fill the current skills gap.

The Board continues to be led by a Non-Executive Chairman, providing strategic leadership, policy direction, and rigorous oversight of risk and organizational performance, ensuring that Defold Mine's strategic direction is clearly set, effectively implemented, and aligned with the overarching objective of enhancing shareholder value.

4. BOARD COMMITTEES AND COMPOSITION

To enhance governance effectiveness, the Board operated through four (4) Committees, each chaired by a Non-executive Director. The committees met at least once every quarter and submitted their reports and recommendations to the Board on a quarterly basis. The following outlines the structure of the committees:

4.1 TECHNICAL COMMITTEE

a) THE MEMBERS ARE:

Member	
Mr. Tariro Ndhlovu	Non-Executive Chairman
Mr. Omen Dube	Non-Executive Member
Mr. Chancellor Chidziva	Ex officio (Acting Projects Manager)

4.2 HUMAN RESOURCES & REMUNERATION COMMITTEE

THE MEMBERS ARE:

Member	
Eng. Mercy M. Manyuchi	Non-Executive Chairperson
Mr. Elton S. Makumbe	Non-Executive Member
Mrs. Esther Tiriwokunze	Non-Executive Member
Mr. Chancellor Chidziva	Ex officio (Acting Projects Manager)

4.3 FINANCE & INVESTMENT COMMITTEE

THE MEMBERS ARE:

Member	
Eng. Mercy M. Manyuchi	Non-Executive Chairperson
Mr. Omen Dube	Non- Executive Member

4.4 AUDIT & RISK COMMITTEE

THE MEMBERS ARE:

Member	
Mrs. Esther Tiriwokunze	Non-Executive Chairperson
Mr. Tariro Ndhlovu	Non-Executive Member
Mr. Elton S. Makumbe	Non-Executive Member

5. BOARD MEETINGS

THE MEMBERS ARE:

Director	Main Board	Technical	Finance	Audit & Risk	HR
Mr Elton S. Makumbe	3	NM	NM		1
Mr Tariro Ndhlovu	2	1	NM	NM	NM
Mr Omen Dube	3	1			NM
Mrs Esther Tiriwokunze	2	NM	NM		1
Mrs Mercy Manyuchi	3	NM		NM	1

6. EXECUTIVE MANAGEMENT

The Acting Projects Manager led day-to-day operations whilst on secondment from the Ministry of Mines and Mining Development, reporting to the Board and its Committees. Management focused on:

7. CERTIFICATION OF CORPORATE GOVERNANCE REPORT

In accordance with Section 26 of the Public Entities Corporate Governance Act, I certify that:

1. I have reviewed the governance systems of Defold Mine
2. The report reflects material governance disclosures for 2020
3. The Company has substantially complied with the Act and relevant statutory requirements



W. Tanyanyiwa

Company Secretary (A)

COMPANY SECRETARY'S CORPORATE GORVENANCE REPORT (2022)

FOR THE YEAR ENDED 31 DECEMBER 2022

1. CORPORATE GOVERNANCE STATEMENT

Defold Mine (Pvt) Ltd is committed to the highest standards of corporate governance, ethical leadership, and responsible stewardship of public resources. In 2022, the Company continued to align its governance framework with the Public Entities Corporate Governance Act [Chapter 10:31], the Companies and Other Business Entities Act [Chapter 24:31], and the strategic oversight expectations of the Mutapa Investment Fund.

The Board exercised diligent oversight in ensuring that Defold Mine's strategic direction, risk management, internal controls, and performance monitoring adhered to both statutory and shareholder requirements. Governance reforms undertaken in 2022 strengthened transparency, accountability, and operational discipline across the organisation.

2. BOARD COMPOSITION AND LEADERSHIP

2.1 BOARD LEADERSHIP TRANSITION

Defold Mine's governance journey began in 2020 with the appointment of the inaugural Board of Directors under the leadership of Mr. Elton Makumbe, who served as the first Board Chairman. His leadership focused on establishing foundational governance structures, initiating policy development, and steering the organization through its early stages.

In August 2022, leadership transitioned when Mr. Onesimo Moyo was appointed Board Chairman. Building on the foundation laid by Mr. Makumbe, the new Chair strengthened oversight systems, enhanced board engagement with management, and reinforced governance standards to support the Company's evolving mandate within the mining sector.

2.2 BOARD COMPOSITION

The Board in 2022 comprised Six (6) Non-Executive Directors, bringing together diverse expertise in mining, finance, governance, and public-sector administration. The Non-Executive Chairman provided strategic guidance to ensure the Board effectively discharged its duties, set the Company's strategic direction, and monitored implementation with the goal of delivering sustainable shareholder value.

Director	Position
Mr. Onesimo M. Moyo	Board Chairman
Mr Tariro Ndhlovu	Vice Chairman
Mr. Elton S. Makumbe	Non-Executive Member
Mr Omen Dube	Non-Executive Member
Mrs Esther Tiriwokunze	Non-Executive Member
Dr. Mercy M. Manyuchi	Non-Executive Member

3. BOARD CHANGES

In 2022, Defold Mine experienced an important leadership transition within the Board. During the year, Mr. Elton Makumbe, who had served as the inaugural Board Chairman since 2020, formally handed over the chairmanship to Mr. Onesimo Moyo. This transition marked a continuation of orderly governance succession while ensuring stability in Board operations.

Mr. Makumbe remained a valued Non-Executive Director, continuing to contribute his experience and institutional knowledge to the Board's collective oversight responsibilities. Under the new leadership of Chairman Moyo, the Board strengthened its focus on governance discipline, enhanced performance monitoring, and deepened alignment with the Company's strategic mandate and shareholder expectations.

4. BOARD COMMITTEES AND COMPOSITION

In 2022, the Board strengthened its governance framework through the reconstitution of committee memberships under the leadership of Chairman Mr. Onesimo Moyo. This restructuring ensured that each Director served in committees aligned to their expertise, enabling members to operate at optimum capacity and enhancing the overall effectiveness of Board oversight.

The Board continued to operate through four (4) Committees, each chaired by a Non-Executive Director. The Committees met quarterly and submitted reports and recommendations to the Board. The Committees were:

4.1 TECHNICAL COMMITTEE

THE MEMBERS ARE:

Member	
Mr. Tariro Ndhlovu	Non-Executive Chairman
Mr. Omen Dube	Non-Executive Member
Mr. Chancellor Chidziva	Ex officio (Acting Projects Manager)

4.2 HUMAN RESOURCES & REMUNERATION COMMITTEE

THE MEMBERS ARE:

Member	
Dr. Mercy M. Manyuchi	Non-Executive Chairperson
Mr. Omen Dube	Non-Executive Member
Mrs. Esther Tiriwokunze	Non-Executive Member

4.3 FINANCE COMMITTEE

THE MEMBERS ARE:

Member	
Mr. Onesimo M. Moyo	Non-Executive Chairperson
Mr. Elton S. Makumbe	Non- Executive Member
Mr. Butholezwa T. Zhou	Non- Executive Member
	Exoficio Member

4.4 AUDIT & RISK COMMITTEE

THE MEMBERS ARE:

Member	
Mrs. Onesimo Moyo	Non-Executive Chairperson
Mrs. Esther Tiriwokunze	Non-Executive Member
Mr. Tariro Ndhlovu	Non-Executive Member

5. BOARD MEETINGS

THE MEMBERS ARE:

Director	Main Board	Technical	Finance	Audit & Risk	HR
Mr. Onesimo M. Moyo	3	NM	2	NM	NM
Mr Elton S. Makumbe	7	NM	4	NM	NM
Mr Tariro Ndhlovu	7	4	NM	1	NM
Mr Omen Dube	7	4	NM	NM	3
Mrs Esther Tiriwokunze	7	NM	NM		4
Dr. Mercy Manyuchi	6	NM	2	NM	4

6. EXECUTIVE MANAGEMENT

The Acting Projects Manager led day-to-day operations whilst on secondment from the Ministry of Mines and Mining Development, reporting to the Board and its Committees. Management focused on:

7. CERTIFICATION OF CORPORATE GOVERNANCE REPORT

In accordance with Section 26 of the Public Entities Corporate Governance Act, I certify that:

1. I have reviewed the governance systems of Defold Mine
2. The report reflects material governance disclosures for 2022
3. The Company has substantially complied with the Act and relevant statutory requirements



W. Tanyanyiwa

Company Secretary (A)

Safety & Health

Alert Today, Alive Tomorrow

The foundation of mine safety is a continuous cycle of identifying hazards, assessing risks, and implementing controls. This includes addressing potential issues like ground instability, heavy machinery, dust and gas exposure, and explosions.



6.

2022 FINANCIAL HIGHLIGHTS

Financial Highlights for the period ending 31 December 2022

6. FINANCIAL HIGHLIGHTS FOR THE FINANCIAL YEAR 2022 (INFLATION ADJUSTED)

2022 FINANCIAL YEAR STATEMENT OF COMPREHENSIVE INCOME (US\$'MILLION)

Diamond Production 4,240,177 Carats	Sales Volume 3,408,235 Carats	Gross Turnover \$24,840	Cost Of Sales \$32,370	Gross Profit \$7,530	Operating Loss \$12,147	Comprehensive Income \$2,663
--	--	-----------------------------------	----------------------------------	--------------------------------	-----------------------------------	--



2022 FINANCIAL YEAR STATEMENT OF FINANCIAL POSITION (US\$'MILLION)

Non-current Assets \$26,924	Current Assets \$43,811	Total Assets \$70,735	Capital & Reserves \$12,875	Non-current Liabilities \$17,992	Current Liabilities \$65,618	Total Equity & Liabilities \$70,735
---------------------------------------	-----------------------------------	---------------------------------	---------------------------------------	--	--	---



2022 FINANCIAL YEAR CASHFLOW (US\$'MILLION)

Cash Utilised In Operations \$8,973	Cash Utilised In Investing Activities \$5,764	Cash Generated In Financing Activities \$21,067	Closing Cash & Cash Equivalent \$13,649
---	---	---	---



7.

2022 FINANCIAL STATEMENTS

AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

CONTENTS	PAGE
Company Information	35
Responsibilities of Management	36
Independent Auditor's Report	38
Statement of Inflation Adjusted Financial Position	43
Statement of Inflation Adjusted Profit or Loss and Other Income	46
Statement of Inflation Adjusted Changes in Equity	48
Statement of Inflation Adjusted Cash Flows	50
Notes to the Inflation Adjusted Financial Statements	53



DEFOLD MINE (PVT) LTD

AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

COMPANY INFORMATION

NATURE OF BUSINESS

Mining investment vehicle set up to enter into viable mining joint ventures that exploit the country's natural resources

DIRECTORS

Moyo O. M.	(Board Chairman)
Mukondomi M.	(Vice Chairman)
Ndhlovu T.	(Director)
Chanjack J.	(Director)
Makumbe E.S	(Director)
Tiriwokunze E.	(Director)
Dube O.	(Director)
Chibasa F.	(Director)
Mujuru L. (Dr.)	(Director)

ACTING G.M & CO. SECRETARY

Tanyanyiwa Wilfred

REGISTERED OFFICE

14165 Sauer Road,
Gunhill,
Harare.

AUDITORS

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Camelsa Business Park
135 E.D Mhangagwa Road
Highlands
Harare

**The Financial Statements are presented in
the Zimbabwean Dollar (ZWL)**

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE INFLATION-ADJUSTED GROUP ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

It is the Board of Directors' responsibility to ensure that the inflation adjusted Group annual financial statements fairly present the state of affairs of the Group. The external auditors are responsible for independently auditing and reporting on the Group inflation adjusted annual financial statements.

The Directors have assessed the ability of the Group to continue as a going concern and believe that the preparation of these inflation adjusted Group financial statements on a going concern basis is still appropriate. However, they believe that under the current economic environment a continuous assessment of the ability of the Group to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these inflation adjusted Group annual financial statements.

The inflation adjusted Group annual financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions.

The Conceptual Framework for Financial Reporting requires that in applying fair presentation of financial statements, entities should go beyond the consideration of the legal form of transactions and any other factors that could have an impact on them. IAS 21 requires an entity to apply certain parameters in determining the functional currency of an entity for use in the preparation of its financial statements. This standard also requires an entity to make certain judgements, where applicable, regarding appropriate exchange rates between currencies where exchangeability through a legal and market exchange mechanism is not achievable.

The requirement to comply with Statutory Instrument (S.I) 33 of 2019 as enacted by the Finance Act No. 2 of 2019 created inconsistencies with IAS 21, as well as the principles embedded in the Conceptual Framework for Financial Reporting. This has resulted in the adoption of the accounting treatment in the current year's financial statements, which deviates from that which would have been applied if the Group had been able to fully comply with IFRS.

The Group's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the inflation adjusted Group annual financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures and all employees are required

to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that came to the attention of the Directors have been addressed and the Directors confirm that the system of internal control and accounting control is operating in a satisfactory manner.

The Group's inflation adjusted annual financial statements which are set out on pages **43 to 79** were, in accordance with their responsibilities, approved by the Directors on 2025 and are signed on its behalf by:



.....
Moyo O. M.
Chairman

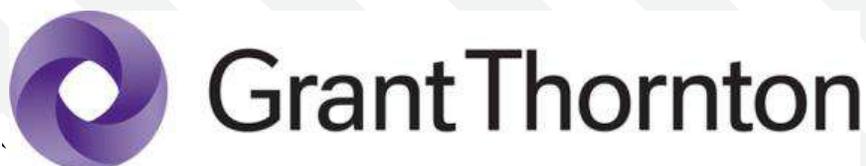


.....
Tanyanyiwa W
General Manager (A)

These financial statements were prepared under the supervision of:



.....
Innocent Ganyani
Accountant



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEFOLD MINE (PVT) LTD AND ITS SUBSIDIARY

Adverse Opinion

We have audited the inflation adjusted annual financial statements of Defold Mine (Private) Limited and its subsidiary (the Group) as set out on pages 43 to 79 which comprise of the inflation adjusted Group and Company statement of financial position as at 31 December 2022, and the inflation adjusted Group and Company statement of profit or loss and other comprehensive income, the inflation adjusted Group and Company statement of changes in equity and the inflation adjusted Group and Company statement of cash flows for the year then ended, and the notes to the inflation adjusted Group and Company financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matters described in the *Basis for Adverse Opinion* section of our report, the inflation adjusted Group financial statements do not present fairly, in all material respects, the financial position of Defold Mine (Private) Limited and its subsidiary as at 31 December 2022, and its inflation adjusted financial performance and its inflation adjusted cashflows for the year then ended, in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

Non - compliance with International Accounting Standard 21 - The Effects of Changes in Foreign Exchange Rates

ZCDC changed its functional currency from USD to RTGS dollar following the promulgation of statutory instrument (S.I) 33 of 2019. The RTGS dollars became part of the multi-currency system in Zimbabwe through the issuance of statutory instrument (S.I.) 33/2019, with an effective date of 22 February 2019. The statutory instrument provided that for accounting and other purposes, all assets and liabilities that were immediately before the effective date, valued and expressed in United States dollars shall on and after the effective date be deemed to be values in RTGS dollars at a rate of 1:1 to the United States dollar. This was not consistent with IAS 21 - *The Effects of Changes in Foreign Exchange Rates*.

In 2022, management presented the ZCDC financial statements in the Zimbabwe Dollars (ZWL) although the functional currency had been determined to be the United States Dollars (USD). According to IAS 21, “an entity’s functional currency reflects the underlying transactions, events and conditions that are relevant to it. Notwithstanding the assessment and determination of the USD as ZCDC’s functional currency, ZCDC continued to use the ZWL as its functional currency. ZCDC’s sales, cost of sales, expenses are predominantly in the United States Dollars. The continued use of the ZWL as its functional currency when the underlying transactions, events and conditions of the entity reflect the USD as the functional currency, constitutes a departure from the requirements of IAS 21.

In addition, the foreign currency denominated transactions and balances of the Group were translated into ZWL using the interbank exchange rates which were not considered appropriate spot rates for translations as required by IAS 21.

Non-compliance with International Accounting Standards (IAS) 29 - Financial Reporting in Hyperinflationary Economies

Although IAS 29 - *Financial Reporting in Hyperinflationary Economies* has been applied correctly, its application was based on prior and current year’s financial information which was not in compliance with IAS 21 as described above. Had the correct base numbers been used, most elements of the Group financial statements would have been materially different.

The impact of the departure from the requirements of these standards is considered material and pervasive to the Group financial statements for the year ended 31 December 2022.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our responsibility in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Inflation Adjusted Group and Company financial statements of the current year. These matters were addressed in the context of our audit of the Inflation Adjusted Group and Company financial statements as a whole, and in forming the opinion thereon, and we do not provide a separate opinion on these matters. Other than the matters described in the *Basis for Adverse Opinion*, we have determined that there are no other key audit matters to communicate in our report.

Responsibilities of Management and Those Charged with Governance for the inflation adjusted Group annual financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal controls as management determines 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, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the inflation adjusted Group annual financial statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted Group annual 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

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 inflation adjusted Group annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation adjusted Group annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation adjusted Group annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted Group annual financial statements, including the disclosures, and whether the inflation adjusted Group annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation adjusted Group annual financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the inflation adjusted financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, except for the effects of the matters described in the *Basis for Adverse Opinion* section of our report, the Group's inflation adjusted annual financial statements have been properly prepared, in all material respects in accordance with the requirements of the Companies and Other Businesses Act [Chapter 24:31].

The engagement partner on the audit resulting in this independent auditor's report is Alice Mafanuke.

Alice Mafanuke
Partner
Registered Public Auditor (PAAB No: 0465)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

.....2025

HARARE

GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		2022	2021	2022	2021
		ZWL	ZWL	ZWL	ZWL
ASSETS					
Non-current assets					
Property, plant and equipment	4	19 876 743 948	17 120 188 665	15 665 713 160	4 103 571 248
Intangible assets	12	4 390 925	5 991 741	4 390 924	1 743 002
Exploration and evaluation assets	13	7 043 040 950	3 809 288 063	2 933 016 428	591 141 410
		<u>26 924 175 823</u>	<u>20 935 468 469</u>	<u>18 603 120 512</u>	<u>4 696 455 660</u>
Current assets					
Inventories	15	24 668 073 322	23 232 065 840	24 668 073 322	5 807 362 331
Trade and other receivables	16	5 493 704 434	3 507 134 950	5 493 704 434	1 068 108 470
Cash and cash equivalents	18	13 648 878 428	1 641 690 827	13 648 878 428	477 569 065
Total current assets		<u>43 810 656 184</u>	<u>28 380 891 617</u>	<u>43 810 656 184</u>	<u>7 353 039 866</u>
Total assets		<u>70 734 832 007</u>	<u>49 316 360 086</u>	<u>62 413 776 696</u>	<u>12 049 495 526</u>
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	19	9 045	9 045	130	130
Shareholders' contribution		17 501 320 837	17 501 320 837	80 000 000	80 000 000
Revaluation reserve		7 124 444 233	4 032 518 590	11 496 569 795	3 008 795 906
Accumulated loss		(37 501 002 893)	(21 746 009 073)	(32 680 826 944)	(3 225 430 227)
		<u>(12 875 228 778)</u>	<u>(212 160 601)</u>	<u>(21 104 257 019)</u>	<u>(136 634 191)</u>
Non-current liabilities					
Deferred tax	11	5 485 838 999	3 523 654 794	5 393 811 929	1 657 866 290
Mine rehabilitation provision	20	12 506 285 704	6 330 286 312	12 506 285 704	2 286 759 071
Total non-current liabilities		<u>17 992 124 703</u>	<u>9 853 941 106</u>	<u>17 900 097 633</u>	<u>3 944 625 361</u>

GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		2022	2021	2022	2021
		ZWL	ZWL	ZWL	ZWL
Current liabilities					
Taxation	11	2 664 313 859	2 796 324 699	2 664 313 859	973 852 506
Amounts due to related parties	17	2 637 695 191	1 500 022 672	2 637 695 191	436 357 694
Bank overdraft	18	6 510 869	576 440 361	6 510 869	167 686 923
Short term loans	21	48 301 514 436	27 234 024 865	48 301 514 436	4 462 138 317
Trade and other payables	22	10 345 775 792	6 554 048 271	10 345 775 792	1 906 577 441
Other provisions	23	1 662 125 935	1 013 718 713	1 662 125 935	294 891 516
		<u>65 617 936 082</u>	<u>39 674 579 581</u>	<u>65 617 936 082</u>	<u>8 241 504 397</u>
Total equity and liabilities		<u>70 734 832 007</u>	<u>49 316 360 086</u>	<u>62 413 776 696</u>	<u>12 049 495 567</u>



.....
Moyo O. M.
Chairman



.....
Tanyanyiwa W.
Acting General Manager

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		2022	2021	2022	2021
		ZWL	ZWL	ZWL	ZWL
ASSETS					
Non-current assets					
Property and equipment	4	145 476 041	8 117 378	139 720 014	2 361 351
Current assets					
Deferred tax asset	11	1 875 204	-	1 875 204	-
Inventory	15	24 914 573	-	24 914 573	-
Trade and other receivables	16	6 747 298	1 925 207	6 747 298	434 000
Amounts owed by related parties	17	657 718 589	477 898 316	657 718 589	139 020 970
Cash and cash equivalents	18	524 524 389	1 283 389 361	524 524 389	373 338 905
Total current assets		1 215 780 053	1 763 212 884	1 215 780 053	512 793 875
Total assets		1 361 256 094	1 771 330 262	1 355 500 067	515 155 226
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	19	2 475	2 475	100	100
Retained earnings		329 591 953	782 788 318	482 286 358	227 642 435
Total capital and reserves		329 594 428	782 790 793	482 286 458	227 642 535
Current liabilities					
Tax payable	11	297 607 482	265 412 231	139 159 425	77 184 257
Amounts due to group companies	14	384 990 831	5 579 498	384 990 831	1 623 080
Trade and other payables	22	349 063 353	717 547 740	349 063 353	208 705 354
		1 031 661 666	988 539 469	873 213 609	287 512 691
Total equity and liabilities		1 361 256 094	1 771 330 262	1 355 500 067	515 155 226

.....
Moyo O. M.
Chairman

.....
Tanyanyiwa W.
Acting General Manager

**GROUP STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE YEAR ENDED 31 DECEMBER 2022**

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Revenue	5	24 840 029 875	38 162 006 593	15 119 568 359	8 055 011 669
Direct selling costs	6	(3 308 031 744)	(5 104 168 564)	(2 022 242 420)	(1 072 316 784)
Cost of sales	7	(32 370 375 288)	(12 089 890 051)	(7 060 674 228)	(850 761 524)
Gross (loss)/profit		(10 838 377 157)	20 967 947 978	6 036 651 711	6 131 933 361
Other income	8	17 916 490	22 185 176	15 720 499	1 507 793
Administrative expenses	9	(9 454 843 136)	(18 522 432 639)	(7 620 280 331)	(5 551 208 537)
Selling and distribution expenses	9	(33 143 291)	(4 623 497 829)	(18 973 036)	(871 013 534)
Other operating expenses	9	(838 629 405)	(234 789 010)	(596 362 575)	(54 703 188)
Operating loss		(21 147 076 499)	(2 390 586 324)	(2 183 243 732)	(343 484 105)
Exchange losses	10	(22 277 163 832)	(759 865 887)	(21 312 802 749)	(176 555 964)
Finance charges	10	(2 760 073 861)	(1 031 560 927)	(2 376 618 029)	(241 831 727)
Monetary gain		34 011 812 054	-	-	-
Financing income	10	25 731 491	13 458 986	25 490 966	3 419 674
Loss before taxation		(12 146 770 647)	(4 168 554 152)	(25 847 173 544)	(758 452 122)
Taxation	11.1	(3 608 223 173)	(2 796 324 697)	(3 608 223 173)	(813 452 902)
Loss for the year		(15 754 993 820)	(6 964 878 849)	(29 455 396 717)	(1 571 905 024)
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Revaluation gain/(loss)	8.1	4 108 325 330	(5 352 239 810)	11 277 935 010	244 644 655
Taxation		(1 016 399 687)	1 323 589 532	(2 790 161 121)	(60 545 611)
Total comprehensive income net of tax		(12 663 068 177)	(10 993 529 127)	(20 967 622 828)	(1 387 805 980)
Total comprehensive loss for the year		(12 663 068 177)	(10 993 529 127)	(20 967 622 828)	(1 387 805 980)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Revenue	5	606 678 311	1 054 514 434	377 989 209	238 123 241
Other income	8	242 730 415	3 605 735	242 728 052	812 842
Administrative expenses	9	(420 713 926)	(134 469 613)	(293 108 694)	(30 418 876)
Other operating expenses	9	(85 385 187)	(7 399 187)	(35 694 752)	(1 668 000)
Operating profit		343 309 613	916 251 369	291 913 815	206 849 207
Exchange gains	10	9 918 423	1 791 549	9 918 423	521 163
Monetary loss	5	(759 321 064)	(521 194 364)	-	-
Financing income		25 213 534	-	25 128 556	-
(Loss)/Profit before taxation		(380 879 494)	396 848 554	326 960 794	207 370 370
Taxation	11	(72 316 871)	(98 101 462)	(72 316 871)	(53 093 054)
(Loss)/Profit for the year		(453 196 365)	298 747 092	254 643 923	154 277 316
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Revaluation (loss)/gain		-	-	-	-
Taxation on revaluation		-	-	-	-
Total comprehensive (loss)/income for the year		(453 196 365)	298 747 092	254 643 923	154 277 316

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		2022	2021	2022	2021
		ZWL	ZWL	ZWL	ZWL
Cash flows from operating activities					
Loss before tax		(12 146 770 647)	(4 168 554 152)	(25 847 173 544)	(758 452 122)
Adjustment for:					
Depreciation on plant and equipment	4	3 859 780 657	5 971 749 115	1 149 100 999	1 088 179 507
Amortisation of intangible asset	12.1	820 301	1 169 939	212 617	211 735
Allowance for credit loss	9.1	-	7 982 512 690	-	2 322 118 787
Loss on disposal of assets	9.1	21 997 732	43 325 683	(8 417 250)	4 253 080
Exchange gain/(loss)	10	22 277 163 832	759 865 887	21 312 802 749	176 555 964
Movement in provision for rehabilitation costs	20	732 912 711	490 640 706	532 101 795	114 700 982
Movement in other short term provisions		1 662 125 935	-	1 662 125 935	-
Impairment of investment in subsidiary	9	-	360 067 498	-	20 295 856
Finance charges	10	2 760 073 861	1 031 560 927	2 376 618 029	241 831 727
Finance income	10	(25 731 491)	(13 458 986)	(25 490 966)	(3 419 674)
Operating cash flows before working capital changes		19 142 372 891	12 458 879 307	1 151 880 364	3 206 275 842
Net effect of changes in working capital	24	(307 586 315)	(9 989 518 002)	(6 898 691 341)	(1 724 334 709)
Cash flows generated from operations		18 834 786 576	2 469 361 305	(5 746 810 977)	1 481 941 133
Tax paid	11	(2 796 324 699)	(2 094 676 353)	(973 852 506)	(24 127 375)
Exchange gains/(losses)		(22 277 163 832)	-	(21 312 802 749)	-
Finance charges	10	(2 760 073 861)	(1 031 560 927)	(2 376 618 029)	(241 831 727)
Finance income	10	25 731 491	13 458 986	25 490 966	3 419 674
Cash flows utilised/generated in operating activities		(8 973 044 325)	(643 416 989)	(30 384 593 295)	1 219 401 705
Cash flows from investing activities					
Exploration and evaluation assets	13	(3 233 752 887)	(1 719 944 713)	(2 341 875 018)	(404 024 937)
Proceeds from disposal of assets	5	61 438 421	-	31 880 599	-
Acquisition of equipment	4	(2 591 330 570)	(5 253 282 672)	(1 456 771 253)	(1 185 241 399)
Net cash utilised in investing activities		(5 763 645 036)	(6 973 227 385)	(3 766 765 672)	(1 589 266 336)

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
Cash flows from financing activities				
Movement in loans payable	21 067 489 571	1 227 025 296	47 316 157 420	(150 287 755)
Net cash generated from financing activities	21 067 489 571	1 227 025 296	47 316 157 420	(150 287 755)
Net increase in cash and cash equivalents	6 330 800 210	(6 389 619 078)	13 164 798 453	(520 152 386)
Effects of inflation	5 676 387 391	2 518 400 631	-	-
Cash and cash equivalents at the beginning of the year	1 641 690 827	5 512 909 275	477 569 065	997 721 451
Cash and cash equivalents at year end	18 13 648 878 428	1 641 690 827	13 642 367 518	477 569 065
		(6 510 869)	(- 41)	-
Represented by:				
Cash resources	18 13 648 878 428	1 641 690 827	13 648 878 428	477 569 065
Bank overdraft	18.1 (6 510 869)	(167 686 923)	(6 510 869)	(167 686 923)
	13 642 367 559	1 474 003 904	13 642 367 559	309 882 142

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		2022	2021	2022	2021
		ZWL	ZWL	ZWL	ZWL
Cash flows from operating activities					
(Loss)/Profit before tax		(380 879 494)	396 848 554	326 960 794	207 370 370
Adjustments for:					
Depreciation on plant and equipment	4	1 707 966	48 700	1 707 966	14 167
Loss on net monetary position		759 321 064	521 194 364	-	-
Profit/(Loss) on disposal of fixed assets	9.1	1 539 083	-	1 539 083	-
Leave pay and other provisions		14 933 244	-	14 933 244	-
Exchange losses	10	(9 918 423)	(1 791 549)	(9 918 423)	(521 163)
Finance income	10	(25 213 534)	-	(25 128 556)	-
Net cash flow before working capital changes		361 489 906	916 300 069	310 094 108	206 863 374
Net effect of changes in working capital	24	(401 789 187)	(310 017 749)	(41 130 961)	60 677 717
Cash flows utilised in/ generated from operations		(40 299 281)	606 282 320	268 963 147	267 541 091
Tax paid		(41 996 824)	-	(12 216 907)	-
Exchange losses		9 918 423	1 791 549	9 918 423	521 163
Cash flows utilised in operating activities		(72 377 682)	608 073 869	266 664 663	268 062 254
Cashflows from investing activities					
Acquisition of equipment	4	(140 605 713)	(8 166 078)	(140 605 713)	(2 375 518)
Net cash utilised in investing activities		(140 605 713)	(8 166 078)	(140 605 713)	(2 375 518)
Cash flows from financing activities					
Finance Income		25 213 534	-	25 128 556	-
Net cash generated from financing activities		25 213 534	-	25 128 556	-
Net (decrease)/ increase in cash and cash equivalents		(187 769 861)	599 907 791	151 187 506	265 686 736
Effects of inflation		(571 093 089)	88 640 188	-	-
Cash and cash equivalents at the beginning of the year		1283 391 382	594 843 403	373 340 969	107 654 233
Cash and cash equivalents at year end		524 528 432	1283 391 382	524 528 475	373 340 969
		#####	#####	#####	373 338 905
		4,043.00	2,021.00	4,086.00	2 064

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2022

1 GENERAL INFORMATION

1.1 Nature of business

Defold Mine (Private) Limited is a special purpose vehicle established by the Government of Zimbabwe under the Ministry of Mines and Mining Development. The Company, whose registration number is 6030/2015 is a limited Company which was incorporated on the 21st of August 2015 and is domiciled in Zimbabwe. The Company is a holding Company which owns one wholly owned subsidiary, Zimbabwe Consolidated Mining Company (ZCDC) which is into diamond mining in Chiadzwa and Chimanimani areas in Manicaland Province.

1.2 Statement of compliance

Compliance with legislation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), promulgated by the International Accounting Standards Board (IASB), which include standards and interpretations approved by the IASB, as well as International Accounting Standards and IFRS Interpretations Committee (IFRIC).

The financial statements are based on statutory records that are maintained under the historical cost convention and in the manner required by the Zimbabwe Companies and Other Business Entities Act Chapter (24:31).

1.3 Functional and presentation currency

These financial statements are presented in Zimbabwe Dollar (ZWL) being the functional and reporting currency of the Group.

Transactions and balances

Transactions other than ZWL are translated into the functional currency (ZWL) using the exchange rates prevailing at the date of transactions. USD transactions are translated to ZWL using the prevailing interbank exchange rate. Monetary assets and liabilities denominated in currencies other than ZWL are re-translated at the exchange rate at the reporting date.

Foreign exchange gains or 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 statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at date when the fair value was determined.

1 GENERAL INFORMATION (continued)

1.4 Basis of preparation

The principal accounting policies adopted in the preparation of financial statements to the extent that they have not already been disclosed in the other notes above, are set out below. The policies have been consistently applied to all years presented, unless otherwise stated. The entity prepared the financial statements on the basis that it will continue to operate as a going concern.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") applicable to companies reporting under IFRS and in the manner required by the Zimbabwe Companies and Other Business Entities Act [Chapter 24:31].

The Company has adopted the Zimbabwe (ZWL) as the functional and presentation currency.

2 Changes in accounting policies and interpretations

2.1 New or revised Standard or Interpretation

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2.2 Standards issued but not yet effective

Definition of Accounting Estimates (Amendments to IAS 8)

IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition.

The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments to the definition of material is not expected to have a significant impact on the Company's financial statements.

2 Changes in accounting policies and interpretations (continued)

2.3 Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

2.4 Proceeds before intended use (Amendments to IAS 16)

The IASB ('Board') has concluded that the cost of an asset includes any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. One of those costs is testing whether the asset is functioning properly.

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing an item of PPE to see if it is functioning properly). The proceeds from selling the output generated when the item of PPE is in the development phase, together with the costs of production, are now recognised in profit or loss. An entity will use IAS 2, 'Inventories', to measure the cost of the output generated. The cost of the output will not include depreciation of the PPE being tested, because depreciation only commences when the item of PPE is ready for its intended use and has moved to the production phase.

2.5 Onerous contracts- Cost of fulfilling a contract (Amendments to IAS 37)

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

3 Summary of significant policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below:

3.1 Property and equipment

Assets' useful lives and depreciation rates for property, plant and equipment

Initial Recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized. Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognized at the date of revaluation.

Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. A revaluation loss is recorded in other comprehensive income and debited to the revaluation reserve in equity. A transfer from the asset revaluation reserve to retained earnings is made when the revalued assets are disposed or derecognized. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Items of property, plant and equipment are depreciated annually on a straight-line basis at such rates as are considered appropriate to reduce their book values to residual values over their estimated useful lives.

The estimated useful lives and the respective rates of depreciation currently in use are:

	Useful Life	Depreciation rate
Land	infinite	Nil
Residential buildings	50 years	2%
Commercial buildings	50 years	2%
Industrial Buildings	20 years	5%
Infrastructure (roads, slime dams)	20 years	5%
Software	10 years	10%
Furniture and fittings	10 years	10%
Plant and machinery	10 years	10%
Fencing	10 years	10%
Office and equipment	5 years	20%

3 Summary of significant policies (continued)

3.1 Property and equipment (continued)

	Useful Life	Depreciation rate
Computer Equipment	5 years	20%
Motor vehicles	5 years	20%
Earth Moving Equipment	5 years	20%
Generators	5 years	20%
Surveillance equipment	5 years	20%
Camp Equipment	5 years	20%
Electrical and mechanical equipment	5 years	20%
Air conditioning	3 years	33%
Exploration and development	tonnes ore mined	
Capital work in progress		Nil

The assets residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Impairment of assets

At each reporting date, property, plant and equipment and financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment the recoverable amount of any affected assets is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory with its selling price less costs to sell, if an item of inventory is impaired its carrying amount is reduced to selling price less costs to sell, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount (selling price less costs to sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Derecognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is de-recognized.

3 Summary of significant policies (continued)

3.2 Intangible assets

Mining Rights

Mining rights (in form of Special Grants) are initially recognised at cost or deemed cost. The rights have a finite useful life and are subsequently measured using the revaluation model. Amortisation is calculated using the straight-line method to allocate the mining rights over the lifespan of the grant.

Acquired software

Acquired software is capitalised based on the costs incurred to acquire and install the specific software. Subsequent expenditure is expensed as incurred unless where the expenditure qualifies for capitalisation. Costs associated with maintaining software, i.e., expenditure relating to patches and other updates as well as their installation, is expensed as incurred. Acquired software is amortised over its expected useful life, and this is 10 years for the Company's software.

Exploration and evaluation assets

Exploration and evaluation assets are initially recognised at cost. The assets have a finite useful life. Amortisation is calculated using the units of production method.

Pre-licence costs

Pre-licence costs relate to costs incurred before the Company has obtained legal rights to explore in a specific area. Such costs may include the acquisition of exploration data and the associated costs of analysing that data. These costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditure

One or more of the following facts and circumstances may indicate that the Company should test exploration and evaluation assets for impairment:

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

3 Summary of significant policies (continued)

3.3 Provisions

Provisions are recognized when:

- The Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and
- A reliable estimate can be made of the obligation.

Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be remote. Provisions are measured at the present value of the expenditures to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3.4 Foreign currencies

The Company's financial statements are presented in Zimbabwean Dollars, which is also the Company's functional currency. Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date, differences arising on settlement or translation of monetary items are recognized in profit or loss.

3.5 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current or non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in the Company's normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or:
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in the Company's normal operating cycle,
- It is due to be settled within twelve months after the reporting period or:
- There is no unconditional right to defer the settlement of the liability for at least twelve
- The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3 Summary of significant policies (continued)

3.6 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability,
- In the absence of a principal market, in the most advantageous market for the asset or liability the principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Directors determine the policies and procedures for recurring fair value measurement, such as revaluation of freehold land and buildings. External valuers are involved for valuation of significant assets, such as properties.

3 Summary of significant policies (continued)

3.6 Fair Value Measurement (continued)

Involvement of external valuers is decided upon annually by the Directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company's external valuers, exercise discretion over the appropriate valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

3.7 Employee benefits

Employee benefits are made up of short term and long-term employee benefits.

Short-term employee benefits

The cost of all short-term employee benefits is recognized during the period in which the employee renders the related service. Short-term benefits are recognized on an undiscounted basis.

Long term employee Benefits

The Company has long term employee benefits in the form of pensions fund contributions. The Company contributes to the National Social Security Authority ("NSSA") pension scheme which is a publicly managed defined contribution plan and contributions are currently the rate of 4.5% of the pensionable income. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further amounts. Contributions in respect of defined contribution plans are recognized as an expense in the period to which they relate. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

3.8 Investments and other financial assets

Classification of financial assets

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains or losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI"). The Company reclassifies financial instruments when and only when its business model for managing those assets changes.

3 Summary of significant policies (continued)

3.8 Investments and other financial assets (continued)

Classification of financial assets (continued)

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimates, which have the most significant effect on the amounts recognized in the financial statements. The Directors are of the opinion that the statement of financial position represents a true and fair position of the Company.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about the future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of financial instruments

The Company reviews its receivables' portfolio regularly to assess the likelihood of impairment. This requires an estimation of the amounts that are irrecoverable. The Company assesses its trade receivables and loans receivables for impairment at each reporting date. In determining whether an impairment loss should be recognized in profit or loss, the Company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from an asset.

Mine rehabilitation provisions

The Company makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities. These provisions are created based on the Company's internal estimates. Assumptions based on the current economic environment are made, which management believes are a reasonable basis upon which to estimate the future liability.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Valuation of inventory

The Company used the weighted average cost method to value their inventory and management judgement will have to be exercised in estimating the recoverability of the inventory values.

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2022

Group Property, plant & equipment	INFLATION ADJUSTED											Total ZWL
	Buildings ZWL	Infrastructure ZWL	Plant, machinery & earth moving equipment ZWL	Motor vehicles ZWL	Office equipment and catering ZWL	Camping ZWL	Electrical and mechanical equipment ZWL	Security equipment ZWL	Capital work in progress ZWL			
Carrying amount as at 1 January 2021	1 143 720 448	927 998 135	17 140 726 749	1 231 736 841	116 101 637	11 455 540	34 505 098	113 538 439	2 495 452 041			23 215 234 898
Additions	16 110 932	84 463 916	2 873 715 918	53 673 547	99 953 719	19 807 059	40 334 629	-	2 065 222 952			5 263 282 672
Revaluation	(268 521 617)	(262 017 680)	(4 728 795 931)	(76 321 018)	(19 201 186)	(875 027)	8 233 431	(4 740 782)	-			(5 352 239 810)
Disposals	-	-	-	(24 339 980)	-	-	-	-	-			(24 339 980)
Depreciation charge for the year	(25 875 597)	(62 436 938)	(5 075 703 792)	(699 973 766)	(45 927 035)	(8 260 289)	(23 520 388)	(30 051 310)	-			(5 971 749 115)
Carrying amount at 31 December 2021	865 434 136	688 007 433	10 209 942 944	484 775 624	150 927 135	22 127 283	59 552 770	78 746 347	4 560 674 993			17 120 188 665
Cost or valuation	865 434 136	688 007 433	10 209 942 944	484 775 624	150 975 835	22 127 283	59 552 770	78 746 347	4 560 674 993			17 120 237 365
Accumulated depreciation	-	-	-	-	(48 700)	-	-	-	-			(48 700)
Carrying amount as at 31 December 2021	865 434 136	688 007 433	10 209 942 944	484 775 624	150 927 135	22 127 283	59 552 770	78 746 347	4 560 674 993			17 120 188 665
Carrying amount as at 1 January 2022	865 434 136	688 007 433	10 209 942 944	484 775 624	150 927 135	22 127 283	59 552 770	78 746 347	4 560 674 993			17 120 188 665
Additions	44 995 445	-	1 269 118 337	259 118 316	365 082 106	5 621 195	51 324 644	4 310 551	591 759 976			2 591 330 570
Revaluation	504 653 601	321 858 084	3 149 340 456	35 168 067	5 998 647	16 870 868	31 652 650	42 782 957	-			4 108 325 330
Disposals	-	-	-	(90 508 335)	(3 187 645)	-	(1 620 087)	-	-			(95 316 067)
Accumulated depreciation on disposals	-	-	-	11 794 377	120 728	-	81 004	-	-			11 996 109
Depreciation charge for the year	(21 800 773)	(44 598 598)	(3 310 015 886)	(357 171 783)	(72 262 846)	(7 009 040)	(25 782 153)	(21 139 578)	-			(3 859 780 657)
Carrying amount at 31 December 2022	1 393 282 409	965 266 918	11 318 385 851	343 176 266	446 678 125	37 610 308	115 208 826	104 700 276	5 152 434 969			19 876 743 948
Cost or valuation	1 393 282 409	965 266 918	11 318 597 140	343 176 266	447 095 913	37 610 308	116 255 412	104 700 276	5 152 434 969			19 878 419 611
Accumulated depreciation	-	-	(211 289)	-	(417 788)	-	(1 046 586)	-	-			(1 675 663)
Carrying amount as at 31 December 2022	1 393 282 409	965 266 918	11 318 385 851	343 176 266	446 678 125	37 610 308	115 208 826	104 700 276	5 152 434 969			19 876 743 948

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2022

Group	HISTORICAL COST										Total	
	Buildings	Infrastructure	Plant, machinery & earth moving equipment	Motor vehicles	Office equipment	Camping and catering	Electrical & mechanical equipment	Security equipment	Capital work in progress			
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Carrying amount as at 1 January 2021	206 989 511	167 948 282	3 102 113 585	222 918 642	21 281 181	2 073 213	5 975 487	20 548 089	16 269 791		3 766 117 781	
Additions	3 937 939	22 270 444	673 690 464	12 737 329	22 783 803	4 248 741	11 842 944	-	433 729 735		1 185 241 399	
Revaluation	45 516 027	21 245 560	118 783 688	37 355 116	6 857 050	1 588 597	5 645 106	7 653 511	-		244 644 655	
Disposals	-	-	-	(5 316 350)	-	-	-	-	-		(5 316 350)	
Accumulated depreciation on disposals	-	-	-	1 063 270	-	-	-	-	-		1 063 270	
Depreciation charge for the year	(4 688 054)	(11 322 421)	(924 507 860)	(127 736 423)	(8 542 740)	(1 558 709)	(4 384 640)	(5 438 660)	-		(1 088 179 507)	
Carrying amount at 31 December 2021	251 755 423	200 141 865	2 970 079 877	141 021 584	42 379 294	6 351 842	19 078 897	22 762 940	149 999 526		4 103 571 248	
Cost or valuation	256 443 476	211 464 286	3 894 587 735	267 694 737	50 922 034	7 910 551	23 463 537	28 201 600	149 999 526		5 190 687 482	
Accumulated depreciation	(4 688 053)	(11 322 421)	(924 507 858)	(126 673 153)	(8 542 740)	(1 558 709)	(4 384 640)	(5 438 660)	-		(1 087 116 234)	
Carrying amount as at 31 December 2021	251 755 423	200 141 865	2 970 079 877	141 021 584	42 379 294	6 351 842	19 078 897	22 762 940	149 999 526		4 103 571 248	
Carrying amount as at 1 January 2022	251 755 423	200 141 865	2 970 079 877	141 021 584	42 379 294	6 351 842	19 078 897	22 762 940	149 999 526		4 103 571 248	
Additions	33 217 997	-	476 372 200	126 256 316	285 518 424	4 769 590	12 091 897	20 413 198	498 131 631		1 456 771 253	
Revaluation	1 114 781 067	778 098 817	8 846 768 380	204 264 449	139 947 263	28 632 928	98 237 273	67 204 863	-		11 277 935 010	
Disposals - Cost	-	-	-	(27 735 684)	(976 833)	-	(1 620 087)	-	-		(30 332 604)	
Accumulated depreciation on disposals	-	-	-	6 615 180	173 071	-	81 004	-	-		6 869 255	
Depreciation charge for the year	(6 472 079)	(12 973 765)	(974 834 605)	(109 837 371)	(27 623 940)	(2 229 056)	(8 952 965)	(6 177 218)	-		(1 149 100 999)	
Carrying amount at 31 December 2022	1 393 282 408	965 266 917	11 318 385 651	340 584 444	439 417 279	37 525 303	118 916 019	104 203 783	948 131 156		15 665 713 160	
Cost or valuation	1 404 442 541	989 563 103	13 217 728 314	577 094 968	475 583 959	41 313 068	132 253 624	115 819 661	948 131 156		17 901 930 393	
Accumulated depreciation	(11 160 132)	(24 296 186)	(1 899 342 463)	(236 510 524)	(36 166 680)	(3 787 765)	(13 337 605)	(11 615 878)	-		(2 236 217 233)	
Carrying amount as at 31 December 2022	1 393 282 408	965 266 917	11 318 385 651	340 584 444	439 417 279	37 525 303	118 916 019	104 203 783	948 131 156		15 665 713 160	

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2022

Company	INFLATION ADJUSTED					Total ZWL
	Plant, machinery & earth moving equipment ZWL	Office equipment ZWL	Electrical and mechanical equipment ZWL	Capital work in progress ZWL		
Property, plant & equipment (continued)						
4						
Carrying amount as at 1 January 2021	-	2 873 259	5 244 119	-	-	8 166 078
Depreciation charge for the year	-	(48 700)	-	-	-	(48 700)
Carrying amount at 31 December 2021	-	2 873 259	5 244 119	-	-	8 117 378
Cost or valuation	-	2 921 959	5 244 119	-	-	8 166 078
Accumulated depreciation	-	(48 700)	-	-	-	(48 700)
Carrying amount as at 31 December 2021	-	2 873 259	5 244 119	-	-	8 117 378
Carrying amount as at 1 January 2022	-	2 873 258	5 244 119	-	-	8 117 377
Additions	4 916 593	3 918 700	7 838 710	123 931 710	-	140 605 713
Disposals	-	-	(1 620 087)	-	-	(1 620 087)
Accumulated depreciation on disposals	-	-	81 004	-	-	81 004
Depreciation charge for the year	(211 289)	(369 087)	(1 127 590)	-	-	(1 707 966)
Carrying amount at 31 December 2022	4 705 304	6 422 871	10 416 156	123 931 710	-	145 476 041

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2022

Company Property, plant & equipment (continued)	HISTORICAL COST						Total
	Plant, machinery & earth moving equipment	Motor vehicles	Office and catering equipment	Electrical & mechanical equipment	Capital work in progress		
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Carrying amount as at 1 January 2021	-	-	-	-	-	-	-
Additions	-	-	850 000	-	-	-	2 375 518
Depreciation charge for the year	-	-	(14 167)	-	-	-	(14 167)
Carrying amount at 31 December 2021	-	-	835 833	-	-	-	2 361 351
Cost or valuation	-	-	850 000	-	-	-	2 375 518
Accumulated depreciation	-	-	(14 167)	-	-	-	(14 167)
Carrying amount as at 31 December 2021	-	-	835 833	-	-	-	2 361 351
Carrying amount as at 1 January 2022	-	-	835 833	-	-	-	2 361 351
Additions	4 916 593	-	3 918 700	-	7 838 710	123 931 710	140 605 713
Disposals - Cost	-	-	-	-	(1 620 087)	-	(1 620 087)
Accumulated depreciation on disposals	-	-	-	-	81 004	-	81 004
Depreciation charge for the year	(211 289)	-	(369 087)	-	(1 127 590)	-	(1 707 966)
Carrying amount at 31 December 2022	4 705 303	-	4 385 446	-	6 697 555	123 931 710	139 720 014
Cost or valuation	4 916 593	-	4 768 700	-	7 744 141	123 931 710	141 361 144
Accumulated depreciation	(211 289)	-	(383 254)	-	(1 046 586)	-	(1 641 129)
Carrying amount as at 31 December 2022	4 705 303	-	4 385 446	-	6 697 555	123 931 710	139 720 014

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
5 Revenue				
Group				
International diamond sales	24 837 233 216	22 340 970 343	15 117 787 356	4 731 225 921
Local diamond sales	2 796 659	15 821 036 250	1 781 003	3 323 785 748
	<u>24 840 029 875</u>	<u>38 162 006 593</u>	<u>15 119 568 359</u>	<u>8 055 011 669</u>
Company				
Management fees	606 678 311	1 054 514 434	377 989 209	238 123 241
	<u>606 678 311</u>	<u>1 054 514 434</u>	<u>377 989 209</u>	<u>238 123 241</u>
5.1 Disposal of fixed assets				
Group				
Proceeds from disposal of assets	61 438 421	-	31 880 599	-
Carrying amount of disposed assets	83 436 153	(43 325 683)	23 463 349	(4 253 080)
	<u>(21 997 732)</u>	<u>(43 325 683)</u>	<u>8 417 250</u>	<u>(4 253 080)</u>
5.2 Monetary gain/(loss)				
Group				
Monetary assets	33 524 794 422	-	-	-
Monetary liabilities	487 017 632	-	-	-
	<u>34 011 812 054</u>	<u>-</u>	<u>-</u>	<u>-</u>
Company				
Monetary assets	(1 250 295 114)	(521 194 364)	-	-
Monetary liabilities	490 974 050	-	-	-
	<u>(759 321 064)</u>	<u>(521 194 364)</u>	<u>-</u>	<u>-</u>
6 Direct selling costs				
Group				
MMCZ commission	217 350 217	333 917 523	132 296 171	70 151 555
Royalties	2 484 003 216	3 816 200 837	1 511 957 040	801 732 185
Depletion fees	606 678 311	954 050 204	377 989 209	200 433 044
	<u>3 308 031 744</u>	<u>5 104 168 564</u>	<u>2 022 242 420</u>	<u>1 072 316 784</u>
7 Cost of sales				
Group				
Cost of production	32 370 375 288	12 089 890 051	7 060 674 228	850 761 524
	<u>32 370 375 288</u>	<u>12 089 890 051</u>	<u>7 060 674 228</u>	<u>850 761 524</u>
8 Other income				
Group				
Sale of scrap	(1 853 066)	2 813 231	611 464	674 808
Sundry income	19 765 600	19 371 945	6 690 192	5 086 065
Other Income	3 956	-	1 593	-
Profit/(Loss) on disposal of fixed assets	-	-	8 417 250	(4 253 080)
	<u>17 916 490</u>	<u>22 185 176</u>	<u>15 720 499</u>	<u>1 507 793</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
Other income (continued)				
Company				
Sundry income	242 726 459	-	242 726 459	-
Other income	3 956	-	1 593	-
Profit on disposal of fixed assets	-	3 605 735	-	812 842
	<u>242 730 415</u>	<u>3 605 735</u>	<u>242 728 052</u>	<u>812 842</u>
8.1 Other non adjusting comprehensive income				
Revaluation gain/(loss) on assets	4 108 325 330	(5 352 239 810)	11 277 935 010	244 644 655
	<u>4 108 325 330</u>	<u>(5 352 239 810)</u>	<u>11 277 935 010</u>	<u>244 644 655</u>
9 Cost analysis				
9.1 Administration expenses				
Group				
Airtime and data bundles	3 358 299	1 996 183	1 108 911	450 000
Allowance for credit losses (note 12.1)	-	7 982 512 690	-	2 322 118 787
Amortisation	820 301	1 169 939	212 617	211 735
Audit fees	47 172 190	48 344 557	40 125 154	10 738 606
Bank charges	16 542 012	464 946	11 172 700	104 812
Car Hire	-	48 008 576	-	10 822 582
Computer and internet expenses	26 715 914	6 892 155	16 065 417	1 553 700
Depreciation expense (note 4)	3 859 780 657	5 971 749 115	1 149 100 999	1 088 179 507
Directors' emoluments	26 653 144	13 714 053	20 367 989	3 297 830
Fuel, oils and lubricants	17 385 157	5 573 468	11 218 960	1 256 428
Impairment on subsidiary	-	360 067 498	-	20 295 856
Leave pay provision	695 743 916	-	1 360 957 120	-
IMT-TAX	-	990 781	-	223 352
Maintenance of motor vehicles	117 668 063	-	80 088 093	-
Maintenance of tech & office	-	2 726 191	-	614 110
Movement in rehabilitation costs (note 20)	732 910 562	490 647 276	532 101 825	114 700 982
Office supplies	13 097 385	4 563 010	8 937 045	1 028 640
Other administration expenses	1 023 101 284	1 794 452 246	226 980 566	1 437 420 613
Printing and stationery	6 091 793	2 392 655	4 849 011	539 377
Recruitment and selection	6 160 378	1 326 532	2 495 912	299 040
Registrations and licencing	-	532 316	-	120 000
Protective clothing & corporate	7 752 990	1 772 612	4 937 254	399 600
Rent expense	9 231 177	3 850 417	6 540 667	868 000
Staff costs (note 9.2)	2 735 562 844	1 690 499 076	4 084 448 253	531 676 425
Subscriptions	2 446 751	124 561	1 548 170	28 080
Travel and subsistence	5 895 688	32 805	4 473 649	7 395
Loss on disposal of assets	21 997 732	43 325 683	-	4 253 080
Workshops, conferences and trainings	78 754 899	44 703 298	52 550 019	-
	<u>9 454 843 136</u>	<u>18 522 432 639</u>	<u>7 620 280 331</u>	<u>5 551 208 537</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
Administration expenses (continued)				
Company				
Airtime and data bundles	3 358 299	1 996 183	1 108 911	450 000
Audit fees	8 212 008	-	8 212 008	-
Bank charges	16 542 012	464 946	11 172 700	104 812
Car hire	-	48 008 576	-	10 822 582
Computer and internet expenses	26 715 914	6 892 155	16 065 417	1 553 700
Depreciation expense (note 4)	1 707 966	48 700	1 707 966	14 167
Directors' emoluments	8 683 058	4 663 928	7 013 040	1 051 390
Fuel, oils and lubricants	17 385 157	5 573 468	11 218 960	1 256 428
IMT-TAX	-	990 781	-	223 352
Leave pay provision	3 386 289	-	3 386 289	-
Maintenance of motor vehicles	117 668 063	-	80 088 093	-
Maintenance of tech & office equipment	384 280	2 726 191	318 637	614 110
Office supplies	13 097 385	4 563 008	8 937 045	1 028 640
Other administration expenses	33 761 139	-	24 053 613	-
Printing and stationery	6 091 793	2 392 655	4 849 011	539 377
Recruitment and Selection	6 160 378	1 326 532	2 495 912	299 040
Registrations and licencing	-	532 316	-	120 000
Protective clothing & corporate	7 752 990	1 772 612	4 937 254	399 600
Rent Expense	9 231 177	3 850 417	6 540 667	868 000
Staff costs (note 9.2)	51 939 597	3 806 481	40 890 228	960 731
Subscriptions	2 446 751	124 561	1 548 170	28 080
Travel and subsistence	5 895 688	32 805	4 473 649	7 395
Workshops, conferences and trainings	78 754 899	44 703 298	52 550 019	10 077 472
Loss on disposal of assets	1 539 083	-	1 539 083	-
	<u>420 713 926</u>	<u>134 469 613</u>	<u>293 108 694</u>	<u>30 418 876</u>
9.2 Staff costs				
Group				
Salaries and wages	16 922 235 847	8 675 783 324	12 072 874 744	1 953 172 706
Allowances and benefits	6 521 537 484	2 560 678 948	4 925 075 164	578 383 202
Contributions to pension fund	894 173 275	599 828 954	638 038 881	137 290 555
Contributions to NSSA	460 614 260	187 673 017	349 362 789	43 698 229
	<u>24 798 560 866</u>	<u>12 023 964 243</u>	<u>17 985 351 578</u>	<u>2 712 544 692</u>
Group Split				
Production staff costs	22 062 998 023	10 308 669 897	13 900 903 325	2 185 121 347
Admin staff costs	2 735 562 844	1 714 839 057	4 084 448 253	527 423 345
	<u>24 798 560 867</u>	<u>12 023 508 954</u>	<u>17 985 351 578</u>	<u>2 712 544 692</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
Company				
Salaries and wages	33 746 146	3 806 481	26 918 042	960 731
Allowances and benefits	17 008 854	-	13 164 656	-
Contributions to NSSA	1 184 597	-	807 530	-
	<u>51 939 597</u>	<u>3 806 481</u>	<u>40 890 228</u>	<u>960 731</u>
9.3 Allowance for credit losses				
Group				
Amounts owed by related parties (note 17)	-	(7 982 512 690)	-	(2 322 118 787)
9.4 Selling and distribution expenses				
Group				
Export permits licenses	33 143 291	4 623 497 829	18 973 036	871 013 534
9.5 Other operating expenses				
Group				
Corporate social responsibility	160 763 303	49 812 112	124 964 653	11 336 716
Fines and penalties	312 149	429 975	227 081	94 684
Other operating expenses	135 564 697	18 642 129	157 683 220	4 571 958
Donations	88 311 998	-	-	-
Sporting and amenities	453 677 258	165 904 794	313 487 621	38 699 830
	<u>838 629 405</u>	<u>234 789 010</u>	<u>596 362 575</u>	<u>54 703 188</u>
operating expenses (continued)				
Company				
Other operating expenses	85 385 187	7 399 187	35 694 752	1 668 000
10 Net financing costs				
Group				
Exchange gains/(losses)	(22 277 163 832)	(759 865 887)	(21 312 802 749)	(176 555 964)
Finance charges	(2 760 073 861)	(1 031 560 927)	(2 376 618 029)	(241 831 727)
Interest received	25 731 491	13 458 986	25 490 966	3 419 674
	<u>(25 011 506 202)</u>	<u>(1 777 967 828)</u>	<u>(23 663 929 812)</u>	<u>(414 968 017)</u>
Company				
Exchange gains	9 918 423	1 791 549	9 918 423	521 163
Interest received	25 213 534	-	25 128 556	-
	<u>35 131 957</u>	<u>1 791 549</u>	<u>35 046 979</u>	<u>521 163</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
11 Taxation				
11.1 Income tax expense				
Group				
Current tax	2 664 313 859	2 796 324 697	2 664 313 859	813 452 902
Deferred tax	943 909 314	-	943 909 314	-
	<u>3 608 223 173</u>	<u>2 796 324 697</u>	<u>3 608 223 173</u>	<u>813 452 902</u>
Company				
Current tax	74 192 075	98 101 462	74 192 075	53 093 054
Deferred tax	(1 875 204)	-	(1 875 204)	-
	<u>72 316 871</u>	<u>98 101 462</u>	<u>72 316 871</u>	<u>53 093 054</u>
Income tax payable				
Group				
Opening tax payable	2 796 324 699	2 094 676 355	973 852 506	184 526 979
Current tax	2 664 313 859	2 796 324 697	2 664 313 859	813 452 902
	<u>5 460 638 558</u>	<u>4 891 001 052</u>	<u>3 638 166 365</u>	<u>997 979 881</u>
Payments made during the year	(2 796 324 699)	(2 094 676 353)	(973 852 506)	(24 127 375)
Tax Payable	<u>2 664 313 859</u>	<u>2 796 324 699</u>	<u>2 664 313 859</u>	<u>973 852 506</u>
	<u>2 664 313 859</u>	<u>2 796 324 699</u>	<u>2 664 313 859</u>	<u>973 852 506</u>
Company				
Opening tax payable	265 412 231	167 310 769	77 184 257	24 091 203
Current tax	74 192 075	98 101 462	74 192 075	53 093 054
	<u>339 604 306</u>	<u>265 412 231</u>	<u>151 376 332</u>	<u>77 184 257</u>
Payments made during the year	(41 996 824)	-	(12 216 907)	-
Tax payable	<u>297 607 482</u>	<u>265 412 231</u>	<u>139 159 425</u>	<u>77 184 257</u>
	<u>297 607 482</u>	<u>265 412 231</u>	<u>139 159 425</u>	<u>77 184 257</u>
11 Deferred taxation liability/(Asset)				
11.2 Group				
Opening balance	3 523 654 794	4 559 182 885	1 657 866 290	1 513 523 396
Movement for the year	945 784 518	288 061 440	945 784 518	83 797 284
Taxation on revaluation	1 016 399 687	(1 323 589 531)	2 790 161 121	60 545 610
	<u>5 485 838 999</u>	<u>3 523 654 794</u>	<u>5 393 811 929</u>	<u>1 657 866 290</u>
Company				
Opening balance	-	-	-	-
Movement for the year	(1 875 204)	-	(1 875 204)	-
	<u>(1 875 204)</u>	<u>-</u>	<u>(1 875 204)</u>	<u>-</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
11.3 Tax reconciliation				
Group				
Loss before tax	(12 146 770 647)	(6 964 878 849)	(25 847 173 544)	(1 571 905 024)
Notional tax based on profit for the year	(3 002 681 704)	2 631 706 366	(6 389 421 300)	559 218 103
Additional taxation resulting from:				
Permanent differences	5 666 995 563	164 618 331	9 053 735 159	254 234 799
	<u>2 664 313 859</u>	<u>2 796 324 697</u>	<u>2 664 313 859</u>	<u>813 452 902</u>
Company				
(Loss)/Profit before tax	(380 879 494)	396 848 554	326 960 794	207 370 370
Notional tax based on profit for the year	(94 153 411)	98 101 462	80 824 708	53 093 054
Additional taxation resulting from:				
Permanent differences	168 345 486	-	(6 632 633)	-
	<u>74 192 075</u>	<u>98 101 462</u>	<u>74 192 075</u>	<u>53 093 054</u>
12 Intangible assets				
12.1 Analysis				
Group				
Opening balance	5 991 741	9 248 464	1 743 002	1 673 779
Additions	-	-	-	-
Amortisation	(860 832)	(1169 939)	(250 417)	(211 735)
Revaluation	(739 984)	(2 086 784)	2 898 339	280 958
Closing carrying amount	<u>4 390 925</u>	<u>5 991 741</u>	<u>4 390 924</u>	<u>1 743 002</u>
13 Exploration and evaluation assets				
13.1 Analysis				
Group				
Chimanimani portal	6 421 925 363	3 809 288 063	2 506 288 629	591 141 410
Portal D	332 665 612	-	245 965 418	-
Mahusekwa	288 449 975	-	180 762 381	-
	<u>7 043 040 950</u>	<u>3 809 288 063</u>	<u>2 933 016 428</u>	<u>591 141 410</u>
13.2 Movement				
Group				
Opening balance	3 809 288 063	2 089 343 350	591 141 410	187 116 473
Additions	3 233 752 887	1 719 944 713	2 341 875 018	404 024 937
Closing carrying amount	<u>7 043 040 950</u>	<u>3 809 288 063</u>	<u>2 933 016 428</u>	<u>591 141 410</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
14 Related party payables				
Company				
Amount owed to subsidiaries	384 990 831	5 579 498	384 990 831	1 623 080
15 Inventories				
Group				
Work in progress	6 866 225 837	6 892 237 070	6 866 225 837	1 812 694 765
Diamonds stock	16 772 931 210	15 014 650 440	16 772 931 210	3 669 558 759
Consumables	1 028 916 275	1 325 178 330	1 028 916 275	325 108 807
	<u>24 668 073 322</u>	<u>23 232 065 840</u>	<u>24 668 073 322</u>	<u>5 807 362 331</u>
Company				
Consumables	24 914 573	-	24 914 573	-
16 Trade and other receivables				
Group				
Trade receivables	3 963 690 475	-	3 963 690 475	-
Prepayments	284 104 049	103 390 682	284 104 049	29 950 381
VAT refundable	1 196 356 611	1 401 727 609	1 196 356 611	407 763 588
Other receivables	49 553 299	2 002 016 659	49 553 299	630 394 501
	<u>5 493 704 434</u>	<u>3 507 134 950</u>	<u>5 493 704 434</u>	<u>1 068 108 470</u>
Company				
Trade receivables	4 593 965	-	4 593 965	-
Prepayments	2 153 333	1 925 207	2 153 333	434 000
Total	<u>6 747 298</u>	<u>1 925 207</u>	<u>6 747 298</u>	<u>434 000</u>
17 Related party balances				
Group				
17.1 Amounts owed by:				
Zimbabwe Mining Development Corporation (ZMDC)	13 345 531 580	7 287 675 914	13 345 531 580	2 119 990 260
Marange Resources (Pvt) Ltd	1 101 471 064	659 729 460	1 101 471 064	191 915 783
Diamond Mining Corporation (Pvt) Ltd ("DMC")	10 212 744	35 107 316	10 212 744	10 212 744
Provision for doubtful debts	(14 457 215 388)	(7 982 512 690)	(14 457 215 388)	(2 322 118 787)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
Related party balances (continued)				
Company				
Amounts owed by:				
Dividend Receivable	242 726 459	-	242 726 459	-
Management fees receivable	414 992 130	477 898 316	414 992 130	139 020 970
	<u>657 718 589</u>	<u>477 898 316</u>	<u>657 718 589</u>	<u>139 020 970</u>
Provision for doubtful debts	-	-	-	-
	<u>657 718 589</u>	<u>477 898 316</u>	<u>657 718 589</u>	<u>139 020 970</u>
17.2 Amounts due to related parties				
Group				
DTZ-OZGEO ("DTZ")	2 625 756 648	1 458 982 752	2 625 756 648	424 419 151
Marange Resources (Private) Limited	1 574 095	5 411 107	1 574 095	1 574 095
Diamond Mining Corporation (Private) Limited (DMC)	10 364 448	35 628 813	10 364 448	10 364 448
Other related parties	-	-	-	-
	<u>2 637 695 191</u>	<u>1 500 022 672</u>	<u>2 637 695 191</u>	<u>436 357 694</u>
Company				
Other related parties				
Zimbabwe Consolidated Diamond Company (ZCDC)	384 990 831	5 579 498	384 990 831	1 623 080
	<u>384 990 831</u>	<u>5 579 498</u>	<u>384 990 831</u>	<u>1 623 080</u>
<p>Amounts owed by and or to related parties are interest free, unsecured and have no fixed repayment terms. The related party balances are a result of transactions which were done to manage the exit of former miners, following the decision by the government to consolidate the diamond concessions in Chiyadzwa.</p>				
18 Cash and cash equivalents				
Group				
Cash on hand	4 993 424	4 323 750	4 993 424	1 257 782
Cash at bank	13 206 256 448	1 594 397 092	13 206 256 448	463 811 283
Money Markets	425 128 556	-	425 128 556	-
Treasury bills	12 500 000	42 969 985	12 500 000	12 500 000
	<u>13 648 878 428</u>	<u>1 641 690 827</u>	<u>13 648 878 428</u>	<u>477 569 065</u>
Company				
Cash at bank	99 395 833	1 283 389 361	99 395 833	373 338 905
Money Market Investments	425 128 556	-	425 128 556	-
	<u>524 524 389</u>	<u>1 283 389 361</u>	<u>524 524 389</u>	<u>373 338 905</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
18.1 Bank overdrafts	(6 510 869)	(576 440 361)	(6 510 869)	(167 686 923)
18.2 Treasury bills				
Included in the cash and cash equivalents balances are Treasury bills with a face value of ZWL 12.5 million that have been pledged as security against some borrowings from FBC Bank Limited as disclosed in Note 21.				
19 Share capital				
19.1 Authorised share capital				
Group				
2 000 ordinary shares of ZWL 1.00 each	9 045	9 045	130	130
Company				
2 000 ordinary shares of ZWL 1.00 each	2 475	2 475	100	100
19.2 Issued share capital				
Group				
100 ordinary shares of ZWL 1.00 each	9 045	9 045	130	130
Company				
100 ordinary shares of ZWL 1.00 each	2 475	2 475	100	100
The unissued share capital is under the control of the Directors subject to the provisions of the Companies and Other Business Entities Act (Chapter 24:31).				
20 Mine rehabilitation provision				
Group				
Opening carrying amount	6 330 290 703	7 081 002 549	1 841 486 835	2 533 169 733
Additions - ZCDC operations	732 912 711	490 640 706	532 101 795	114 700 982
Exchange revaluation	5 443 082 290	(1 241 356 943)	10 132 697 074	(361 111 644)
Closing carrying amount	12 506 285 704	6 330 286 312	12 506 285 704	2 286 759 071
21 Loans payable				
Group				
Reserve Bank of Zimbabwe ("RBZ") - ZWL Facilities	412 409 295	878 614 309	412 409 295	255 589 546
Reserve Bank of Zimbabwe ("RBZ") - USD Facilities	33 610 467 864	-	33 610 467 864	-
AFC Bank Limited ("AFC") - USD Loan	1 943 144 162	-	1 943 144 162	-
ZB Bank Limited ("ZB") - ZWL Loan	5 518 443 461	-	5 518 443 461	-

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
Loans payable (continued)				
Group				
CBZ Bank Limited ("CBZ") - ZWL Loan	-	23 846 577 300	-	3 476 727 299
FBC Bank Limited ("FBC") - USD Loan	5 802 669 694	2 063 927 158	5 802 669 694	600 397 921
FBC Bank Limited ("FBC") - ZWL Loan	1 014 379 960	444 906 098	1 014 379 960	129 423 510
	<u>48 301 514 436</u>	<u>27 234 024 865</u>	<u>48 301 514 436</u>	<u>4 462 138 317</u>
Less short term portion of loans payable	(48 301 514 436)	(27 234 024 865)	(48 301 514 436)	(4 462 138 317)
Long term loans payable	-	-	-	-
21.1 Loans payable reconciliation				
Group				
Opening balance	27 234 024 865	26 006 999 569	4 462 138 317	4 612 426 072
New loans	21 067 489 571	1 227 025 296	43 839 376 119	-
Payment	-	-	-	(150 287 755)
Closing balance	<u>48 301 514 436</u>	<u>27 234 024 865</u>	<u>48 301 514 436</u>	<u>4 462 138 317</u>
22 Trade and other payables				
Group				
Trade payables	3 943 504 969	3 692 610 581	3 943 504 969	1 074 183 122
Payroll liabilities	1 762 258 148	1 768 694 800	1 762 258 148	514 484 805
Royalties payable	2 299 083 466	88 064 950	2 299 083 466	25 618 158
Other provisions				
Depletion fees payable	684 660 248	826 783 535	684 660 248	240 541 744
MMCZ commision payable	1 582 323 503	43 289 665	1 582 323 503	12 592 995
Tax payable	21 135 415	83 504 738	21 135 415	24 291 589
Vat Payable	52 810 043	51 100 002	52 810 043	14 865 028
	<u>10 345 775 792</u>	<u>6 554 048 271</u>	<u>10 345 775 792</u>	<u>1 906 577 441</u>
Company				
Trade payables	33 244 399	22 714 278	33 244 399	6 607 600
Payroll liabilities	5 279 893	455 289	5 279 893	102 636
Depletion fees payable	242 795 774	643 278 171	242 795 774	187 130 090
Vat Payable	52 810 043	51 100 002	52 810 043	14 865 028
Other provisions	14 933 244	-	14 933 244	-
	<u>349 063 353</u>	<u>717 547 740</u>	<u>349 063 353</u>	<u>208 705 354</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
23 Other provisions				
Group				
Audit fee	8 767 183	11 344 076	8 767 183	3 300 000
Leave pay	1 633 854 043	938 110 127	1 633 854 043	272 896 923
Other	19 504 709	64 264 510	19 504 709	18 694 593
	<u>1 662 125 935</u>	<u>1 013 718 713</u>	<u>1 662 125 935</u>	<u>294 891 516</u>
Company				
Leave pay	3 386 289	-	3 386 289	-
Accrued Salaries	3 334 947	-	3 334 947	-
Audit fees	8 212 008	-	8 212 008	-
Other provisions	14 933 244	-	14 933 244	-
	<u>3 274 480 664</u>	<u>3 386 289</u>	<u>3 274 480 664</u>	<u>3 386 289</u>
Leave pay provision movement				
Group				
Opening balance	938 110 127	938 110 127	272 896 923	272 896 923
Increase in leave pay provision	695 743 916	-	1 360 957 120	-
Leave pay liability	<u>1 633 854 043</u>	<u>938 110 127</u>	<u>1 633 854 043</u>	<u>272 896 923</u>
Company				
Opening balance	-	-	-	-
Increase in leave pay provision	3 386 289	-	3 386 289	-
Leave pay liability	<u>3 386 289</u>	<u>-</u>	<u>3 386 289</u>	<u>-</u>
	<u>3 274 480 664</u>	<u>3 386 289</u>	<u>3 274 480 664</u>	<u>3 386 289</u>
24 Net effect of changes in working capital				
Analysis				
Group				
Decrease/ (increase) in trade and other receivables	(9 000 839 384)	(2 946 453 888)	(6 561 812 904)	(911 368 650)
Net movement in related party balances	1 137 672 519	176 357 269	2 201 337 497	196 188 591
Increase in inventories	3 115 445 806	(6 982 749 435)	(17 771 055 695)	(1 990 532 845)
Increase in trade and other payables	3 791 727 522	(174 320 402)	8 439 198 350	1 081 523 466
Increase in short term provisions	648 407 222	(62 351 546)	1 367 234 419	(100 145 271)
Other	-	-	5 426 406 992	-
	<u>(307 586 315)</u>	<u>(9 989 518 002)</u>	<u>(6 898 691 341)</u>	<u>(1 724 334 709)</u>
Company				
Decrease/ (increase) in trade and other receivables	(4 822 091)	611 111 002	(6 313 298)	(91 200 649)
Net movement in related party balances	<u>(179 820 273)</u>	<u>-</u>	<u>(518 697 619)</u>	<u>-</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
Net effect of changes in working capital (continued)				
Company				
Net movement in related party receivables	379 411 333	-	383 367 751	-
Increase in inventories	(24 914 573)	-	(24 914 573)	-
Increase in trade and other payables	(336 289 136)	(945 233 792)	202 333 168	127 773 282
Increase in taxation	(220 423 225)	24 103 020	(61 975 168)	24 103 020
Increase in short term provisions	(14 933 244)	-	(14 933 244)	-
	<u>(401 789 187)</u>	<u>(310 017 749)</u>	<u>(41 130 961)</u>	<u>60 677 717</u>
25 Financial instruments by category				
Loans and receivables				
Group				
Trade and other receivables excluding prepayments	5 209 600 385	3 405 669 478	5 209 600 385	990 711 745
Cash and cash equivalents	13 217 239 003	754 242 735	13 217 239 003	219 409 764
Total	<u>18 426 839 388</u>	<u>4 159 912 213</u>	<u>18 426 839 388</u>	<u>1 210 121 509</u>
Company				
Trade and other receivables excluding prepayments	4 593 965	-	4 593 965	-
Cash and cash equivalents	99 395 833	1 283 389 361	99 395 833	373 338 905
Total	<u>103 989 798</u>	<u>1 283 389 361</u>	<u>103 989 798</u>	<u>373 338 905</u>
Liabilities as per statement of financial position				
Group				
Trade and other payables	11 003 494 381	7 271 596 011	11 003 494 381	2 115 282 795
Borrowings	48 301 514 436	3 387 447 565	48 301 514 436	985 410 977
Total	<u>59 305 008 817</u>	<u>10 659 043 576</u>	<u>59 305 008 817</u>	<u>3 100 693 772</u>
Liabilities as per statement of financial position				
Company				
Trade and other payables	334 130 109	717 547 740	334 130 109	208 705 354
	<u>334 130 109</u>	<u>717 547 740</u>	<u>334 130 109</u>	<u>208 705 354</u>
26 Contingent liabilities				
There were no contingent liabilities as at 31 December 2022.				
27 Going Concern				
The financial statements have been prepared on a going concern basis which assumes that the Group will continue in existence for the 'foreseeable future.				

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2022

INFLATION ADJUSTED		HISTORICAL COST	
2022	2021	2022	2021
ZWL	ZWL	ZWL	ZWL

28 Events after the reporting period

No adjusting or significant non adjusting events have occurred between the 31 December 2022 reporting date and the date of authorisation.

29 Related party transactions

Defold Mine Private Limited owns 100% share of Zimbabwe Consolidated Diamond Mining Company Pvt Ltd (ZCDC). ZCDC runs its own operations and has its own separate financial statements. Defold mine consolidates ZCDC for reporting purposes. Defold Mine is wholly owned by Mutapa Investments fund – a sovereign wealth fund established by the Government of Zimbabwe.

Defold Mine provides management and strategic guidance to ZCDC and in turn receives management fees. During the financial year 2022 the following were the transactions between ZCDC and Defold Mine:

	INFLATION ADJUSTED		HISTORICAL COST	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
Management fees	24 840 029 875	38 162 006 593	15 119 568 359	8 055 011 669
Dividend	-	-	-	-
Total related party transactions	24 840 029 875	38 162 006 593	15 119 568 359	8 055 011 669

A dividend of ZWL 242 726 459 was declared in 2022 and is due and payable.



8.

2021 FINANCIAL HIGHLIGHTS

Financial Highlights for the period ending 31 December 2021

**FINANCIAL HIGHLIGHTS FOR THE FINANCIAL YEAR 2021
(INFLATION ADJUSTED)**

**2021 FINANCIAL YEAR
STATEMENT OF COMPREHENSIVE INCOME (US\$'MILLION)**

Diamond Production 4,019,206 Carats	Sales Volume 1,278,599 Carats	Gross Turnover \$38,162	Cost Of Sales \$12,090	Gross Profit \$26,072	Operating Loss \$4,169	Comprehensive Income \$10,994
--	--	-----------------------------------	----------------------------------	---------------------------------	----------------------------------	---



**2021 FINANCIAL YEAR
STATEMENT OF FINANCIAL POSITION (US\$'MILLION)**

Non-current Assets \$20,935	Current Assets \$28,381	Total Assets \$49,316	Capital & Reserves \$212	Non-current Liabilities \$9,854	Current Liabilities \$39,675	Total Equity & Liabilities \$49,316
---------------------------------------	-----------------------------------	---------------------------------	------------------------------------	---	--	---



**2021 FINANCIAL YEAR
CASHFLOW (US\$'MILLION)**

Cash Utilised In Operations \$643	Cash Utilised In Investing Activities \$6,973	Cash Generated In Financing Activities \$1,227	Closing Cash & Cash Equivalent \$1,642
---	---	--	--



9.

2021 FINANCIAL STATEMENTS

AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

CONTENTS	PAGE
Company Information	83
Responsibilities of Management	84
Independent Auditor's Report	86
Statement of Inflation Adjusted Profit or Loss and Other Income	91
Statement of Inflation Adjusted Financial Position	93
Statement of Inflation Adjusted Changes in Equity	96
Statement of Inflation Adjusted Cash Flows	98
Notes to the Inflation Adjusted Financial Statements	100



DEFOLD MINE (PVT) LTD

AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

COMPANY INFORMATION

NATURE OF BUSINESS

Mining investment vehicle set up to enter into viable mining joint ventures that exploit the country's natural resources

DIRECTORS

Moyo O. M.	(Board Chairman)
Mukondomi M.	(Vice Chairman)
Ndhlovu T.	(Director)
Chanjack J.	(Director)
Makumbe E.S	(Director)
Tiriwokunze E.	(Director)
Dube O.	(Director)
Chibasa F.	(Director)
Mujuru L. (Dr.)	(Director)

ACTING G.M & CO. SECRETARY

Tanyanyiwa Wilfred

REGISTERED OFFICE

3 Stokesay Close,
Ballantyne Park,
Harare.

AUDITORS

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Camelsa Business Park
135 Enterprise Road
Highlands
Harare

**The Inflation Adjusted Financial Statements
are presented in the Zimbabwean Dollar
(ZWL)**

RESPONSIBILITIES OF MANAGEMENT & THOSE CHARGED WITH GOVERNANCE FOR THE INFLATION ADJUSTED FINANCIAL STATEMENTS

It is the Board of Directors' responsibility to ensure that the inflation adjusted Group annual financial statements fairly present the state of affairs of the Group. The external auditors are responsible for independently reviewing and reporting on the Group inflation adjusted annual financial statements.

The Directors have assessed the ability of the Group to continue as a going concern and believe that the preparation of these inflation adjusted Group financial statements on a going concern basis is still appropriate. However, they believe that under the current economic environment a continuous assessment of the ability of the Group to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these inflation adjusted Group annual financial statements.

The inflation adjusted Group annual financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions.

The Conceptual Framework for Financial Reporting requires that in applying fair presentation of financial statements, entities should go beyond the consideration of the legal form of transactions and any other factors that could have an impact on them. IAS 21 requires an entity to apply certain parameters in determining the functional currency of an entity for use in the preparation of its financial statements. This standard also requires an entity to make certain judgements, where applicable, regarding appropriate exchange rates between currencies where exchangeability through a legal and market exchange mechanism is not achievable.

The requirement to comply with Statutory Instrument (S.I) 33 of 2019 as enacted by the Finance Act No. 2 of 2019 created inconsistencies with IAS 21, as well as the principles embedded in the Conceptual Framework for Financial Reporting. This has resulted in the adoption of the accounting treatment in the current year's financial statements, which deviates from that which would have been applied if the Group had been able to fully comply with IFRS.

The Group's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the inflation adjusted Group annual financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures and all employees are required

to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that came to the attention of the Directors have been addressed and the Directors confirm that the system of internal control and accounting control is operating in a satisfactory manner.

The Group's inflation adjusted annual financial statements which are set out on pages **91 to 123** were, in accordance with their responsibilities, approved by the Directors on 2025 and are signed on its behalf by:



.....
Moyo O. M.
Chairman



.....
Tanyanyiwa W
General Manager (A)

These financial statements were prepared under the supervision of:



.....
Lineker G. Mangunda
Accountant



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEFOLD MINE (PVT) LTD AND ITS SUBSIDIARY

Adverse Opinion

We have audited the inflation adjusted Group annual financial statements of Defold Mine (Private) Limited and its subsidiary (the Group) as set out on pages 69 to 117, which comprise of the inflation adjusted Group and Company statement of financial position as at 31 December 2021, and the inflation adjusted Group and Company statement of profit or loss and other comprehensive income, the inflation adjusted Group and Company statement of changes in equity and the inflation adjusted Group and Company statement of cash flows for the year then ended, and the notes to the inflation adjusted Group and Company financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matters described in the *Basis for Adverse Opinion* section of our report, the inflation adjusted Group financial statements do not present fairly, in all material respects, the financial position of Defold Mine (Private) Limited and its subsidiary as at 31 December 2021, and its inflation adjusted financial performance and its inflation adjusted cashflows for the year then ended, in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

Non-Compliance with International Accounting Standard 21 – The Effects of Changes in Foreign Exchange Rates

ZCDC changed its functional currency from USD to RTGS dollar following the promulgation of statutory instrument (S.I.) 33 of 2019. The RTGS dollars became part of the multi-currency system in Zimbabwe through the issuance of statutory instrument (S.I.) 33/2019, with an effective date of 22 February 2019. The statutory instrument provided that for accounting and other purposes, all assets and liabilities that were immediately before the effective date, valued and expressed in United States dollars shall on and after the effective date be deemed to be values in RTGS dollars at a rate of 1:1 to the United States dollar. This was not consistent with IAS 21 – *The Effects of Changes in Foreign Exchange Rates*.

In 2021, management presented the ZCDC financial statements in the Zimbabwe Dollars (ZWL) although the functional currency had been determined to be the United States Dollars (USD). According to IAS 21, “an entity’s functional currency reflects the underlying transactions, events and conditions that are relevant to it. Notwithstanding the assessment and determination of the USD as ZCDC’s functional currency, ZCDC continued to use the ZWL as its functional currency. ZCDC’s sales, cost of sales, expenses are predominantly in the United States Dollars. The continued use of the ZWL as its functional currency when the underlying transactions, events and conditions of the entity reflect the USD as the functional currency, constitutes a departure from the requirements of IAS 21.

In addition, the foreign currency denominated transactions and balances of the Group were translated into ZWL using the interbank exchange rates which were not considered appropriate spot rates for translations as required by IAS 21.

Non-Compliance with International Accounting Standard (IAS) 29 – Financial Reporting in Hyperinflationary Economies

Although IAS 29 – *Financial Reporting in Hyperinflationary Economies* has been applied correctly, its application was based on prior and current year’s financial information which was not in compliance with IAS 21 as described above. Had the correct base numbers been used, most elements of the consolidated financial statements would have been materially different.

The impact of the departure from the requirements of these standards is considered material and pervasive to the Group financial statements for the year ended 31 December 2021.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our responsibility in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Inflation Adjusted Group and Company financial statements of the current year. These matters were addressed in the context of our audit of the Inflation Adjusted Group and Company financial statements as a whole, and in forming the opinion thereon, and we do not provide a separate opinion on these matters. Other than the matters described in the *Basis for Adverse Opinion*, we have determined that there are no other key audit matters to communicate in our report.

Responsibilities of Management and Those Charged with Governance for the Inflation adjusted Group annual financial adjustments

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal controls as management determines 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, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of inflation adjusted Fin. Statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted Group annual 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

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 inflation adjusted Group annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation adjusted Group annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation adjusted Group annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted Group annual financial statements, including the disclosures, and whether the inflation adjusted Group annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation adjusted Group annual financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the inflation adjusted financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, except for the effects of the matters described in the *Basis for Adverse Opinion* section of our report, the Group's inflation adjusted annual financial statements have been properly prepared, in all material respects in accordance with the requirements of the Companies and Other Businesses Act [Chapter 24:31].

The engagement partner on the audit resulting in this independent auditor's report is Alice Mafanuke.

Alice Mafanuke
Partner
Registered Public Auditor (PAAB No: 0465)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

.....2025

HARARE

**GROUP STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		2021	2020	2021	2020
		ZWL	ZWL	ZWL	ZWL
Revenue	5	11 101 355 663	8 990 189 354	8 055 011 669	3 907 836 318
Direct selling costs	6	(1 484 806 373)	(1 337 445 833)	(1 072 316 784)	(541 813 702)
Cost of sales	7	(3 516 957 869)	(11 156 004 896)	(850 761 524)	(434 845 506)
Gross profit		6 099 591 421	(3 503 261 375)	6 131 933 361	2 931 177 110
Other income	8	930 729	3 591 609	1 507 793	999 586
Administrative expenses	9	(5 382 666 263)	(5 895 581 231)	(5 552 779 856)	(3 975 143 253)
Selling and distribution expenses	9	(1 344 978 904)	(3 766 492)	(871 013 534)	(353 999)
Other operating expenses	9	(68 300 295)	(33 700 872)	(54 703 190)	(11 306 048)
Operating loss		(695 423 312)	(9 432 718 361)	(345 055 426)	(1 054 626 604)
Exchange gains/(losses)	10	(221 045 543)	1 302 498 058	(176 555 964)	574 292 009
Finance charges	10	(300 081 829)	(472 653 002)	(241 831 727)	(231 387 501)
Financing income	10	3 915 229	3 052 512	3 419 674	1 504 407
(Loss) before taxation		(1 212 635 455)	(8 599 820 793)	(760 023 443)	(710 217 689)
Taxation	11	(813 452 902)	(1 506 593 069)	(813 452 902)	(789 349 882)
Loss for the year		(2 026 088 357)	(10 106 413 862)	(1 573 476 345)	(1499 567 571)
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Revaluation (loss)/gain	4	(1 556 970 480)	(450 756 568)	244 644 652	2 828 377 172
Taxation	20	385 033 164	111 657 615	(60 545 611)	(699 483 128)
Total comprehensive income net of tax		(1 171 937 316)	(339 098 953)	184 099 041	2 128 894 044
Total comprehensive (loss)/income for the year		(3 198 025 673)	(10 445 512 815)	(1 389 377 304)	629 326 473



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		2021	2020	2021	2020
		ZWL	ZWL	ZWL	ZWL
Revenue	5	306 759 021	187 744 757	238 123 241	97 695 909
Other income	8	1 048 911	44 981	812 842	27 766
		<u>307 807 932</u>	<u>187 789 738</u>	<u>238 936 083</u>	<u>97 723 675</u>
Administrative expenses	9	(39 116 721)	(547 101)	(32 883 613)	(227 053)
Other operating expenses	9	(2 152 429)	(197 792)	(1 668 000)	(40 300)
Operating profit		<u>266 538 782</u>	<u>187 044 845</u>	<u>204 384 470</u>	<u>97 456 322</u>
Financing income					
Exchange gains	10	521 163	-	521 163	-
Monetary (loss)	5	(151 615 822)	-	-	-
Profit before taxation		<u>115 444 123</u>	<u>187 044 845</u>	<u>204 905 633</u>	<u>97 456 322</u>
Taxation	11	(28 537 787)	(46 237 486)	(50 652 672)	(24 091 203)
Profit for the year		<u>86 906 336</u>	<u>140 807 359</u>	<u>154 252 961</u>	<u>73 365 119</u>
Other comprehensive income: Items that will not be reclassified to profit or loss					
Revaluation (loss)/gain		-	-	-	-
Taxation on Revaluation		-	-	-	-
Total comprehensive income net of tax		<u>86 906 336</u>	<u>140 807 359</u>	<u>154 252 961</u>	<u>73 365 119</u>
Total comprehensive income for the year		<u>86 906 336</u>	<u>140 807 359</u>	<u>154 252 961</u>	<u>73 365 119</u>

GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
ASSETS					
Non-current assets					
Property and equipment	4	4 980 275 420	6 753 328 828	4 103 571 245	3 766 117 790
Intangible assets	12	1 743 002	2 690 385	1 743 002	1 673 779
Exploration and evaluation assets	13	1 108 124 687	607 791 510	591 141 410	187 116 473
Investment in subsidiary companies	14	-	104 743 899	-	20 295 856
Non-current assets		6 090 143 109	7 468 554 622	4 696 455 657	3 975 203 898
Current assets					
Inventories	15	6 758 224 964	4 677 884 092	5 807 362 331	2 739 204 928
Trade and other receivables	16	1 020 228 126	321 571 005	1 068 108 473	200 060 125
Cash and cash equivalents	18	477 569 065	1 603 709 345	477 569 065	997 721 451
Current assets		8 256 022 155	6 603 164 442	7 353 039 869	3 936 986 504
Total assets		14 346 165 264	14 071 719 064	12 049 495 526	7 912 190 402
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	19	720	720	100	100
Shareholders' contribution		5 091 147 047	5 091 147 047	80 000 000	80 000 000
Revaluation reserve		1 173 062 611	2 344 999 927	3 008 795 906	2 824 696 865
Retained earnings		(6 325 929 963)	(4 299 841 606)	(3 225 430 227)	(1 651 953 882)
Equity		(61 719 585)	3 136 306 088	(136 634 221)	1 252 743 083
Non-current liabilities					
Mine rehabilitation provision	21	1 841 486 835	2 059 868 827	2 286 759 101	1 281 513 587
Long term loans	22	-	2 365 709 721	-	1 096 440 692
Deferred tax	20	1 025 033 760	2 060 678 023	1 657 866 291	1 513 523 396
Non-current liabilities		2 866 520 595	6 486 256 571	3 944 625 392	3 891 477 675

GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		2021	2020	2021	2020
		ZWL	ZWL	ZWL	ZWL
Current liabilities					
Short term loans	22	7 922 397 777	1 342 353 535	4 462 138 276	835 123 223
Bank overdraft	18	167 686 923	-	167 686 923	-
Trade and other payables	23	1 906 577 442	1 799 095 715	1 906 577 442	1 119 277 875
Amounts due to related parties	17	436 357 694	303 849 342	436 357 693	189 034 881
Other provisions	24	294 891 516	313 029 626	294 891 515	194 746 245
Taxation	20	813 452 902	690 828 187	973 852 506	429 787 420
		11 541 364 254	4 449 156 405	8 241 504 355	2 767 969 644
Total equity and liabilities		14 346 165 264	14 071 719 064	12 049 495 526	7 912 190 402



.....
Moyo O. M.
Chairman



.....
Tanganyiwa W.
Acting General Manager

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		2021	2020	2021	2020
		ZWL	ZWL	ZWL	ZWL
ASSETS					
Non-current assets					
Property and equipment	4	2 361 351	-	2 361 351	-
Current assets					
Other receivables	16	560 044	-	434 000	-
Amounts owed by related parties	17	139 020 970	77 562 636	139 020 970	48 254 321
Cash and cash equivalents	18	373 338 905	173 040 380	373 338 905	107 654 233
Total Current assets		512 919 919	250 603 016	512 793 875	155 908 554
Total assets		515 281 270	250 603 016	515 155 226	155 908 554
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	19	720	720	100	100
Retained earnings		227 713 695	140 808 079	227 618 080	73 365 119
Total capital and reserves		227 714 415	140 808 799	227 618 180	73 365 219
Current liabilities					
Trade and other payables	23	208 735 163	62 694 505	208 705 354	57 915 712
Amounts due to group companies	17	1 623 080	862 226	1 623 080	536 420
Taxation	11.1	77 208 612	46 237 486	77 208 612	24 091 203
		287 566 855	109 794 217	287 537 046	82 543 335
Total equity and liabilities		515 281 270	250 603 016	515 155 226	155 908 554



 Moyo O. M.
 Chairman



 Tanyanyiwa W.
 Acting General Manager

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Inflation adjusted				
	Share Capital ZWL	Non Distributable reserve ZWL	Revaluation reserve ZWL	Retained earnings ZWL	Total ZWL
Balance as at 1 January 2020	-	5 091 147 047	2 684 098 880	5 806 572 256	13 581 818 183
Issue of shares	720	-	-	-	720
Loss for the year	-	-	-	(10 106 413 862)	(10 106 413 862)
Total comprehensive loss for the year	-	-	(339 098 953)	-	(339 098 953)
Balance as at 1 January 2021	720	5 091 147 047	2 344 999 927	(4 299 841 606)	3 136 306 088
Loss for the year	-	-	-	(2 026 088 357)	(2 026 088 357)
Total comprehensive loss for the year	-	-	(1 171 937 316)	-	(1 171 937 316)
Balance at 31 December 2021	720	5 091 147 047	1 173 062 611	(6 325 929 963)	(61 719 585)
	Historical cost				
	Share Capital ZWL	Non Distributable reserve ZWL	Revaluation reserve ZWL	Retained earnings ZWL	Total ZWL
Balance as at 1 January 2020	-	80 000 000	695 802 821	(152 386 311)	623 416 510
Issue of shares	100	-	-	-	100
Loss for the year	-	-	-	(1 499 567 571)	(1 499 567 571)
Total comprehensive income for the year	-	-	2 128 894 044	-	2 128 894 044
Balance as at 1 January 2021	100	80 000 000	2 824 696 865	(1 651 953 882)	1 252 743 083
Loss for the year	-	-	-	(1 573 476 345)	(1 573 476 345)
Total comprehensive income for the year	-	-	184 099 041	-	184 099 041
Balance at 31 December 2021	100	80 000 000	3 008 795 906	(3 225 430 227)	(136 634 221)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share Capital ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 January 2020	-	-	-
Issue of shares	720	-	720
Total comprehensive income for the year	-	140 807 359	140 807 359
Balance at 31 December 2020	<u>720</u>	<u>140 807 359</u>	<u>140 808 079</u>
Balance at 1 January 2021	720	140 807 359	140 808 079
Total comprehensive income for the year	-	86 906 336	86 906 336
Revaluation surplus	-	-	-
Balance at 31 December 2021	<u>720</u>	<u>227 713 695</u>	<u>227 714 415</u>
		Historical cost	
	Share Capital ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 January 2020	-	-	-
Issue of shares	100	-	100
Total comprehensive income for the year	-	73 365 119	73 365 119
Balance at 31 December 2020	<u>100</u>	<u>73 365 119</u>	<u>73 365 219</u>
Balance at 1 January 2021	100	73 365 119	73 365 219
Total comprehensive income for the year	-	154 252 961	154 252 961
Revaluation surplus	-	-	-
Balance at 31 December 2021	<u>100</u>	<u>227 618 080</u>	<u>227 618 180</u>

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		2021	2020	2021	2020
		ZWL	ZWL	ZWL	ZWL
Cash flows from operating activities					
loss before taxation		(1 212 635 455)	(8 599 820 793)	(760 023 443)	(710 217 689)
Adjustment for:					
Depreciation on plant and equipment	4	1 737 186 190	1 733 370 016	1 088 179 514	241 205 597
Amortisation of intangible asset	12.1	340 336	392 437	211 735	54 437
Allowance for credit loss		2 322 118 787	2 821 741 598	2 322 118 787	1 755 500 229
Loss on disposal of assets		5 522 955	-	4 253 080	-
Exchange loss/(gain)	10	221 045 543	(1 302 498 058)	176 555 964	(574 292 009)
Loss/(Profit) on disposal of property and equipment	5	7 080 518	-	4 253 081	-
Movement in provision for rehabilitation costs	21	142 729 652	301 417 929	1 005 245 514	1 037 589 239
Impairment of investment in subsidiary	9	104 743 899	-	20 295 856	-
Finance charges	10	300 081 829	472 653 002	241 831 727	231 387 501
Finance income	10	(3 915 229)	(3 052 512)	(3 419 674)	(1 504 407)
Operating cash flows before working capital changes		3 624 299 025	(4 575 796 381)	4 099 502 141	1 979 722 898
Net effect of changes in working capital	25	(2 822 162 728)	6 957 635 457	(2 665 791 404)	(1 324 428 953)
Cash flows generated from operations		802 136 297	2 381 839 076	1 433 710 737	655 293 945
Tax paid	11	(693 140 167)	-	24 103 020	-
Finance charges	10	(300 081 829)	(472 653 002)	(241 831 727)	(231 387 501)
Finance income	10	3 915 229	3 052 512	3 419 674	1 504 407
Cash flows utilised in operating activities		(187 170 470)	1 912 238 586	1 219 401 704	425 410 851
Cash flows from investing activities					
Exploration and evaluation	13	(500 333 177)	(392 316 379)	(404 024 937)	(169 264 426)
Acquisition of equipment	4	(1 528 183 780)	(1 035 199 853)	(1 185 241 398)	(168 000 614)
Net cash utilised in investing activities		(2 028 516 957)	(1 427 516 232)	(1 589 266 335)	(337 265 040)
Cash flows from financing activities					
Movement in loans payable		356 942 557	(468 128 426)	(150 287 755)	766 042 483
Net cash generated from financing activities		356 942 557	(468 128 426)	(150 287 755)	766 042 483
Net increase in cash and cash equivalents		(1 858 744 870)	16 593 928	(520 152 386)	854 188 295
Effects of inflation		732 604 590	552 384 734	-	-
Cash and cash equivalents at the beginning of the year		1 603 709 345	1 034 730 683	997 721 451	143 533 156
Cash and cash equivalents at year end	18	477 569 065	1 603 709 345	477 569 065	997 721 451
		167,686,923.00	-	167,686,923.00	-

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	INFLATION ADJUSTED		HISTORICAL COST	
		2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Cash flows from operating activities					
Profit before tax		115 444 123	187 044 845	204 905 633	97 456 322
Adjustments for:					
Depreciation on plant and equipment	9	14 167	-	14 167	-
Loss on net monetary position	5	151 615 822	-	-	-
Net cash flow before working capital changes		267 074 112	187 044 845	204 919 800	97 456 322
Net effect of changes in working capital	25	(90 185 566)	32 231 581	63 140 390	10 197 811
Cash flows generated from operations		176 888 546	219 276 426	268 060 190	107 654 133
Cash flows utilised in operating activities		176 888 546	219 276 426	268 060 190	107 654 133
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of equipment	4	(2 375 518)	-	(2 375 518)	-
Net cash utilised in investing activities		(2 375 518)	-	(2 375 518)	-
Cash flows from financing activities					
Shareholder capital contribution		-	720	-	100
Net cash generated from financing activities		-	720	-	100
Net increase/(decrease) in cash and cash equivalents		174 513 028	219 277 146	265 684 672	107 654 233
Effects of inflation		25 785 497	-	-	-
Cash and cash equivalents at the beginning of the year		173 040 380	-	107 654 233	-
Cash and cash equivalents at year end		373 338 905	173 040 380	373 338 905	107 654 233
		<u>373 338 905</u>	<u>173 040 380</u>	<u>373 338 905</u>	<u>107 654 233</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 GENERAL INFORMATION

1.1 Nature of business

Defold Mine (Private) Limited is a special purpose vehicle established by the Government of Zimbabwe under the Ministry of Mines and Mining Development. The Company, whose registration number is 6030/2015 is a limited company which was incorporated on the 21st of August 2015 and is domiciled in Zimbabwe. The company is a holding company which owns one wholly owned subsidiary, Zimbabwe Consolidated Mining Company (ZCDC) which is into diamond mining in Chiadzwa and Chimanimani areas in Manicaland Province.

1.2 Statement of compliance

Compliance with legislation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), promulgated by the International Accounting Standards Board (IASB), which include standards and interpretations approved by the IASB, as well as International Accounting Standards and IFRS Interpretations Committee (IFRIC).

The financial statements are based on statutory records that are maintained under the historical cost convention and in the manner required by the Zimbabwean Companies and Other Business Entities Act Chapter [24:31].

1.3 Functional and presentation currency

These financial statements are presented in Zimbabwe Dollar (ZWL) being the functional and reporting currency of the Group.

Transactions and balances

Transactions other than ZWL are translated into the functional currency (ZWL) using the exchange rates prevailing at the date of transactions. Monetary assets and liabilities denominated in currencies other than ZWL are re-translated at the exchange rate at the reporting date.

Foreign exchange gains or 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 statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at date when the fair value was determined.

1 GENERAL INFORMATION (continued)

1.4 Basis of preparation

The principal accounting policies adopted in the preparation of financial statements to the extent that they have not already been disclosed in the other notes above, are set out below. The policies have been consistently applied to all years presented, unless otherwise stated. The entity prepared the financial statements on the basis that it will continue to operate as a going concern.

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") applicable to companies reporting under IFRS and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

2 Changes in accounting policies and interpretations

2.1 New or revised Standard or Interpretation

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2.2 Standards issued but not yet effective

IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition.

The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments to the definition of material is not expected to have a significant impact on the Company's financial statements.



2 Changes in accounting policies and interpretations (continued)

2.3 Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

2.4 Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16 if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.

Other Standards and amendments that are not yet effective and have not been adopted early by the company include:

- References to the Conceptual Framework;
- Proceeds before Intended Use (Amendments to IAS 16);
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41);
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1); and
- Deferred Tax related to Assets and Liabilities from a Single Transaction.

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made.

3 Summary of significant policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below:

3.1 Property and equipment

Assets' useful lives and depreciation rates for property, plant and equipment

Initial recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized. Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognized at the date of revaluation.

Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. A revaluation loss is recorded in other comprehensive income and debited to the revaluation reserve in equity. A transfer from the asset revaluation reserve to retained earnings is made when the revalued assets are disposed or derecognized. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Items of property, plant and equipment are depreciated annually on a straight-line basis at such rates as are considered appropriate to reduce their book values to residual values over their estimated useful lives.

The estimated useful lives and the respective rates of depreciation currently in use are:

	Useful Life	Depreciation rate
Land	infinite	Nil
Residential buildings	50 years	2%
Commercial buildings	50 years	2%
Industrial Buildings	20 years	5%
Infrastructure (roads, slime dams)	20 years	5%
Software	10 years	10%
Furniture and fittings	10 years	10%
Plant and machinery	10 years	10%
Fencing	10 years	10%
Office and equipment	5 years	20%

3 Summary of significant policies (continued)

3.1 Property and equipment (continued)

	Useful Life	Depreciation rate
Computer Equipment	5 years	20%
Motor vehicles	5 years	20%
Earth Moving Equipment	5 years	20%
Generators	5 years	20%
Surveillance equipment	5 years	20%
Camp Equipment	5 years	20%
Electrical and mechanical equipment	5 years	20%
Air conditioning	3 years	33%
Exploration and development	tonnes ore mined	
Capital work in progress		Nil

The assets residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Impairment of assets

At each reporting date, property, plant and equipment and financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment the recoverable amount of any affected assets is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory with its selling price less costs to sell, if an item of inventory is impaired its carrying amount is reduced to selling price less costs to sell, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount (selling price less costs to sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Derecognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is de-recognized.

3 Summary of significant policies (continued)

3.2 Intangible assets

Mining Rights

Mining rights (in form of Special Grants) are initially recognised at cost or deemed cost. The rights have a finite useful life and are subsequently measured using the revaluation model. Amortisation is calculated using the straight-line method to allocate the mining rights over the lifespan of the grant.

Acquired software

Acquired software is capitalised based on the costs incurred to acquire and install the specific software. Subsequent expenditure is expensed as incurred unless where the expenditure qualifies for capitalisation. Costs associated with maintaining software, i.e., expenditure relating to patches and other updates as well as their installation, is expensed as incurred. Acquired software is amortised over its expected useful life, and this is 10 years for the company's software.

Exploration and evaluation assets

Exploration and evaluation assets are initially recognised at cost. The assets have a finite useful life. Amortisation is calculated using the units of production method.

Pre-licence costs

Pre-licence costs relate to costs incurred before the company has obtained legal rights to explore in a specific area. Such costs may include the acquisition of exploration data and the associated costs of analysing that data. These costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditure

One or more of the following facts and circumstances may indicate that the company should test exploration and evaluation assets for impairment:

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

3 Summary of significant policies (continued)

3.3 Provisions

Provisions are recognized when:

- The company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and
- A reliable estimate can be made of the obligation.

Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be remote. Provisions are measured at the present value of the expenditures to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3.4 Foreign currencies

The company's financial statements are presented in Zimbabwean Dollars, which is also the company's functional currency. Transactions in foreign currencies are initially recorded by the company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date, differences arising on settlement or translation of monetary items are recognized in profit or loss.

3.5 Current versus non-current classification

The company presents assets and liabilities in statement of financial position based on current or non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in the company's normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or:
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in the company's normal operating cycle,
- It is due to be settled within twelve months after the reporting period or:
- There is no unconditional right to defer the settlement of the liability for at least twelve months
- The company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3 Summary of significant policies (continued)

3.6 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability,
- In the absence of a principal market, in the most advantageous market for the asset or liability the principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using tire assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Directors determine the policies and procedures for recurring fair value measurement, such as revaluation of freehold land and buildings. External valuers are involved for valuation of significant assets, such as properties.

3 Summary of significant policies (continued)

3.6 Fair Value Measurement (continued)

Involvement of external valuers is decided upon annually by the Directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The company's external valuers, exercise discretion over the appropriate valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

3.7 Employee benefits

Employee benefits are made up of short term and long-term employee benefits.

Short-term employee benefits

The cost of all short-term employee benefits is recognized during the period in which the employee renders the related service. Short-term benefits are recognized on an undiscounted basis.

Long term employee Benefits

The company has long term employee benefits in the form of pensions fund contributions. The company contributes to the National Social Security Authority ("NSSA") pension scheme which is a publicly managed defined contribution plan and contributions are currently the rate of 4.5% of the pensionable income. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further amounts. Contributions in respect of defined contribution plans are recognized as an expense in the period to which they relate. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

3.8 Investments and other financial assets

Classification of financial assets

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains or losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI"). The Company reclassifies financial instruments when and only when its business model for managing those assets changes.

3 Summary of significant policies (continued)

3.8 Investments and other financial assets (continued)

Classification of financial assets (continued)

In the process of applying the company's accounting policies, management has made the following judgements, apart from those involving estimates, which have the most significant effect on the amounts recognized in the financial statements. The Directors are of the opinion that the statement of financial position represents a true and fair position of the company.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about the future developments, however, may change due to market changes or circumstances arising beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Impairment of financial instruments

The company reviews its receivables' portfolio regularly to assess the likelihood of impairment. This requires an estimation of the amounts that are irrecoverable. The company assesses its trade receivables and loans receivables for impairment at each reporting date. In determining whether an impairment loss should be recognized in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from an asset.

Mine rehabilitation provisions

The company makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities. These provisions are created based on the company's internal estimates. Assumptions based on the current economic environment are made, which management believes are a reasonable basis upon which to estimate the future liability.

Impairment of non-financial assets

The company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Group	Historical cost											Total ZWL
	Buildings ZWL	Infrastructure ZWL	Plant, machinery & earthmoving equipment ZWL	Motor vehicles ZWL	Office equipment ZWL	Camping and catering ZWL	Electrical and mechanical equipment ZWL	Security equipment ZWL	Capital work in progress ZWL			
Net carrying amount as at 1 January 2020	47 592 970	48 024 741	852 720 484	38 216 515	4 768 774	528 194	3 812 621	3 030 449	15 250 853			1 010 945 601
Additions	-	-	134 729 688	4 536 005	5 036 166	131 056	2 709 637	13 150 699	7 707 363			168 000 614
Transfer from capital work in progress	-	-	6 688 427	-	-	-	-	-	(6 688 427)			-
Revaluation	160 429 715	125 554 383	2 325 458 371	195 506 238	13 247 686	1 626 061	1 372 043	5 182 675	-			2 828 377 172
Depreciation charge for the year	(1 033 174)	(2 630 841)	(217 483 382)	(15 340 113)	(1 771 441)	(212 098)	(1 918 815)	(815 733)	-			(2 412 205 597)
Net carrying amount at 31 December 2020	206 989 511	167 948 283	3 102 113 588	222 918 645	21 281 185	2 073 213	5 975 486	20 548 090	16 269 789			3 766 117 790
Cost or valuation	208 022 685	170 579 124	3 319 596 971	238 258 758	23 052 626	2 285 311	7 894 301	21 363 825	16 269 789			4 007 323 390
Accumulated depreciation	(1 033 174)	(2 630 841)	(217 483 383)	(15 340 113)	(1 771 441)	(212 098)	(1 918 815)	(815 735)	-			(241 205 600)
Carrying amount	206 989 511	167 948 283	3 102 113 588	222 918 645	21 281 185	2 073 213	5 975 486	20 548 090	16 269 789			3 766 117 790
Net carrying amount as at 1 January 2021	206 989 511	167 948 283	3 102 113 588	222 918 645	21 281 185	2 073 213	5 975 486	20 548 090	16 269 789			3 766 117 790
Additions	3 937 939	22 270 444	673 690 463	12 737 328	24 309 321	4 333 741	10 232 426	-	433 729 736			1 185 241 398
Revaluation	45 516 027	21 245 560	118 783 686	37 355 115	6 857 050	1 588 597	5 645 106	7 653 511	-			244 644 652
Disposals	-	-	-	(4 253 081)	-	-	-	-	-			(4 253 081)
Depreciation charge for the year	(4 688 054)	(11 322 422)	(924 507 860)	(127 736 424)	(8 542 742)	(1 558 710)	(4 384 641)	(5 438 661)	-			(1 088 179 514)
Net carrying amount at 31 December 2021	251 755 423	200 141 865	2 970 079 877	141 021 583	43 904 814	6 436 841	17 468 377	22 762 940	449 999 525			4 103 571 245
Cost or valuation	256 443 477	211 464 287	3 894 587 737	267 694 737	52 447 555	7 995 551	21 853 018	28 201 601	449 999 525			5 190 687 488
Accumulated depreciation	(4 688 054)	(11 322 422)	(924 507 860)	(126 673 154)	(8 542 741)	(1 558 710)	(4 384 641)	(5 438 661)	-			(1 087 116 243)
Carrying amount	251 755 423	200 141 865	2 970 079 877	141 021 583	43 904 814	6 436 841	17 468 377	22 762 940	449 999 525			4 103 571 245

The 2021 asset revaluation was carried out by Millenium Risk Consultancy Services (Private) Limited, and the revalued amounts were as at 31 December 2021.

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Company	Historical cost									
	Buildings ZWL	Infrastructure ZWL	Plant, machinery & earthmoving equipment ZWL	Motor vehicles ZWL	Office equipment ZWL	Camping and catering ZWL	Electrical and mechanical equipment ZWL	Security equipment ZWL	Capital work in progress ZWL	Total ZWL
4 Property, plant & equipment (continued)										
Net carrying amount as at 1 January 2020	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	-	-	-	-	-	-
Net carrying amount at 31 December 2020	-	-	-	-	-	-	-	-	-	-
Cost or valuation	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-
Carrying amount	-	-	-	-	-	-	-	-	-	-
Net carrying amount as at 1 January 2021	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	850 000	1 525 518	-	-	-	2 375 518
Disposals	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	(14 167)	-	-	-	-	(14 167)
Net carrying amount at 31 December 2021	-	-	-	-	835 833	1 525 518	-	-	-	2 361 351
Cost or valuation	-	-	-	-	850 000	1 525 518	-	-	-	2 375 518
Accumulated depreciation	-	-	-	-	(14 167)	-	-	-	-	(14 167)
Carrying amount	-	-	-	-	835 833	1 525 518	-	-	-	2 361 351



NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Group	Inflation Adjusted										Total ZWL
	Buildings ZWL	Infrastructure ZWL	Plant, machinery & earthmoving equipment ZWL	Motor vehicles ZWL	Office equipment ZWL	Camping and catering ZWL	Electrical and mechanical equipment ZWL	Security equipment ZWL	Capital work in progress ZWL		
Net carrying amount as at 1 January 2020	343 097 775	324 583 408	6 147 262 921	275 502 900	32 437 340	3 807 751	29 425 945	21 846 509	724 291 010	7 902 255 559	
Additions	-	-	967 036 683	28 183 066	11 833 610	840 373	4 530 241	21 138 069	1 637 811	1 035 199 853	
Disposals	-	-	-	-	-	-	-	-	-	-	
Revaluation	(2 939 033)	(35 658 554)	(564 579 746)	164 482 201	2 137 555	196 104	(10 320 746)	(4 074 350)	-	(450 756 568)	
Depreciation charge for the year	(7 449 635)	(18 969 517)	(1 563 469 895)	(109 855 019)	(12 634 454)	(1 511 804)	(13 597 885)	(5 881 807)	-	(1 733 370 016)	
Net carrying amount at 31 December 2020	332 709 107	269 955 337	4 986 249 964	358 313 148	33 774 051	3 332 424	10 037 555	33 028 421	725 928 821	6 753 328 828	
Cost or valuation	334 369 802	274 184 077	5 335 826 625	382 970 143	36 621 415	3 673 344	13 121 804	34 339 611	725 928 821	7 141 035 912	
Accumulated depreciation	(1 660 695)	(4 228 740)	(349 576 661)	(24 657 265)	(2 847 364)	(340 920)	(3 084 249)	(1 311 190)	-	(387 707 084)	
Carrying amount	332 709 107	269 955 337	4 986 249 964	358 313 148	33 774 051	3 332 424	10 037 555	33 028 421	725 928 821	6 753 328 828	
Net carrying amount as at 1 January 2021	332 709 107	269 955 337	4 986 249 964	358 313 148	33 774 051	3 332 424	10 037 555	33 028 421	725 928 821	6 753 328 828	
Additions	4 686 681	24 570 614	835 966 072	15 613 674	29 076 610	5 761 887	11 733 373	-	600 774 869	1 528 183 780	
Disposals	-	-	-	(7 080 518)	-	-	-	-	-	(7 080 518)	
Revaluation	(78 113 135)	(76 221 135)	(1 375 610 199)	(22 201 840)	(5 585 639)	(254 546)	2 539 547	(1 523 533)	-	(1 556 970 480)	
Depreciation charge for the year	(7 527 230)	(18 162 951)	(1 476 525 950)	(203 622 881)	(13 360 208)	(2 402 924)	(6 842 098)	(8 741 948)	-	(1 737 186 190)	
Net carrying amount at 31 December 2021	251 755 423	200 141 865	2 970 079 887	141 021 583	43 904 814	6 436 841	17 468 377	22 762 940	1 326 703 690	4 980 275 420	
Cost or valuation	260 943 348	222 533 556	4 796 182 498	369 301 729	57 265 022	168 371 246	20 212 221	32 689 287	1 336 756 828	7 264 255 735	
Accumulated depreciation	(9 187 925)	(22 391 691)	(1 826 102 611)	(228 280 146)	(13 360 208)	(161 934 405)	(2 743 844)	(9 926 347)	(10 053 138)	(2 283 980 315)	
Carrying amount	251 755 423	200 141 865	2 970 079 887	141 021 583	43 904 814	6 436 841	17 468 377	22 762 940	1 326 703 690	4 980 275 420	

The 2021 asset revaluation was carried out by Millenium Risk Consultancy Services (Private) Limited, and the revalued amounts were as at 31 December 2021.

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Company	Inflation Adjusted										Total ZWL	
	Buildings ZWL	Infrastructure ZWL	Plant, machinery & earthmoving equipment ZWL	Motor vehicles ZWL	Office equipment ZWL	Camping and catering ZWL	Electrical and mechanical equipment ZWL	Security equipment ZWL	Capital work in progress ZWL			
4 Property, plant & equipment (continued)												
Net carrying amount as at 1 January 2020	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
Net carrying amount at 31 December 2020	-	-	-	-	-	-	-	-	-	-	-	-
Cost or valuation	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Carrying amount	-	-	-	-	-	-	-	-	-	-	-	-
Net carrying amount as at 1 January 2021	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	850 000	1 525 518	-	-	-	-	-	2 375 518
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	(14 167)	-	-	-	-	-	-	(14 167)
Net carrying amount at 31 December 2021	-	-	-	-	835 833	1 525 518	-	-	-	-	-	2 361 351
Cost or valuation	-	-	-	-	850 000	1 525 518	-	-	-	-	-	2 375 518
Accumulated depreciation	-	-	-	-	(14 167)	-	-	-	-	-	-	(14 167)
Carrying amount	-	-	-	-	835 833	1 525 518	-	-	-	-	-	2 361 351

**NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021**

	INFLATION ADJUSTED		HISTORICAL COST	
	2021	2020	2021	2020
	ZWL	ZWL	ZWL	ZWL
5 Revenue				
Group				
International diamond sales	11 101 355 663	4 727 971 588	8 055 011 669	2 402 788 413
Local diamond sales	-	4 262 217 766	-	1 505 047 905
	<u>11 101 355 663</u>	<u>8 990 189 354</u>	<u>8 055 011 669</u>	<u>3 907 836 318</u>
Company				
Management fees	306 759 021	187 744 757	238 123 241	97 695 909
	<u>306 759 021</u>	<u>187 744 757</u>	<u>238 123 241</u>	<u>97 695 909</u>
5.1 Disposal of fixed assets				
Proceeds from disposal of assets	-	-	-	-
Carrying amount of disposed assets	7 080 518	-	4 253 081	-
Profit/(Loss) on disposal of assets	<u>(7 080 518)</u>	<u>-</u>	<u>(4 253 081)</u>	<u>-</u>
5.2 Monetary gain/(loss)				
Company				
Invoice amount billed as per Defold ledger	306 759 021	187 744 757	238 123 241	97 695 909
Amount confirmed by ZCDC	<u>(306 759 021)</u>	<u>(187 744 757)</u>	<u>(238 123 241)</u>	<u>(97 695 909)</u>
Other	<u>(151 615 822)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gain/(loss)	<u>(151 615 822)</u>	<u>-</u>	<u>-</u>	<u>-</u>
6 Direct selling costs				
Group				
MMCZ commission	97 136 852	78 664 156	70 151 555	34 193 568
Royalties	1 110 135 618	1 034 026 944	801 732 185	409 924 226
Depletion fees	277 533 903	224 754 733	200 433 044	97 695 908
	<u>1 484 806 373</u>	<u>1 337 445 833</u>	<u>1 072 316 784</u>	<u>541 813 702</u>
7 Cost of sales				
Opening stock (finished goods and WIP)	4 677 884 092	-	2 739 204 928	-
Add cost of production	5 597 298 741	15 833 888 988	3 918 918 927	3 174 050 434
	<u>10 275 182 833</u>	<u>15 833 888 988</u>	<u>6 658 123 855</u>	<u>3 174 050 434</u>
less closing stock (finished goods and WIP)	<u>(6 758 224 964)</u>	<u>(4 677 884 092)</u>	<u>(5 807 362 331)</u>	<u>(2 739 204 928)</u>
Cost of sales	<u>3 516 957 869</u>	<u>11 156 004 896</u>	<u>850 761 524</u>	<u>434 845 506</u>
8 Other income				
Group				
Sale of scrap	818 371	288 146	674 808	78 974
Sundry income	5 635 313	3 303 463	5 086 065	920 612
Loss on disposal of fixed assets	<u>(5 522 955)</u>	<u>-</u>	<u>(4 253 080)</u>	<u>-</u>
	<u>930 729</u>	<u>3 591 609</u>	<u>1 507 793</u>	<u>999 586</u>
Company				
Sundry income	1 048 911	44 981	812 842	27 766
	<u>1 048 911</u>	<u>44 981</u>	<u>812 842</u>	<u>27 766</u>

**NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021**

	INFLATION ADJUSTED		HISTORICAL COST	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
9 Cost analysis				
9.1 Administration expenses				
Group				
Audit fees	14 063 467	11 759 950	10 738 606	5 230 677
Amortisation	340 336	392 437	211 735	54 437
Depreciation on PPE:	1 737 186 190	1 733 370 016	1 088 179 514	241 205 597
Impairment on subsidiary	104 743 899	-	20 295 856	-
Directors' emoluments	2 632 688	978 578	2 246 440	396 529
Staff costs	1 399 059 024	1 025 920 723	1 084 976 822	935 166 545
Other Admin costs	20 903 864	-	18 766 582	-
Movement in rehabilitation costs	(218 381 992)	301 417 929	1 005 245 514	1 037 589 239
Allowance for credit losses	2 322 118 787	2 821 741 598	2 322 118 787	1 755 500 229
	<u>5 382 666 263</u>	<u>5 895 581 231</u>	<u>5 552 779 856</u>	<u>3 975 143 253</u>
Company				
Staff costs (note 9.2)	1 107 308	209 738	858 095	112 000
Airtime and data bundles	580 691	-	450 000	-
Computer and Internet Expenses	2 004 933	-	1 553 700	-
Depreciation Expense	14 167	-	14 167	-
Fuel, Oils and lubricants	1 621 326	-	1 256 428	-
IMT-TAX	288 219	-	223 352	-
Maintenance of tech & office eq	792 463	-	614 110	-
Car Hire	13 965 730	-	13 389 955	-
Office Supplies	1 327 383	-	1 028 640	-
Printing and Stationery	696 025	-	539 377	-
Protective clothing & corporate	515 654	-	399 600	-
Recruitment and Selection	385 889	-	299 040	-
Registrations and licencing	154 851	-	120 000	-
Rent Expense	1 120 089	-	868 000	-
Subscriptions	36 235	-	28 080	-
Other administration expenses	-	337 363	-	115 053
Bank Charges	135 253	-	104 812	-
Directors fees	1 356 740	-	1 051 390	-
Travel and subsistence	9 543	-	7 395	-
Workshops, conferences and trainings	13 004 222	-	10 077 472	-
	<u>39 116 721</u>	<u>547 101</u>	<u>32 883 613</u>	<u>227 053</u>
9.2 Staff costs				
Group				
Salaries and wages	2 523 659 278	3 040 190 165	1 953 070 070	1 289 026 319
Allowances and benefits	744 903 381	670 054 828	578 383 202	287 231 959
Contributions to pension fund	174 490 682	23 400 556	137 290 555	17 777 837
Contributions to NSSA	54 594 218	40 961 032	43 698 229	18 319 910
	<u>3 497 647 559</u>	<u>3 774 606 581</u>	<u>2 712 442 056</u>	<u>1 612 356 025</u>

**NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021**

	INFLATION ADJUSTED		HISTORICAL COST	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
9.2 Staff costs(continued)				
Group				
Split				
Production staff costs	2 098 588 535	2 748 685 858	1 627 465 234	677 189 480
Admin staff costs	1 399 059 024	1 025 920 723	1 084 976 822	935 166 545
Company				
Salaries and wages	1 107 308	209 738	858 095	112 000
9.3 Selling and distribution expenses				
Export permits licenses	1 344 978 904	3 766 492	871 013 534	353 999
9.5 Other operating expenses				
Group				
Corporate Social Responsibility	14 490 380	9 132 224	11 336 716	2 920 769
Fines and penalties	125 080	1 922 928	94 684	309 491
Other operating expenses	3 653 964	197 792	2 831 597	40 300
Donations	-	66 418	-	41 321
Sponsorships	434 664	-	434 664	-
Public relations	1 334 381	932 800	1 305 699	374 056
Sporting and amenities	48 261 826	21 448 710	38 699 830	7 620 111
	68 300 295	33 700 872	54 703 190	11 306 048
Company				
Other operating expenses	2 152 429	197 792	1 668 000	40 300
10 Net financing costs				
Group				
Exchange (losses)/gains	(221 045 543)	1 302 498 058	(176 555 964)	574 292 009
Finance charges	(300 081 829)	(472 653 002)	(241 831 727)	(231 387 501)
Interest received	3 915 229	3 052 512	3 419 674	1 504 407
	(517 212 143)	832 897 568	(414 968 017)	344 408 915
Company				
Exchange gains	521 163	-	521 163	-

**NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021**

	INFLATION ADJUSTED		HISTORICAL COST	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
11 Taxation				
11.1 Income tax				
Group				
Current	729 655 618	721 729 028	729 655 618	301 059 599
Deferred	83 797 284	784 864 041	83 797 284	488 290 283
	<u>813 452 902</u>	<u>1 506 593 069</u>	<u>813 452 902</u>	<u>789 349 882</u>
Company				
Current tax charge	77 208 612	46 237 486	77 208 612	24 091 203
11.2 Tax reconciliation				
Group				
(Loss)/profit before tax	(1 212 635 455)	(8 599 820 793)	(760 023 443)	(710 217 689)
Notional tax based on profit for the year	(299 763 484)	(2 125 875 700)	(187 877 795)	(175 565 813)
Additional taxation resulting from:	-	-	-	-
Prior year under provision	-	-	-	-
Permanent differences	47 887 593	3 094 930 972	254 234 799	733 967 704
	<u>813 452 902</u>	<u>1 506 593 069</u>	<u>813 452 902</u>	<u>789 349 882</u>
11.2 Tax reconciliation (continued)				
Company				
Profit/(Loss) before tax	115 444 123	187 044 845	204 905 633	97 456 322
Notional tax based on profit for the year	28 537 787	46 237 486	50 652 672	24 091 203
Additional taxation resulting from:	-	-	-	-
Prior year under provision	-	-	-	-
Permanent differences	-	-	-	-
Other	-	-	-	-
	<u>28 537 787</u>	<u>46 237 486</u>	<u>50 652 672</u>	<u>24 091 203</u>
12 Intangible assets				
12.1 Analysis				
Group				
Opening balance	2 690 385	3 468 136	1 673 779	481 084
Amortisation	(340 336)	(392 437)	(211 735)	(54 437)
Revaluation	(607 047)	(385 314)	280 958	1 247 132
	<u>1 743 002</u>	<u>2 690 385</u>	<u>1 743 002</u>	<u>1 673 779</u>

**NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021**

	INFLATION ADJUSTED		HISTORICAL COST	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
13 Exploration and evaluation assets				
13.1 Analysis				
Group				
Chimanimani portals	1 108 124 687	607 791 510	591 141 410	187 116 473
13 Exploration and evaluation assets (continued)				
13 Movement				
Group				
Opening balance	607 791 510	215 475 131	187 116 473	17 852 047
Additions	500 333 177	392 316 379	404 024 937	169 264 426
Closing carrying amount	1 108 124 687	607 791 510	591 141 410	187 116 473
14 Investment in subsidiary				
Group				
In 2017, the Zimbabwe Consolidated Diamond Company (ZCDC) acquired 60% shareholding in DTZ-OZGEO (Private) Limited, following the implementation of the Government policy on consolidation of the diamond industry in Zimbabwe and consequent cancellation of Special Mining Grants 5267 and 4955 over an area situated in Chimanimani held by the DTZ-OZGEO. In 2018, the Company acquired additional 40% shareholding in DTZ OZGEO making it wholly owned subsidiary. The purpose of the transaction was for the Government of Zimbabwe and DTZOZGEO to resolve amicably the issues arising from the cancellation of the DTZ-OZGEO's Special Mining Grants. Currently, DTZ-OZGEO is not operating and has been classified as a project. The financial results of DTZ-OZGEO were not consolidated in the Group's financial statements since ZCDC could not obtain financial records and statements from original shareholders and the company auditors since there were no records from their archives. ZCDC In consultation with its auditors decided to treat the aquisition transaction as an investment and it is shown at fair value.				
Investments in subsidiary	-	104 743 899	-	20 295 856
Company				
Amount owed to subsidiaries	1 623 080	862 226	1 623 080	536 420
15 Inventories				
Group				
Work in progress	2 004 956 809	2 311 481 922	1 812 694 765	1 408 535 533
Diamonds stock	4 367 772 808	1 965 364 209	3 669 558 759	1 222 719 090
Consumables	385 495 347	401 037 961	325 108 807	107 950 305
	6 758 224 964	4 677 884 092	5 807 362 331	2 739 204 928
16 Trade and other receivables				
Group				
Prepayments	29 516 381	83 140 288	29 516 381	51 724 366
VAT refundable	407 763 588	214 581 952	407 763 588	133 498 640
MMCZ Commission receivable	-	22 895 198	-	14 243 872
Special grant	-	258 036	-	160 533
Other receivables	582 948 157	695 531	630 828 504	432 714
	1 020 228 126	321 571 005	1 068 108 473	200 060 125

**NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021**

	INFLATION ADJUSTED		HISTORICAL COST	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Company				
Trade receivables	-	-	-	-
Prepayments	560 044	-	434 000	-
Total	560 044	-	434 000	-
17 Related party balances				
17.1 Amounts owed by:				
Group				
Zimbabwe Mining Development Corporation (ZMDC)	2 119 990 260	2 565 110 100	2 119 990 260	1 595 841 154
Marange Resources (Pvt) Ltd	191 915 783	240 215 821	191 915 783	149 446 331
Diamond Mining Corporation (Private) Limited ("DMC")	10 212 744	16 415 677	10 212 744	10 212 744
	-	-	-	-
Provision for doubtful debts	(2 322 118 787)	(2 821 741 598)	(2 322 118 787)	(1 755 500 229)
	-	-	-	-
Company				
Amounts owed by:				
Zimbabwe Consolidated Diamond Company (ZCDC)	139 020 970	77 562 636	139 020 970	48 254 321
17.2 Amounts due to related parties				
Group				
Zimbabwe Mining Development Corporation ("ZMDC")	-	288 101 760	-	179 237 782
Marange Resources (Private) Limited	1 574 095	2 076 316	1 574 095	1 291 746
	-	-	-	-
Diamond Mining Corporation (Private) Limited ("DMC")	10 364 448	13 671 266	10 364 447	8 505 353
DTZ-OZGEO Scheme of arrangement	424 419 151	-	424 419 151	-
	436 357 694	303 849 342	436 357 693	189 034 881
17.2 Amounts due to related parties				
Company				
Zimbabwe Consolidated Diamond Company (ZCDC)	1 623 080	862 226	1 623 080	536 420
18 Cash and cash equivalents				
Group				
Cash on hand	1 257 782	1 075 456	1 257 782	669 077
Cash at bank	463 811 283	1 582 541 741	463 811 283	984 552 374
Treasury bills	12 500 000	20 092 148	12 500 000	12 500 000
	477 569 065	1 603 709 345	477 569 065	997 721 451

Amounts owed by and or to related parties are interest free, unsecured and have no fixed repayment terms. The related party balances are a result of transactions which were done to manage the exit of former miners, following the decision by the government to consolidate the diamond concessions in Chiyadzwa.

**NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021**

	INFLATION ADJUSTED		HISTORICAL COST	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Company				
Cash at bank	373 338 905	173 040 380	373 338 905	107 654 233
18.1 Bank overdrafts	(167 686 923)	-	(167 686 923)	-
18.2 Treasury bills				
Included in the cash and cash equivalents balances are Treasury bills with a face value of ZWL 12.5 million that have been pledged as security against some borrowings from FBC Bank Limited as disclosed in Note 21.				
19 Share capital				
19.1 Authorised share capital				
Group				
2 000 ordinary shares of ZWL 1.00 each	2 000	2 000	2 000	2 000
Company				
2 000 ordinary shares of ZWL 1.00 each	2 000	2 000	2 000	2 000
19.2 Issued share capital				
Group				
100 ordinary shares of ZWL 1.00 each	720	720	100	100
Company				
100 ordinary shares of ZWL 1.00 each	720	720	100	100
The unissued share capital is under the control of the Directors subject to the provisions of the Companies and Other Business Entities Act (Chapter 24:31).				
20 Deferred taxation				
Group				
Opening balance	1 326 269 640	1 387 471 597	1 513 523 396	325 749 985
Movement through profit or loss	83 797 284	784 864 041	83 797 284	488 290 283
Taxation on revaluation	(385 033 164)	(111 657 615)	60 545 611	699 483 128
Closing balance	1 025 033 760	2 060 678 023	1 657 866 291	1 513 523 396
20.1 Taxation payable				
Group				
Opening balance	-	-	-	-
Tax for the year	813 452 902	1 506 593 069	813 452 902	789 349 882
Payments made	-	-	-	-
Closing balance	813 452 902	690 828 187	973 852 506	429 787 420

**NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021**

	INFLATION ADJUSTED		HISTORICAL COST	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
21 Mine rehabilitation provision				
Group				
Opening carrying amount	2 059 868 827	1 758 450 898	1 281 513 587	243 924 348
Additions - ZCDC operations	142 729 652	301 417 929	559 973 248	1 037 589 239
Exchange revaluation	(361 111 644)	-	445 272 266	-
Closing carrying amount	<u>1 841 486 835</u>	<u>2 059 868 827</u>	<u>2 286 759 101</u>	<u>1 281 513 587</u>
22 Loans payable				
Group				
Reserve Bank of Zimbabwe ("RBZ") - ZWL Facilities	255 589 546	335 939 871	255 589 546	208 999 478
CBZ Bank Limited ("CBZ") - ZWL Loan	6 936 986 799	1 989 097 602	3 476 727 298	862 137 642
FBC Bank Limited ("FBC") - USD Loan	600 397 922	1 061 551 419	600 397 922	660 426 795
FBC Bank Limited ("FBC") - ZWL Loan	129 423 510	321 474 364	129 423 510	200 000 000
	<u>7 922 397 777</u>	<u>3 708 063 256</u>	<u>4 462 138 276</u>	<u>1 931 563 915</u>
Less short term portion of loans payable	<u>(7 922 397 777)</u>	<u>(1 342 353 535)</u>	<u>(4 462 138 276)</u>	<u>(835 123 223)</u>
Long term loans payable	-	<u>2 365 709 721</u>	-	<u>1 096 440 692</u>
23 Trade and other payables				
Group				
Trade payables	1 067 575 522	913 852 934	1 067 575 522	568 538 606
Payroll liabilities	514 382 168	541 043 039	514 382 168	336 601 048
Royalties payable	25 618 158	70 781 095	25 618 158	44 035 297
Depletion fees payable	119 578 658	160 523 974	119 578 658	99 867 356
MMCZ commission payable	12 592 995	-	12 592 995	-
Withholding tax	24 291 589	9 736 309	24 291 589	6 057 285
Management fees payable	142 538 352	103 158 364	142 538 352	64 178 283
	<u>1 906 577 442</u>	<u>1 799 095 715</u>	<u>1 906 577 442</u>	<u>1 119 277 875</u>
Company				
Payroll Liabilities	132 444	-	102 636	-
Trade payables	6 607 600	50 047 461	6 607 600	50 047 461
Value added tax	14 865 028	12 647 044	14 865 028	7 868 251
Depletion fees payable	187 130 091	-	187 130 090	-
	<u>208 735 163</u>	<u>62 694 505</u>	<u>208 705 354</u>	<u>57 915 712</u>



**NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021**

	INFLATION ADJUSTED		HISTORICAL COST	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
24 Other provisions				
Group				
Audit fee	3 300 000	2 600 245	3 300 000	1 617 700
Leave pay	272 896 923	290 811 479	272 896 922	180 923 589
Other	18 694 593	15 943 119	18 694 593	9 918 750
Provision for doubtful debts	-	3 674 783	-	2 286 206
	<u>294 891 516</u>	<u>313 029 626</u>	<u>294 891 515</u>	<u>194 746 245</u>
25 Net effect of changes in working capital				
Group				
Analysis				
Decrease/ (increase) in trade and other receivables	(698 657 121)	(181 345 756)	(868 048 348)	(180 608 713)
Net movement in related party balances	(132 508 352)	2 497 533 627	247 322 812	493 332 835
(Increase)/Decrease in inventories	(2 080 340 872)	6 279 748 358	(2 932 510 705)	(2 438 803 315)
Increase/(Decrease) in trade and other payables	107 481 727	(1 335 305 987)	787 299 567	692 356 111
(Decrease)/Increase in short term provisions	(18 138 110)	(302 994 785)	100 145 270	109 294 129
	<u>(2 822 162 728)</u>	<u>6 957 635 457</u>	<u>(2 665 791 404)</u>	<u>(1 324 428 953)</u>
Company				
Decrease/ (increase) in trade and other receivables	(177 772 638)	(109 794 217)	(91 200 649)	(58 452 132)
Increase in inventories	-	-	-	-
Increase in trade and other payables	267 958 204	77 562 636	154 341 038	48 254 321
	<u>90 185 566</u>	<u>(32 231 581)</u>	<u>63 140 389</u>	<u>(10 197 811)</u>
26 Financial instruments by category				
Loans and receivables				
Group				
Trade and other receivables excluding prepayments	990 711 745	238 430 717	1 038 592 092	148 335 759
Cash and cash equivalents	477 569 065	1 603 709 345	477 569 065	997 721 451
Total	<u>1 468 280 810</u>	<u>1 842 140 062</u>	<u>1 516 161 157</u>	<u>1 146 057 210</u>
Liabilities as per statement of financial position				
Group				
Trade and other payables	1 906 577 442	1 799 095 715	1 906 577 442	1 119 277 875
Borrowings	7 922 397 777	3 708 063 256	4 462 138 276	1 931 563 915
Total	<u>9 828 975 219</u>	<u>5 507 158 971</u>	<u>6 368 715 718</u>	<u>3 050 841 790</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

27 Contingent liabilities

There were no contingent liabilities as at 31 December 2021.

28 Going Concern

The financial statements have been prepared on a going concern basis which assumes that the Group will continue in existence for the 'foreseeable future.

29 Events after the reporting period

No adjusting or significant non adjusting events have occurred between the 31 December 2021 reporting date and the date of authorisation.



10.

2020 FINANCIAL STATEMENTS

AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

CONTENTS	PAGE
Company Information	125
Responsibilities of Management	126
Independent Auditor's Report	128
Statement of Inflation Adjusted Profit or Loss and Other Income	135
Statement of Inflation Adjusted Financial Position	137
Statement of Inflation Adjusted Changes in Equity	139
Statement of Inflation Adjusted Cash Flows	141
Notes to the Inflation Adjusted Financial Statements	143



**DEFOLD MINE
(PVT) Ltd**

DEFOLD MINE (PVT) LTD

**AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

COMPANY INFORMATION

NATURE OF BUSINESS

Mining investment vehicle set up to enter into viable mining joint ventures that exploit the country's natural resources

DIRECTORS

Moyo O. M.	(Board Chairman)
Ndhlovu T.	(Vice Chairman)
Manyuchi M. M. (Dr)	(Director)
Makumbe E. S.	(Director)
Tiriwokunze E.	(Director)
Dube O.	(Director)

SECRETARY

Tanyanyiwa Wilfred

REGISTERED OFFICE

7 Dan Judson Road,
Milton Park,
Harare.

AUDITORS

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Camelsa Business Park
135 Enterprise Road
Highlands
Harare

**The Inflation Adjusted Financial Statements
are presented in the Zimbabwean Dollar
(ZWL)**



RESPONSIBILITIES OF MANAGEMENT AND APPROVAL OF THE INFLATION ADJUSTED FINANCIAL STATEMENTS

To the members of Defold Mine (Private) Limited and its subsidiaries

It is the Board of Directors' responsibility to ensure that the consolidated inflation adjusted annual financial statements fairly present the state of affairs of the Group. The external auditors are responsible for independently reviewing and reporting on the consolidated inflation adjusted annual financial statements.

The Directors have assessed the ability of the Group to continue as a going concern and believe that the preparation of these consolidated inflation adjusted annual financial statements on a going concern basis is still appropriate. However, they believe that under the current economic environment a continuous assessment of the ability of the Group to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these consolidated inflation adjusted annual financial statements.

The consolidated inflation adjusted annual financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions.

IFRS Conceptual Framework requires that in applying fair presentation of consolidated inflation adjusted annual financial statements, entities should go beyond the consideration of the legal form of transactions and any other factors that could have an impact on them. IAS 21 requires an entity to apply certain parameters in determining the functional currency of an entity for use in the preparation of its consolidated inflation adjusted annual financial statements. This standard also requires an entity to make certain judgements, where applicable, regarding appropriate exchange rates between currencies where exchangeability through a legal and market exchange mechanism is not achievable.

The requirement to comply with Statutory Instrument (S.I) 33 of 2019 as enacted by the Finance Act Number 2 of 2019 created inconsistencies with IAS 21, as well as the principles embedded in the IFRS Conceptual Framework. This has resulted in the adoption of the accounting treatment in the current year's consolidated inflation adjusted annual financial statements, which deviates from that which would have been applied if the Group had been able to fully comply with IFRS.

The Directors carried out an assessment on the effect of Covid 19 on the Group's operations and income streams and came to a conclusion that the impact is not material to affect the ability of the Group to continue as a going concern for the next twelve months.

The Group's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the consolidated inflation adjusted annual financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures and all employees are required to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that came to the attention of the Directors have been addressed and the Directors confirm that the system of internal control and accounting control is operating in a satisfactory manner.

The Group's consolidated inflation adjusted annual financial statements which are set out on pages 135 to 167 were, in accordance with their responsibilities, approved by the Directors on 2024 and are signed on its behalf by:



.....
Moyo O. M.
Chairman



.....
Tanyanyiwa W
General Manager (A)

These financial statements were prepared under the supervision of:



.....
Lineker G. Mangunda
Accountant



Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DEFOLD MINE (PRIVATE) LIMITED

Qualified Opinion

We have audited the inflation adjusted Consolidated annual financial statements of Defold Mine (Private) Limited and its subsidiaries as set out on pages 135 to 162 which comprise of the inflation adjusted Group and Company statement of financial position as at 31 December 2020, and the inflation adjusted Group and Company statement of profit or loss and other comprehensive income, the inflation adjusted statement of changes in equity and the inflation adjusted Group and Company statement of cash flows for the year then ended, and the notes to the inflation adjusted Group and Company financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the consolidated annual financial statements present fairly, in all material respects, the inflation adjusted financial position of Defold Mine (Private) Limited and its subsidiaries as at 31 December 2020, and its inflation adjusted financial performance and its inflation adjusted cashflows for the year then ended, in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

Non-compliance with International Financial Reporting Standard (IFRS) 10 – Consolidated Financial Statements

The Group financial statements include the financial position, financial results and cashflows of Zimbabwe Consolidated Diamond Company (Private) Limited (ZCDC), a subsidiary of Defold Mine (Private) Limited. As explained in **note 14**, the Group financial statements of Defold Mine (Private) Limited has not consolidated the financial statements of DTZ – OZGEO (Private) Limited, a subsidiary of Zimbabwe Consolidated Diamond Company (Private) Limited (ZCDC). Consequently, the investment in subsidiaries has not been eliminated in the Group's financial statements.

The financial statements of DTZ – OZGEO (Private) Limited should have been consolidated in the financial statements of Defold Mine (Private) Limited in accordance with IFRS 10. Had DTZ – OZGEO (Private) Limited been consolidated, some elements in the accompanying Group financial statements would have been materially affected and therefore the departure from the requirements of IFRS 10 are considered material but not pervasive. Accordingly, we were unable to determine the effect this might have on the Group financial statements of Defold Mine (Private) Limited for the year ended 31 December 2020.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our responsibility in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group’s financial statements of the current year. These matters were addressed in the context of our audit of the Group’s financial statements as a whole, and in forming the opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters noted below relate to the Group’s financial statements:

Areas of focus	How our audit addressed the key audit matter
<p>Existence and valuation of inventories</p> <p>Inventories were considered to be a key audit matter because:</p> <ul style="list-style-type: none"> • The Group’s inventories comprise 	<p>Our audit approach was focused on verifying the existence, condition, and the valuation of inventories. In addressing these assertions, we</p>



mostly of consumables, work in progress (ore and rough diamonds) and finished goods. In addition, the inventories are stored at various locations.

- Inventories are a significant component of the Group's operations; and
- The inherent fraud risk associated with small high value items (diamonds).

performed the following procedures, amongst others:

- We attended and observed the Group's year- end stock counts. We also conducted our own test counts and inspected the physical condition of the inventories;
- We considered the control environment over the procurement, custody, costing and valuation of inventories
- We re-performed the costing of inventories on a test basis;
- We performed cut off tests for inventories' receipts and dispatches;
- We assessed the procedures for identifying and writing off and/or providing for damaged and obsolete stocks and the adequacy of stock provisions and stock write offs done during the year;
- We performed analytical reviews of year end inventories based on production, purchases, cost of sales for reasonability;
- We verified the accuracy of inventories' valuation reports prepared by management as at 31 December 2020; and
- We verified the disclosures relating to inventories.

We were satisfied with the results of our audit procedures.



Valuation, existence and rights to property, plant and equipment (“PPE”)

We considered PPE to be a key audit matter because for the following reasons:

- The Group’s PPE represent a significant portion of the Group’s statement of financial position, as they make up 47.60% of total assets; and
- The Group has significant plant and equipment which are prone to impairment as the Group’s operations are capital intensive.

Our audit procedures included the following procedures, amongst others:

- We vouched additions to supporting documents on a test basis;
- We reviewed and considered the appropriateness of the Group’s accounting policies with regards to depreciation rates and residual values;
- We recalculated the depreciation charge for the year on a test basis;
- We physically verified the assets. We selected our samples from the floor to the asset register and vice versa; and
- We critically examined and challenged management’s impairment assessment as at 31 December 2020.

We were satisfied with the results of our audit procedures.

Valuation and completeness of mine rehabilitation provision

Mine rehabilitation provision was considered to be a KAM because:

- There is an obligation on the Group imposed by local legislation to restore/rehabilitate the environmental damage caused by mining activities upon the closure of the mine. The determination of this provision involves

We obtained the mine rehabilitation provision report that was prepared by an expert appointed by the Group. We reviewed the reasonability of the assumptions and computations made based on our knowledge of the business, audit procedures performed in other sections as well as supporting documentation provided.

<p>significant estimation and judgement, including the determination of the following assumptions amongst others:</p> <ul style="list-style-type: none"> ➤ Rehabilitation activities; ➤ Inflation rates; ➤ Discount rates; and ➤ Life of mine projections. <ul style="list-style-type: none"> • The degree of estimation involved creates room for possible errors and/or financial statement fraud. 	<p>We were satisfied with the results of our audit.</p>
---	---

Responsibilities of management and those charged with governance for the inflation adjusted financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal controls as management determines 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, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the inflation adjusted financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated inflation adjusted annual 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 will always detect a material misstatement when it exists. Misstatements



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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated inflation adjusted annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated inflation adjusted annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated inflation adjusted annual financial statements, including the disclosures, and whether the consolidated inflation adjusted annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated inflation adjusted annual financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the inflation adjusted financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the consolidated inflation adjusted annual financial statements have been properly prepared, in all material respects in accordance with the requirements of the Companies and Other Businesses Act [Chapter 24:31].

The engagement partner on the audit resulting in this independent auditor's report is Alice Mafanuke.

Alice Mafanuke
Partner
Registered Public Auditor (PAAB No: 0465)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

.....2024

HARARE

**GROUP STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE YEAR ENDED 31 DECEMBER 2020**

		Inflation Adjusted	Historical cost
		2020	2020
	Note	ZWL	ZWL
Revenue	5	5 593 098 773	3 907 836 318
Direct selling costs	6	(832 069 977)	(541 813 702)
Cost of sales	7	(6 940 525 370)	(434 845 506)
Gross profit		(2 179 496 574)	2 931 177 110
Other income	8	2 234 460	999 586
Administrative expenses	9	(3 977 585 978)	(3 138 343 948)
Selling and distribution expenses	9	(2 343 261)	(353 999)
Other operating expenses	9	(20 966 444)	(11 306 048)
Operating loss		(6 178 157 797)	(217 827 299)
Financing income	10	518 173 553	344 408 915
Monetary gain		1 601 949 019	-
(Loss)/profit before taxation		(4 058 035 225)	126 581 616
Taxation	11	(922 314 207)	(765 258 679)
Loss for the year		(4 980 349 432)	(638 677 063)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Revaluation (loss)/gain	4	(280 670 518)	2 829 624 306
Taxation		69 465 953	(699 483 128)
		(211 204 565)	2 130 141 178
Total comprehensive (loss)/income for the year		(5 191 553 997)	1 491 464 115



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 DECEMBER 2020

		Inflation Adjusted	Historical cost
		2020	2020
	Note	ZWL	ZWL
Revenue	5	139 827 470	97 695 909
Other income	8	65 496	27 766
Administrative expenses	9	(340 370)	(227 053)
Other operating expenses	9	(123 053)	(40 300)
Operating profit		139 429 543	97 456 322
Monetary loss		(41 973 569)	-
Profit before taxation		97 455 974	97 456 322
Taxation	11	(24 091 203)	(24 091 203)
Profit for the year		73 364 771	73 365 119
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Revaluation (loss)/gain		-	-
Taxation		-	-
Total comprehensive (loss)/income for the year		73 364 771	73 365 119

GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	Inflation adjusted	Historical cost
		2020 ZWL	2020 ZWL
ASSETS			
Non-current assets			
Property and equipment	4	4 201 472 705	3 766 117 791
Intangible assets	12	1 673 779	1 673 779
Exploration and evaluation assets	13	378 127 514	187 116 473
Investment in subsidiary companies		65 164 698	20 295 856
		4 646 438 696	3 975 203 899
Current assets			
Inventories	15	2 910 268 821	2 739 204 928
Trade and other receivables	16	200 060 125	200 060 125
Cash and cash equivalents	18	997 721 451	997 721 451
		4 108 050 397	3 936 986 504
Total assets		8 754 489 093	7 912 190 403
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	19	448	100
Shareholders' contribution		3 167 373 587	80 000 000
Revaluation reserve		1 389 197 553	2 825 943 999
Accumulated loss		(1 367 885 792)	(791 063 374)
		3 188 685 796	2 114 880 725
Non-current liabilities			
Mine rehabilitation provision	21	1 281 513 587	1 281 513 587
Long term loans	22	234 303 050	234 303 050
Deferred tax	20	1 282 017 015	1 513 523 396
Total non-current liabilities		2 797 833 652	3 029 340 033
Current liabilities			
Short term loans	22	835 123 223	835 123 223
Trade and other payables	23	1 119 277 875	1 119 277 875
Amounts due to related parties	17	189 034 882	189 034 882
Other provisions	24	194 746 245	194 746 245
Taxation		429 787 420	429 787 420
		2 767 969 645	2 767 969 645
Total equity and liabilities		8 754 489 093	7 912 190 403
 Moyo O. M. Chairman		Ndhlovu T. Vice Chairman	

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

		Inflation adjusted	Historical cost
	Note	2020 ZWL	2020 ZWL
ASSETS			
Current assets			
Amounts owed by related parties	17	48 254 321	48 254 321
Cash and cash equivalents	18	107 654 233	107 654 233
Total assets		155 908 554	155 908 554
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	19	448	100
Accumulated Profit (losses)		73 364 771	73 365 119
		73 365 219	73 365 219
Current liabilities			
Trade and other payables	23	57 915 712	57 915 712
Amounts due to group companies	14	536 420	536 420
Taxation	11	24 091 203	24 091 203
		82 543 335	82 543 335
Total equity and liabilities		155 908 554	155 908 554
 Moyo O. M. Chairman	 Ndhlovu T. Vice Chairman	

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Inflation adjusted				Total ZWL
	Share Capital ZWL	Non Distributable reserve ZWL	Revaluation reserve ZWL	Retained earnings ZWL	
Balance as at 1 January 2020	-	3 167 373 587	1 600 402 118	3 612 463 640	8 380 239 345
Issue of shares	448	-	-	-	448
Total comprehensive income for the year	-	-	(211 204 565)	(4 980 349 432)	(5 191 553 997)
Balance as at 31 December 2020	448	3 167 373 587	1 389 197 553	(1 367 885 792)	3 188 685 796
	Historical cost				
	Share Capital ZWL	Non Distributable reserve ZWL	Revaluation reserve ZWL	Retained earnings ZWL	Total ZWL
Balance as at 1 January 2020	-	80 000 000	695 802 821	(152 386 311)	623 416 510
Issue of shares	100	-	-	-	100
Total comprehensive income for the year	-	-	2 130 141 178	(638 677 063)	1 491 464 115
Balance as at 31 December 2020	100	80 000 000	2 825 943 999	(791 063 374)	2 114 880 725



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Inflation adjusted				Total ZWL
	Share Capital ZWL	Non Distributable reserve ZWL	Revaluation reserve ZWL	Retained earnings ZWL	
Balance at 1 January 2020	-	-	-	-	-
Issue of shares	448	-	-	-	448
Comprehensive income for the year	-	-	-	73 364 771	73 364 771
Balance at 31 December 2020	448	-	-	73 364 771	73 365 219
	Historical cost				Total ZWL
	Share Capital ZWL	Non Distributable reserve ZWL	Revaluation reserve ZWL	Retained earnings ZWL	
Balance at 1 January 2020	-	-	-	-	-
Issue of shares	100	-	-	-	100
Comprehensive income for the year	-	-	-	73 365 119	73 365 119
Balance at 31 December 2020	100	-	-	73 365 119	73 365 219

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Inflation adjusted	Historical cost
		2020 ZWL	2020 ZWL
Cash flows from operating activities			
Operating loss		(6 178 157 797)	(217 827 299)
Adjustment for:			
Depreciation on plant and equipment	3	1 078 387 710	241 205 597
Amortisation of intangible asset	12	244 148	54 437
Movement in provision for rehabilitation costs	21	187 522 218	1 037 589 239
Impairment of investment in subsidiary		736 745 748	-
Operating cash flows before working capital changes		(4 175 257 973)	1 061 021 974
Net effect of changes in working capital	25	4 134 747 853	(980 020 038)
Cash flows generated from operations		(40 510 120)	81 001 936
Movement in tax payable		(546 287 500)	-
Finance income		518 173 553	344 408 915
Cash flows utilised in operating activities		(68 624 067)	425 410 851
Cash flows from investing activities			
Exploration and evaluation		(244 073 197)	(169 264 426)
Acquisition of equipment		(644 032 600)	(168 000 614)
Net cash utilised in investing activities		(888 105 797)	(337 265 040)
Cash flows from financing activities			
Movement in loans payable		(291 238 418)	766 042 483
Net cash generated from financing activities		(291 238 418)	766 042 483
Net increase in cash and cash equivalents		(1 247 968 282)	854 188 295
Effects of inflation		1 601 949 019	-
Cash and cash equivalents at the beginning of the year		643 740 714	143 533 156
Cash and cash equivalents at year end	18	997 721 451	997 721 451

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

		Inflation adjusted	Historical cost
		2020	2019
		ZWL	ZWL
Cash flows from operating activities	Note		
Profit before tax		97 455 974	97 456 322
Net cash flow before working capital changes		97 455 974	97 456 322
Net effect of changes in working capital	25	10 197 811	10 197 811
Cash flows generated from operations		107 653 785	107 654 133
Cash flows from financing activities			
Shareholder capital contribution		448	100
Net cash generated from financing activities		448	100
Net increase/(decrease) in cash and cash equivalents		107 654 233	107 654 233
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at year end		107 654 233	107 654 233

NOTES TO THE INFLATION ADJUSTED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

1.1 Nature of business

Defold Mine (Private) Limited is a special purpose vehicle established by the Government of Zimbabwe under the Ministry of Mines and Mining Development. The Company, whose registration number is 6030/2015 is a limited company which was incorporated on the 21st of August 2015 and is domiciled in Zimbabwe. The company is a holding company which owns one wholly owned subsidiary, Zimbabwe Consolidated Mining Company (ZCDC) which is into diamond mining in Chiadzwa and Chimanimani areas in Manicaland Province.

1.2 Statement of compliance

Compliance with legislation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), promulgated by the International Accounting Standards Board (IASB), which include standards and interpretations approved by the IASB, as well as International Accounting Standards and IFRS Interpretations Committee (IFRIC).

The financial statements are based on statutory records that are maintained under the historical cost convention and in the manner required by the Zimbabwean Companies and Other Business Entities Act Chapter [24:31].

1.3 Functional and presentation currency

These financial statements are presented in Zimbabwe Dollar being the functional and reporting currency of the company.

Transactions and balances

Transactions other than ZWL are translated into the functional currency (ZWL) using the exchange rates prevailing at the date of transactions. USD transactions are translated to ZWL using the prevailing interbank exchange rate. Monetary assets and liabilities denominated in currencies other than ZWL are re-translated at the exchange rate at the reporting date.

Foreign exchange gains or 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 statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at date when the fair value was determined.



1.4 Basis of preparation

The principal accounting policies adopted in the preparation of financial statements to the extent that they have not already been disclosed in the other notes above, are set out below. The policies have been consistently applied to all years presented, unless otherwise stated. The entity prepared the financial statements on the basis that it will continue to operate as a going concern.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") applicable to companies reporting under IFRS and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

The Company has adopted the Zimbabwe (ZWL) as the functional and presentation currency.

2 Changes in accounting policies and interpretations

2.1 New or revised Standard or Interpretation

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the financial statements of the company. The company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2.2 Standards issued but not yet effective

IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition.

The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments to the definition of material is not expected to have a significant impact on the Company's financial statements.

2.3 Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.



2 Changes in accounting policies and interpretations (continued)

2.4 Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16 if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.

Other Standards and amendments that are not yet effective and have not been adopted early by the company include:

- IFRS 17 Insurance Contracts;
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4);
- References to the Conceptual Framework;
- Proceeds before Intended Use (Amendments to IAS 16);
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41);
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1); and
- Deferred Tax related to Assets and Liabilities from a Single Transaction.

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made.

3 Summary of significant policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below:

3.1 Property and equipment

Assets' useful lives and depreciation rates for property, plant and equipment

Initial Recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized. Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognized at the date of revaluation.

3 Summary of significant policies (continued)

3.1 Property and equipment (continued)

Initial Recognition (continued)

Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. A revaluation loss is recorded in other comprehensive income and debited to the revaluation reserve in equity. A transfer from the asset revaluation reserve to retained earnings is made when the revalued assets are disposed or derecognized. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Items of property, plant and equipment are depreciated annually on a straight-line basis at such rates as are considered appropriate to reduce their book values to residual values over their estimated useful lives.

The estimated useful lives and the respective rates of depreciation currently in use are:

	Useful Life	Depreciation rate
Land	infinite	Nil
Residential buildings	50 years	2%
Commercial buildings	50 years	2%
Industrial Buildings	20 years	5%
Infrastructure (roads, slime dams)	20 years	5%
Software	10 years	10%
Furniture and fittings	10 years	10%
Plant and machinery	10 years	10%
Fencing	10 years	10%
Office and equipment	5 years	20%
Computer Equipment	5 years	20%
Motor vehicles	5 years	20%
Earth Moving Equipment	5 years	20%
Generators	5 years	20%
Surveillance equipment	5 years	20%
Camp Equipment	5 years	20%
Electrical and mechanical equipment	5 years	20%
Air conditioning	3 years	33%
Exploration and development	tonnes ore mined	
Capital work in progress		Nil

The assets residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

3 Summary of significant policies (continued)

3.1 Property and equipment (continued)

Impairment of assets

At each reporting date, property, plant and equipment and financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment the recoverable amount of any affected assets is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory with its selling price less costs to sell, if an item of inventory is impaired its carrying amount is reduced to selling price less costs to sell, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount (selling price less costs to sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Derecognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is de-recognized.

3.2 Intangible assets

Mining Rights

Mining rights (in form of Special Grants) are initially recognised at cost or deemed cost. The rights have a finite useful life and are subsequently measured using the revaluation model. Amortisation is calculated using the straight-line method to allocate the mining rights over the lifespan of the grant.

Acquired software

Acquired software is capitalised based on the costs incurred to acquire and install the specific software. Subsequent expenditure is expensed as incurred unless where the expenditure qualifies for capitalisation. Costs associated with maintaining software, i.e., expenditure relating to patches and other updates as well as their installation, is expensed as incurred. Acquired software is amortised over its expected useful life, and this is 10 years for the company's software.

3 Summary of significant policies (continued)

3.2 Intangible assets (continued)

Exploration and evaluation assets

Exploration and evaluation assets are initially recognised at cost. The assets have a finite useful life. Amortisation is calculated using the units of production method.

Pre-licence costs

Pre-licence costs relate to costs incurred before the company has obtained legal rights to explore in a specific area. Such costs may include the acquisition of exploration data and the associated costs of analysing that data. These costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditure

One or more of the following facts and circumstances may indicate that the company should test exploration and evaluation assets for impairment:

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

3.3 Provisions

Provisions are recognized when:

- The company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and
- A reliable estimate can be made of the obligation.

Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be remote. Provisions are measured at the present value of the expenditures to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense

3 Summary of significant policies (continued)

3.4 Foreign currencies

The company's financial statements are presented in Zimbabwean Dollars, which is also the company's functional currency. Transactions in foreign currencies are initially recorded by the company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date, differences arising on settlement or translation of monetary items are recognized in profit or loss.

3.5 Current versus non-current classification

The company presents assets and liabilities in statement of financial position based on current or non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in the company's normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or:
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in the company's normal operating cycle,
- It is due to be settled within twelve months after the reporting period or:
- There is no unconditional right to defer the settlement of the liability for at least twelve
- The company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.6 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability,
- In the absence of a principal market, in the most advantageous market for the asset or liability the principal or the most advantageous market must be accessible by the

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



3 Summary of significant policies (continued)

3.6 Fair Value Measurement (continued)

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Directors determine the policies and procedures for recurring fair value measurement, such as revaluation of freehold land and buildings. External valuers are involved for valuation of significant assets, such as properties.

Involvement of external valuers is decided upon annually by the Directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The company's external valuers, exercise discretion over the appropriate valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

3.7 Employee benefits

Employee benefits are made up of short term and long-term employee benefits.

Short-term employee benefits

The cost of all short-term employee benefits is recognized during the period in which the employee renders the related service. Short-term benefits are recognized on an undiscounted basis.

3 Summary of significant policies (continued)

3.7 Employee benefits (continued)

Long term employee Benefits

The company has long term employee benefits in the form of pensions fund contributions. The company contributes to the National Social Security Authority (“NSSA”) pension scheme which is a publicly managed defined contribution plan and contributions are currently the rate of 4.5% of the pensionable income. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further amounts. Contributions in respect of defined contribution plans are recognized as an expense in the period to which they relate. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

3.8 Investments and other financial assets

Classification of financial assets

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains or losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (“FVOCI”). The Company reclassifies financial instruments when and only when its business model for managing those assets changes.

In the process of applying the company's accounting policies, management has made the following judgements, apart from those involving estimates, which have the most significant effect on the amounts recognized in the financial statements. The Directors are of the opinion that the statement of financial position represents a true and fair position of the company.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about the future developments, however, may change due to market changes or circumstances arising beyond the control of the company. Such changes are reflected in the assumptions when they occur.

3 Summary of significant policies (continued)

3.8 Investments and other financial assets (continued)

Impairment of financial instruments

The company reviews its receivables' portfolio regularly to assess the likelihood of impairment. This requires an estimation of the amounts that are irrecoverable. The company assesses its trade receivables and loans receivables for impairment at each reporting date. In determining whether an impairment loss should be recognized in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from an asset.

Mine rehabilitation provisions

The company makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities. These provisions are created based on the company's internal estimates. Assumptions based on the current economic environment are made, which management believes are a reasonable basis upon which to estimate the future liability.

Impairment of non-financial assets

The company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Valuation of inventory

The company used the weighted average cost method to value their inventory and management judgement will have to be exercised in estimating the recoverability of the inventory values.

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4 Property, plant & equipment	Inflation adjusted										Total ZWL	
	Buildings ZWL	Infrastructure ZWL	Plant, machinery & earthmoving equipment ZWL	Motor vehicles ZWL	Office equipment ZWL	Camping and catering and catering ZWL	Electrical and mechanical equipment ZWL	Security equipment ZWL	Capital work in progress ZWL			
Net carrying amount as at 1 January 2020	-	-	-	-	-	-	-	-	-	-	-	-
Additions	213 452 650	201 934 241	4 426 044 749	188 933 240	27 542 445	2 891 754	21 125 284	26 742 150	451 624 703	-	5 560 291 216	
Revaluation	(1 828 471)	(22 184 384)	(351 244 023)	102 329 902	1 329 845	122 003	(6 420 883)	(2 534 790)	-	-	(280 430 801)	
Depreciation charge for the year	(4 634 668)	(11 801 574)	(972 687 138)	(68 344 497)	(7 860 318)	(940 544)	(8 459 701)	(3 659 270)	-	-	(1078 387 710)	
Net carrying amount at 31 December 2020	206 989 511	167 948 283	3 102 113 588	222 918 645	21 011 972	2 073 213	6 244 700	20 548 090	451 624 703	451 624 703	4 201 472 705	
Cost or valuation	213 659 894	185 631 799	4 540 439 137	326 711 100	34 599 958	4 627 639	19 895 363	28 134 675	451 624 703	451 624 703	5 805 324 268	
Accumulated depreciation	(6 670 383)	(17 683 516)	(1438 325 549)	(103 792 455)	(13 587 986)	(2 554 426)	(13 650 663)	(7 586 585)	-	-	(1603 851 563)	
Carrying amount	206 989 511	167 948 283	3 102 113 588	222 918 645	21 011 972	2 073 213	6 244 700	20 548 090	451 624 703	451 624 703	4 201 472 705	

The 2020 asset revaluation was carried out by Millenium Risk Consultancy Services (Private) Limited, and the revalued amounts were as at 31 December 2020.



NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Historical cost										Total ZWL	
	Buildings ZWL	Infrastructure ZWL	Plant, machinery & earthmoving equipment ZWL	Motor vehicles ZWL	Office equipment ZWL	Camping and catering and catering ZWL	Electrical and mechanical equipment ZWL	Security equipment ZWL	Capital work in progress ZWL			
4 Property, plant & equipment (continued)												
Net carrying amount as at 1 January 2020	-	-	-	-	-	-	-	-	-	-	-	-
Additions	47 592 970	45 024 741	987 450 172	42 752 520	9 535 726	659 250	6 791 471	16 181 148	22 958 216	1 178 946 214		
Revaluation	160 429 715	125 554 383	2 325 458 371	195 506 238	13 247 687	1 626 061	1 372 044	5 182 675	-	2 828 377 174		
Depreciation charge for the year	(1 033 174)	(2 630 841)	(217 483 382)	(15 340 113)	(1 771 441)	(212 098)	(1 918 816)	(815 733)	-	(241 205 597)		
Net carrying amount at 31 December 2020	206 989 511	167 948 283	3 095 425 161	222 918 645	21 011 972	2 073 213	6 244 700	20 548 090	22 958 216	3 766 117 791		
Cost or valuation	208 074 969	170 748 264	3 325 132 624	239 156 547	22 938 336	2 329 576	8 305 143	21 463 347	22 958 216	4 021 107 022		
Accumulated depreciation	(1 085 458)	(2 799 981)	(229 707 463)	(16 237 902)	(1 926 364)	(256 363)	(2 060 443)	(915 257)	-	(254 989 231)		
Carrying amount	206 989 511	167 948 283	3 095 425 161	222 918 645	21 011 972	2 073 213	6 244 700	20 548 090	22 958 216	3 766 117 791		

The 2020 asset revaluation was carried out by Millenium Risk Consultancy Services (Private) Limited, and the revalued amounts were as at 31 December 2020.



**NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020**

	Inflation adjusted	Historical cost
	2020	2020
	ZWL	ZWL
5 Revenue		
Group		
International diamond sales	2 941 429 935	2 402 788 413
Local diamond sales	2 651 668 838	1 505 047 905
	5 593 098 773	3 907 836 318
Company		
Management fees	139 827 470	97 695 909
6 Direct selling costs		
Group		
MMCZ commission	48 939 614	34 193 568
Royalties	643 302 894	409 924 226
Depletion fees	139 827 469	97 695 908
	832 069 977	541 813 702
7 Cost of sales		
Opening stock (finished goods and WIP)	6 281 263 239	609 880 277
Add cost of production	3 320 031 766	2 456 219 852
	9 601 295 005	3 066 100 129
less closing stock (finished goods and WIP)	(2 660 769 635)	(2 631 254 623)
	6 940 525 370	434 845 506
8 Other income		
Group		
Sale of scrap	179 265	78 974
Sundry income	2 055 195	920 612
	2 234 460	999 586
Company		
Sundry income	65 496	27 766
9 Cost analysis		
9.1 Administration expenses		
Group		
Audit fees	5 310 661	5 230 677
Amortisation	244 148	54 437
Depreciation on property, plant and equipment:	1 078 387 710	241 205 597
Directors' emoluments	608 806	396 529
Staff costs (note 9.2)	1 613 009 541	1 612 356 025
Other expenses	1 280 025 112	1 279 100 683
	3 977 585 978	3 138 343 948



**NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020**

	Inflation adjusted	Historical cost
	2020	2020
	ZWL	ZWL
9 Cost analysis (continued)		
Company		
Staff costs (note 9.2)	130 485	112 000
Other administration expenses	209 885	115 053
	<u>340 370</u>	<u>227 053</u>
9.2 Staff costs		
Group		
Salaries and wages	1 289 304 420	1 289 026 319
Allowances and benefits	287 263 615	287 231 959
Contributions to pension fund	17 958 272	17 777 837
Contributions to National Social Security Authority	18 483 234	18 319 910
	<u>1 613 009 541</u>	<u>1 612 356 025</u>
Company		
Allowances and benefits	130 485	112 000
9.3 Allowance for credit losses		
Group		
Amounts owed by related parties (note 17.1)	(1 755 500 229)	(1 755 500 229)
9.4 Selling and distribution expenses		
Export permits licenses	2 343 261	353 999
9.5 Other operating expenses		
Group		
Corporate Social Responsibility	5 681 463	2 920 769
Fines and penalties	1 196 318	309 491
Other operating expenses	123 053	40 300
Donations	41 321	41 321
Public relations	580 326	374 056
Sporting and amenities	13 343 963	7 620 111
	<u>20 966 444</u>	<u>11 306 048</u>
Company		
Other operating expenses	123 053	40 300
10 Net financing costs		
Group		
Exchange gains/(losses)	810 327 792	574 292 009
Finance charges	(294 053 309)	(231 387 501)
Interest received	1 899 070	1 504 407
	<u>518 173 553</u>	<u>344 408 915</u>



**NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020**

	Inflation adjusted	Historical cost
	2020	2020
	ZWL	ZWL
11 Taxation		
11.1 Income tax		
Group		
Current	434 023 924	276 968 396
Deferred	488 290 283	488 290 283
	<u>922 314 207</u>	<u>765 258 679</u>
Company		
Current	<u>24 091 203</u>	<u>24 091 203</u>
11.2 Tax reconciliation		
Group		
Profit/(Loss) before tax	(4 058 035 225)	126 581 616
Notional tax based on profit for the year	(1 003 146 308)	31 290 975
Additional taxation resulting from:		
Permanent differences	1 925 460 515	733 967 704
	<u>922 314 207</u>	<u>765 258 679</u>
Company		
Profit/(Loss) before tax	139 429 542	97 456 322
Notional tax based on profit for the year	34 466 983	24 091 203
Additional taxation resulting from:		
Permanent differences	(10 375 780)	-
	<u>24 091 203</u>	<u>24 091 203</u>
12 Intangible assets		
12.1 Analysis		
Group		
Additions	2 157 644	481 084
Amortisation	(244 148)	(54 437)
Revaluation	(239 717)	1 247 132
Closing carrying amount	<u>1 673 779</u>	<u>1 673 779</u>
13 Exploration and evaluation assets		
13.1 Analysis		
Group		
Marange portals	<u>378 127 514</u>	<u>187 116 473</u>



**NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020**

	Inflation adjusted	Historical cost
	2020	2020
	ZWL	ZWL
17 Related party balances		
17.1 Amounts owed by:		
Group		
Zimbabwe Mining Development Corporation (ZMDC)	1 595 841 154	1 595 841 154
Marange Resources (Pvt) Ltd	149 446 331	149 446 331
Diamond Mining Corporation (Private) Limited ("DMC")	10 212 744	10 212 744
Provision for doubtful debts	(1 755 500 229)	(1 755 500 229)
	<u>-</u>	<u>-</u>
Company		
Amounts owed by:		
Zimbabwe Consolidated Diamond Company (ZCDC)	48 254 321	48 254 321
	<u>48 254 321</u>	<u>48 254 321</u>
Amounts due to related parties		
Group		
Zimbabwe Mining Development Corporation ("ZMDC")	179 237 782	179 237 782
Marange Resources (Private) Limited	1 291 746	1 291 746
Diamond Mining Corporation (Private) Limited ("DMC")	8 505 354	8 505 354
	<u>189 034 882</u>	<u>189 034 882</u>
Company		
Amounts due to related parties		
Zimbabwe Consolidated Diamond Company (ZCDC)	536 420	536 420
	<u>536 420</u>	<u>536 420</u>
18 Cash and cash equivalents		
Group		
Cash on hand	669 077	669 077
Cash at bank	984 552 374	984 552 374
Treasury bills	12 500 000	12 500 000
	<u>997 721 451</u>	<u>997 721 451</u>
Company		
Cash at bank	107 654 233	107 654 233
	<u>107 654 233</u>	<u>107 654 233</u>



**NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020**

	Inflation adjusted	Historical cost
	2020	2020
	ZWL	ZWL
19 Share capital		
19.1 Authorised share capital		
Group		
2 000 ordinary shares of \$1.00 each	2 000	2 000
Company		
2 000 ordinary shares of \$1.00 each	2 000	2 000
19.2 Issued share capital		
Group		
100 ordinary shares of \$1.00 each	448	100
Company		
100 ordinary shares of \$1.00 each	448	100
20 Deferred taxation		
Group		
Movement for the year	1 351 482 968	814 040 268
Taxation on revaluation	(69 465 953)	699 483 128
Closing balance	1 282 017 015	1 513 523 396
21 Mine rehabilitation provision		
Group		
Opening carrying amount	1 093 991 369	243 924 348
Additions - ZCDC operations	187 522 218	1 037 589 239
Closing carrying amount	1 281 513 587	1 281 513 587
22 Loans payable		
Group		
Reserve Bank of Zimbabwe ("RBZ") - ZWL Facilities	208 999 478	208 999 478
FBC Bank Limited ("FBC") - USD Loan	660 426 795	660 426 795
FBC Bank Limited ("FBC") - ZWL Loan	200 000 000	200 000 000
	1 069 426 273	1 069 426 273
Less short term portion of loans payable	(835 123 223)	(835 123 223)
Long term loans payable	234 303 050	234 303 050



**NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020**

	Inflation adjusted	Historical cost
	2020	2020
	ZWL	ZWL
23 Trade and other payables		
Group		
Trade receivables	568 538 606	568 538 606
Payroll liabilities	336 601 048	336 601 048
Royalties payable	44 035 297	44 035 297
Depletion fees payable	99 867 356	99 867 356
Withholding tax	6 057 285	6 057 285
Management fees payable	64 178 283	64 178 283
	<u>1 119 277 875</u>	<u>1 119 277 875</u>
Company		
Value added tax	7 868 151	7 868 151
Depletion fees payable	50 047 561	50 047 561
	<u>57 915 712</u>	<u>57 915 712</u>
24 Other provisions		
Group		
Audit fee	1 617 700	1 617 700
Leave pay	180 923 589	180 923 589
Other	9 918 750	9 918 750
Provision for doubtful debts	2 286 206	2 286 206
	<u>194 746 245</u>	<u>194 746 245</u>
25 Net effect of changes in working capital		
Group		
Analysis		
Decrease/ (increase) in trade and other receivables	(112 821 286)	(180 608 713)
Net movement in related party balances	1 553 799 560	493 332 835
Increase in inventories	3 713 011 519	(2 094 394 400)
Increase in trade and other payables	(830 738 707)	692 356 111
Increase in short term provisions	(188 503 233)	109 294 129
	<u>4 134 747 853</u>	<u>(980 020 038)</u>
Company		
Decrease/ (increase) in trade and other receivables	(48 254 321)	(48 254 321)
Increase in trade and other payables	58 452 132	58 452 132



**NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020**

	Inflation adjusted	Historical cost
	2020	2020
	ZWL	ZWL
26 Financial instruments by category		
Loans and receivables		
Group		
Trade and other receivables excluding		
prepayments	148 335 759	148 335 759
Cash and cash equivalents	997 721 451	997 721 451
Total	1 146 057 210	1 146 057 210
Liabilities as per statement of financial position		
Group		
Trade and other payables	1 119 277 875	1 119 277 875
Borrowings	1 069 426 273	1 069 426 273
Total	2 188 704 148	2 188 704 148
27 Contingent liabilities		
There were no contingent liabilities as at 31 December 2020.		
28 Going Concern		
The financial statements have been prepared on a going concern basis which assumes that the Group will continue in existence for the 'foreseeable future.		
29 Comparative financial information		
The company commenced operations in January 2020 hence no comparative information has been presented		
30 Events after the reporting period		
No adjusting or significant non adjusting events have occurred between the 31 December 2020 reporting date and the date of authorisation.		



Safety & Health

Before you do it, *make it safe*, then do it.

Mining safety involves a multi-faceted approach that includes rigorous prevention of hazards like cave-ins and gas explosions, proper use of personal protective equipment (PPE) such as hard hats and respirators, and strict adherence to safety regulations by both employers and employees.



**DEFOLD MINE
(PVT) Ltd**



CREATING **SHARED** VALUE

TO **UNLOCK** OUR MINERAL RESOURCE **POTENTIAL**

Defold Mine's mandate spans the entire mineral value chain from exploration, extraction, and mineral processing and value addition.

© All Rights Reserved. Copyright & Law Defold Mine (Pvt) Ltd 2025

www.defold.co.zw

