THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Karo Mining Holdings plc, incorporated in the Republic of Cyprus on 23 February 2018 under company registration number HE380340

Issuer

Tharisa plc, incorporated in the Republic of Cyprus on 20 February 2008 under company registration number HE223412

Guarantor

PROSPECTUS

Relating to the issuance and subsequent listing on the Victoria Falls Stock Exchange of a US$50 million bond

Arrangers
(Zimbabwe)

Debt Sponsor
(Zimbabwe)

Trustee
(Cyprus)

Registrar, Calculation, Transfer, Payment and Issuer's Settlement Agent
(Zimbabwe)

Registrar, Calculation, Transfer, Payment and Issuer's Settlement Agent
(Cyprus)

Legal Advisors
(Cyprus)

Legal Advisors
(Zimbabwe)

The terms used in this document are as defined in the "Interpretations and Definitions" section on pages iii to x.

The purpose of this Prospectus is to outline KMH's intention to issue a Bond via the issuance of Notes pursuant to this Prospectus, as amended from time to time. The Bond is offered by private placement to institutional, qualified, and well-informed investors to whom the offer or invitation to invest in the Bond issued under the programme is lawful and is made.

This Prospectus is issued in compliance with the Listing Requirements of the VFEX, for the purpose of giving information to Prospective Investors with regard to the Issuer. This Prospectus is being furnished to investors on a confidential basis, and by accepting this Prospectus the recipient agrees to keep confidential the information contained herein. The information contained in this Prospectus may be shared solely with persons who are directly involved with a Prospective Investor's decision regarding the investment opportunity offered hereby, including such persons providing legal, tax, and investment advice to the Prospective Investor with respect to an investment in the Notes.

Neither this Prospectus nor any other information supplied in connection with the Bond is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer that any recipient of this Prospectus should purchase the Notes. If there is any doubt as to the action a Prospective Investor should take, an independent investigation, in consultation with relevant professional advisors, of the financial condition and affairs of the Issuer should be conducted and an independent appraisal of the creditworthiness of the Issuer should be performed.

Prospective purchasers of any of the Issuer's Notes must ensure that they understand fully the nature of the Bond, the extent of their exposure to risks and that they consider the suitability of purchasing any Notes as an investment in light of their own circumstances and financial position. The VFEX's approval of the listing of the Bond of the Issuer is not to be taken in any way as an indication of the merits of the Issuer or of the Bond.

All the Directors of KMH, whose names are given in paragraph 14 of the Prospectus, have taken all reasonable care to ensure that the facts stated in this Document are true and accurate in all material respects and collectively and individually accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no other material facts, the omission of which would make any statement in the Prospectus false or misleading and that they have made all reasonable enquiries to ascertain such material facts and that this Prospectus contains all information required by law.

The Directors confirm that the Prospectus includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquires) that Prospective Investors and their professional advisors would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes to which the Prospectus relates.

Each of the Issuer's Arrangers, Debt Sponsor, legal advisors and transfer secretaries have consented in writing to act in the capacity stated and to their names being stated in the Prospectus and have not withdrawn their consents prior to the publication of the Prospectus.

The distribution of the Prospectus in certain jurisdictions may be restricted by law. No action has been or will be taken by KMH, its Directors, the Arrangers or the Debt Sponsors to permit an offer or sale of the Notes or possession or distribution of this Prospectus (or any other offering or publicity material or application form relating to the Bond) in any jurisdiction other than Zimbabwe. Persons into whose possession this Prospectus comes are required by KMH, its Directors, the Arrangers and Debt Sponsors to inform themselves about and to observe any such restrictions. This document does not constitute or form part of an offer to sell, or the solicitation of an offer to buy or subscribe for Bonds to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful.

Prospective Investors should note that this Prospectus does not fall under the supervision, scrutiny, or approval of any financial regulator or securities legislation in the Republic of Cyprus and is solely governed by the requirements of the VFEX.

No public offering of the Bonds in any jurisdiction is being made. No action has been taken or will be taken in any jurisdiction that would permit a public offer of the Bonds in any such jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe any restriction as to, the placing and the distribution of this document.

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that this Prospectus contains all information required by law and the VFEX Debt Listing Requirements. The Issuer shall accept full responsibility for the accuracy of the information contained in this Prospectus, the Placing Agreement and the annual financial report, the amendments to the annual financial report or any supplements from time to time, except as otherwise stated therein. The VFEX takes no responsibility for the contents of this Prospectus (as amended or restated from time to time) or the contents of any related documents subsequently issued including the financial statements and annual report and makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Prospectus (or any related documents subsequently issued).

Date of issue of this Document: Friday, 28 October 2022

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CORPORATE INFORMATION & PROFESSIONAL ADVISORS

The information below is given in compliance with the requirements of the Victoria Falls Stock Exchange.

Registered Office – Issuer
Karo Mining Holdings plc
Sofoklis Pittokopitis Business Centre
Offices 108-110
17 Neophytou Nicolaides and Kilkis Streets
8011 Paphos
Cyprus

Registered Office - Guarantor
Tharisa plc
Sofoklis Pittokopitis Business Centre
Offices 108-110
17 Neophytou Nicolaides and Kilkis Streets
8011 Paphos
Cyprus

Company Secretary – Issuer
Sanet Findlay
Sofoklis Pittokopitis Business Centre
Offices 108-110
17 Neophytou Nicolaides and Kilkis Streets
8011 Paphos
Cyprus

Company Secretary - Guarantor
Sanet Findlay
Sofoklis Pittokopitis Business Centre
Offices 108-110
17 Neophytou Nicolaides and Kilkis Streets
8011 Paphos
Cyprus

Professional services in relation to the Issue of Bond are provided by the following advisors:

Arrangers - Issuer
Inter-Horizon Advisory (Private) Limited
Block 3
Tunsgate Business Park
30 Tunsgate Road
Mount Pleasant
Harare
Zimbabwe

Debt Sponsors – Issuer
Inter-Horizon Securities (Private) Limited
Block 3
Tunsgate Business Park
30 Tunsgate Road
Mount Pleasant
Harare
Zimbabwe

Legal advisors – Issuer
(Zimbabwe)
Gill, Godlonton & Gerrans
Beverley Court
100 Nelson Mandela Avenue
Corner Sam Nujoma Street and Robert Mugabe Way
Harare
Zimbabwe

Legal advisors – Issuer
(Cyprus)
Lysandrides Lysandros LLC
31 Evagoras Avenue
6th Floor, Office 61, 1066 Nicosia
Cyprus

Registrar, Calculation, Transfer, Payment and Issuer's Settlement Agent
(Zimbabwe)
Corpserve Registrars (Private) Limited
2nd Floor ZB Centre
Corner 1st Street & Kwame Nkrumah Avenue
Harare
Zimbabwe

Registrar, Calculation, Transfer, Payment and Issuer's Settlement Agent
(Cyprus)
Cymain Registrars Limited
31 Evagoras Avenue
Evagoras House
6th Floor
1066 Nicosia
Cyprus

Receiving Bank
(Zimbabwe)
Stanbic Bank Zimbabwe
Stanbic Centre 59
Samora Machel Avenue
Harare
Zimbabwe

Trustee
(Cyprus)
C. Patsalides Trustees (Cyprus) Limited
31 Evagoras Avenue
Evagoras House
4th Floor
1066 Nicosia
Cyprus

FORWARD LOOKING STATEMENTS

Information and statements contained in this Document that are not historical facts are "forward-looking information" that involves risks and uncertainties relating, but not limited, to KMH and its subsidiaries current expectations, intentions, plans, and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "target", "intend", "estimate", "could", "should", "may" and "will" or the negative of these terms or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Examples of forward-looking information in this Document include production guidance, estimates of future/targeted production rates, and plans and timing regarding further exploration and drilling and development. This forward-looking information is based, in part, on assumptions and factors that may change or prove to be incorrect, thus causing actual results, performance or achievements to be materially different from those expressed or implied by forward-looking information. Such factors and assumptions include, but are not limited to: failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, success of future exploration and drilling programs, reliability of drilling, sampling and assay data, assumptions regarding the representativeness of mineralisation being inaccurate, success of planned metallurgical test-work, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and other factors.

Note Holders, potential Note Holders and other Prospective Investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Such factors include, but are not limited to: risks relating to estimates of Mineral Reserves and Mineral Resources proving to be inaccurate, risks and hazards associated with the business of mineral exploration, development and mining, risks relating to the credit worthiness or financial condition of parties with whom KMH and its subsidiaries do business; inadequate insurance, or inability to obtain insurance, to cover these risks and hazards, employee relations; relationships with and claims by local communities and indigenous populations; political risk; risks related to natural disasters, terrorism, civil unrest, public health concerns (including health epidemics or outbreaks of communicable diseases such as the coronavirus (COVID-19); availability and increasing costs associated with mining inputs and labour; the speculative nature of mineral exploration and development, including the risks of obtaining or maintaining necessary licenses and permits, diminishing quantities or grades of Mineral Reserves as mining occurs; global financial conditions, the actual results of current exploration activities, changes to conclusions of economic evaluations, and changes in project parameters to deal with unanticipated economic or other factors, risks of increased capital and operating costs, environmental, safety or regulatory risks, expropriation, KMH's and its subsidiary companies' title to properties including ownership thereof, increased competition in the mining industry for properties, equipment, qualified personnel and their costs, risks relating to the uncertainty of timing of events including targeted production rate increases and currency fluctuations. Note Holders, potential Note Holders and other Prospective Investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. KMH does not undertake any obligation to update publicly, or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

INTERPRETATION AND DEFINITIONS

In this Document, unless otherwise stated or the context otherwise requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and vice versa and words importing natural persons shall include juristic persons, whether corporate or incorporate and vice versa.

"4E" or "3PGE+Au"	the four platinum group metals being platinum, palladium, rhodium and gold
"6E" or "5PGE+Au"	the six platinum group metals being platinum, palladium, rhodium, iridium, ruthenium and gold
"AISC"	all-in sustaining costs
"Arranger(s)"	IH Advisory (Private) Limited, a licenced Notes investment advisor with the Securities and Exchange Commission of Zimbabwe, and the Arranger to the Bond Issue
"Arxo Finance"	Arxo Finance plc, a wholly owned Tharisa subsidiary company incorporated in Cyprus under registration number HE385724, which has committed to subscribe for US$10 million of the Notes to be issued by KMH
"Arxo Logistics"	Arxo Logistics Proprietary Limited, a company incorporated in South Africa under company registration number 2009/006720/07
"Arxo Metals"	Arxo Metals Proprietary Limited, a company incorporated in South Africa under company registration number 2011/143342/07
"Arxo Resources"	Arxo Resources Limited, a company incorporated in Cyprus under company registration number HE221459
"Au"	gold
"Bond"	fixed income instrument that represents a loan made by an investor to a borrower, in this case a loan made by investors to the Issuer
"Bond Register"	the files for the registration, transfer and exchange of Bonds kept at the office of the Registrar, Calculation, Transfer, Payment and Issuer's Settlement Agent
"CGT"	the tax levied on the capital gain arising from the disposal of a specified asset in accordance with the Capital Gains Tax Act [Chapter 23:01] of Zimbabwe
"Co"	cobalt
"Cr_2O_3"	chromium oxide

"Central Securities Depository"	the Notes depository operated by the VFEX Depository which is licensed by the Securities and Exchange Commission of Zimbabwe in terms of the Securities and Exchange Act [Chapter 24:25]
"Credit Rating"	a quantified assessment of the creditworthiness of the Issuer and/or the Bond in general terms or with respect to any financial obligations arising therefrom
"Cu"	copper
"Cyprus"	the Republic of Cyprus
"DC"	direct current
"Debt Sponsor(s)"	IH Securities (Private) Limited, the Debt Sponsor for the Listing and a member of the VFEX
"Exchange Control Regulations"	the Exchange Control Regulations promulgated under the Exchange Control Act of Zimbabwe [Chapter 22:05] including, and without limitation, the Exchange Control Regulations, Statutory Instrument 109 of 1996, as amended
"GDP"	gross domestic product
"Generation Minerals"	Generation Minerals (Private) Limited, a Company registered under the laws of Zimbabwe on 7 June 2021 under company registration number 9557/2021 wholly owned by the Ministry of Finance of Zimbabwe
"Group"	the Tharisa group of companies
"g/t"	grammes per tonne
"Guarantee Agreement"	the guarantee agreement between Tharisa and C. Patsalides Trustees (Cyprus) Limited whereby the obligations of the Issuer under the Bond are guaranteed
"Guarantor", "Tharisa plc" or "Tharisa"	Tharisa plc, a company incorporated in Cyprus on 20 February 2008 under company registration number HE223412
"Guernsey"	the Bailiwick of Guernsey
"ha"	hectares
"IFRS"	International Financial Reporting Standards
"Income Tax Act"	the Income Tax Act of Zimbabwe [Chapter 23:06]

"Indicated Mineral Resource"	an Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation
"Inferred Mineral Resource"	an Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration
"Investment Framework Agreement"	the Investment Project Framework Agreement dated 22 March 2018 (as amended) between the Issuer and Zimbabwe
"Investment Framework Amendment"	the amendment to the Investment Project Framework Agreement dated 30 March 2022
"IPEC"	Insurance and Pensions Commission of Zimbabwe
"Ir"	iridium
"Issuer" or "KMH"	Karo Mining Holdings plc, a company incorporated in Cyprus on 23 February 2018 under company registration number HE380340
"JSE"	The Johannesburg Stock Exchange Limited, a South African stock exchange established in 1887
"Karo Platinum"	Karo Platinum (Private) Limited, a company incorporated in Zimbabwe on 20 September 2013 under company registration number 7187/2013
"Karo Zimbabwe"	Karo Zimbabwe Holdings (Private) Limited, a company incorporated in Zimbabwe on 10 February 2015 under company registration number 665/2015

INTERPRETATION AND DEFINITIONS (CONTINUED)

"King IV Report"	a set of voluntary corporate governance principles and leading practices drafted to apply to all South African organisations, regardless of their form of incorporation
"kg"	kilogrammes
"koz"	thousand ounces
"kozpa"	thousand ounces per annum
"kt"	thousand tonnes
"ktpm"	thousand tonnes per month
"Leto Settlement"	the Leto Settlement, a trust registered under the laws of Guernsey
"Listing"	the Listing of the Bond on the VFEX by way of introduction
"LSE"	the London Stock Exchange, one of the largest exchange markets in the world in terms of trading volume and market capitalization, established in the United Kingdom in 1887, located in the city of London
"m"	metres
"Main Sulphide Zone"	the PGM bearing ore type of the Great Dyke. The Great Dyke is an elongated layered igneous intrusion in central Zimbabwe
"Measured Mineral Resource"	a Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Mineral Reserve or to a Probable Mineral Reserve
"MetQ"	MetQ Proprietary Limited, a company incorporated in South Africa under company registration number 2003/018862/07

"Mineral Reserve"	a Mineral Reserve is the economically mineable part of a Measured and/ or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported
"Mineral Resource"	a Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling
"Mines Act" or "Mines and Minerals Act"	The Mines and Minerals Act [Chapter 21:05] of Zimbabwe
"Mining Lease"	a mining lease issued under Part VIII of the Mines Act
"Moz"	million ounces
"Mt"	million tonnes
"Mtpa"	million tonnes per annum
"MW"	megawatt
"Ni"	nickel
"Non-Resident(s)"	a Note Holder who are/is designated as "non-resident" in terms of the Exchange Control Regulations
"Note Holder"	any person who is for the time being a holder of the Notes (being a person whose name is entered in the register of Note Holders as the holder thereof) and the words "Holder" and "Holders" and related expressions shall, where appropriate, be construed accordingly
"Notes"	the documentation distributed by the Issuer, evidencing a written legally binding pledge by the Issuer to honour all obligations under the Bond to the cited payee

INTERPRETATION AND DEFINITIONS (CONTINUED)

"oz"	ounces
"Pd"	palladium
"PFS"	pre-feasibility study
"PGM"	platinum group metals being Pt, Pd, Rh, Ru, Ir, Osmium and Au
"Phase One of the Project"	the first phase of the Karo Project being the development and construction of a 2.5 Mtpa open-pit mine and concentrator producing ~ 190 kozpa of PGMs at steady state
"Placing Agreement"	in relation to the Bond, the Agreement completed and signed by the Issuer in relation to the issue of the Bonds, setting out such additional and/or other terms and conditions as are applicable to the Bond
"Probable Mineral Reserve"	a Probable Mineral Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proved Mineral Reserve
"Project" or "Karo Project"	a large scale vertically integrated mining complex, located in the Great Dyke in Zimbabwe comprising a PGM mine, concentrator, base metal refinery and precious metal refinery to be established by the Issuer in the Mining Lease area
"Prospective Investor(s)"	institutional, qualified, and well-informed investors to whom the offer or invitation to invest in the Bond to be issued as outlined in this Prospectus is lawful and is made, including, Arxo Finance
"Prospectus" or "the Document"	this document dated 28 October 2022 including the appendices hereto, which sets out the terms and conditions of the Listing
"Proved Mineral Reserve"	a Proved Mineral Reserve is the economically mineable part of a Measured Mineral Resource. A Proved Mineral Reserve implies a high degree of confidence in the Modifying Factors
"Pt"	platinum
"RBZ"	Reserve Bank of Zimbabwe
"Registrar, Calculation, Transfer, Payment and Issuer's Settlement Agent"	Corpserve Registrars (Private) Limited (Zimbabwe) and Cymain Registrars Limited (Cyprus), who will provide Registrar, Calculation and Payment Agent services to KMH in respect of the Bond

INTERPRETATION AND DEFINITIONS (CONTINUED)

"Rh"	rhodium
"Ru"	ruthenium
"Salene Chrome"	Salene Chrome Zimbabwe (Private) Limited, a company incorporated in Zimbabwe under company registration number 920/2015
"SAMREC Code"	the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 edition
"SDC" or "Special Defence Contribution"	Special Defence Contribution in Cyprus
"SI"	statutory instrument
"South Africa"	The Republic of South Africa
"Special Economic Zone"	any part of Zimbabwe declared in terms of section 31 of the ZIDA Act to be a Special Economic Zone
"Special Grant"	a special grant issued under Part XIX of the Mines and Minerals Act
"SPV"	special purpose vehicle
"t"	tonnes
"Technical Report"	a report on a pre-feasibility study in respect of the Karo Project
"Tharisa Minerals''	Tharisa Minerals Proprietary Limited, a company incorporated in South Africa on 29 March 2006 under company registration number 2006/009544/07
"Trust Agreement"	the Agreement entered into between the Issuer, the Guarantor and the Trustee on 14 September 2022 whereby the Trustee has agreed to act as trustee under the bond offering
"Trustee"	C. Patsalides Trustees (Cyprus) Limited, a company incorporated in accordance with the laws of Cyprus, appointed as trustee under the bond offering, on behalf of the Note Holders from time to time, on the terms and conditions laid out in the Trust Agreement
"US$"	United States of America dollars, the legal tender of the United States of America in which certain monetary amounts in this Prospectus are expressed

INTERPRETATION AND DEFINITIONS (CONTINUED)

"VAT"	value added tax, charged in accordance with the Value Added Tax Act of Zimbabwe [Chapter 23:12]
"VFEX"	the Victoria Falls Stock Exchange, a stock exchange that is established in terms of the Securities and Exchange Act of 2004 of Zimbabwe [Chapter 24:25]
"VFEX Debt Listing Requirements"	the Victoria Falls Stock Exchange Debt Listing Requirements
"VFEX Listings Committee"	the Listings Committee of the VFEX
"WHT" or "withholding tax"	tax withheld in accordance with the Income Tax Act
"ZIDA Act"	Zimbabwe Investment Development Agency Act [Chapter 14:37]
"Zimbabwe"	the Republic of Zimbabwe
"Zimplats"	Zimplats Holdings Limited, a Guernsey-based platinum mining company engaged in producing platinum group metals (PGM) and associated metals, such as nickel, gold, copper, cobalt and silver mined from the Great Dyke in Zimbabwe
"ZSE"	Zimbabwe Stock Exchange, a licensed securities exchange in Zimbabwe in terms of the Securities and Exchange Act (24:25) with a core mandate to facilitate long term capital raising through listing of securities as well as offering secondary market securities trading and issuer regulation services
"ZWL"	the Zimbabwean Dollar, legal tender within Zimbabwe

SALIENT FEATURES OF THE BOND ISSUE

Overview
KMH is seeking to raise an amount of US$50 million through the issue of the Bond by way of private placement to part fund the Karo Project, the successful development of which will introduce a fourth significant PGM producer entrenching Zimbabwe as a key global producer and importantly opening up a significant long-life source of these versatile metals.

The Karo Project is a long-life asset that will be developed in phases to extract the PGM and base metal resources. The historic Mineral Resource declaration over the mining location estimated some 96 Moz of PGMs (3PGE + Au), the Karo Platinum Mineral Resource declaration for the first phase accounts for 9.97 Moz of PGMs (5PGE+Au).

This initial phase of the Karo Project is estimated to increase Zimbabwe's PGM production by some 18.7%[1] and grow the country's GDP by circa 2%. It will also result in the creation of an estimated 1 000 direct employment opportunities with an estimated 7 000 additional indirect employment opportunities as a result of the multiplier effect.

The development of the Karo Project follows the entering into of the Investment Framework Agreement in terms of which KMH, through its 85% held subsidiary Karo Platinum, was awarded a Special Grant over a concession area covering 23 903 hectares located in the Mashonaland West province of Zimbabwe, approximately 80 km southwest of Harare and 35 km southeast of Chegutu. The Special Grant was subsequently superseded by a Mining Lease over the same concession area providing security of tenure for the life of mine. An extensive exploration programme comprising 333 diamond core boreholes totalling 42 209 m which generated over 22 000 samples that were assayed by an independent international laboratory was undertaken. Based on the implementation study completed in 2021 to pre-feasibility level of accuracy, the Probable Mineral Reserve was estimated at 35.49 Mt at 2.31 g/t (5PGE+Au) and contained PGM content of 2.6 Moz (5PGE+Au) on a run of mine basis. A 3PGE+Au resource prill split favouring Pt (45%), Pd (42%), Rh (4.0%) and Au (9%), with material base metal credits, was estimated.

A subsequent optimisation for Phase 1 of the Karo Project was undertaken following which the 5PGE+Au feed grade increased to 3.0 g/t and was accepted as the revised basis of the implementation study. A PGM pilot plant has already been commissioned and providing data for the commercial 205 ktpm PGM concentrator plant. Based on updated exploration drilling and further metallurgical test work, a technical study is being undertaken to develop an optimised mine plan. This plan entails a peak spend of US$391 million until first ore in mill for the development and construction of a 2.5 Mtpa open pit mine and concentrator. The mine will produce ~190 kozpa of PGMs in concentrate (5PGE+Au) at steady state for the 17-year first phase of the Project. This plan is preliminary in nature and includes 37% mineralised material from Inferred Mineral Resources that cannot be converted to Mineral Reserves. This optimised mine plan is being developed as part of the pre-implementation study, and could have a material impact on the Mineral Reserve estimate.

The Karo Project is situated in a designated Special Economic Zone. KMH is negotiating with the Government of Zimbabwe for the Karo Project to secure the optimal available investment incentives in accordance with the Investment Framework Agreement.

Tharisa is the holding company of KMH with a 70% shareholding.

Issue of the Bond
The Bond issue will be by way of private placement to raise an amount of US$50 million. Approval has been granted for the Bond to be listed on the VFEX by way of introduction. The Bond will be guaranteed by the Guarantor. KMH reserves the right to increase the total aggregate issue amount, subject to approval by its Board and Guarantor, by delivering notice thereof to Note Holders.

The Bond will be issued subject to the Terms and Conditions set out in this Prospectus and the Placing Agreement (see Documents Available for Inspection – paragraph 13).

Use of proceeds
The proceeds from the issue of the Bond, net of costs, will be used to part fund the development of the Karo Project.

Listing of the Bond on the VFEX
The Issuer intends to list the Bond on the VFEX. The VFEX is a wholly owned subsidiary of the ZSE and is situated within a designated Special Economic Zone. The VFEX approved the listing of the Bond on Friday, 14 October 2022.

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[1]Based on last financial year production of other Zimbabwean PGM producers

Mechanics of the Listing
The Bond is a US$ denominated bond and will be issued by KMH, by way of private placement. The Notes will be issued in minimum denominations of US$2 500. The minimum amount to be raised from the Bond is US$25 million, should applications for less than this amount be received the Bond issue will not proceed. The Issuer reserves the right to increase the total aggregate issue amount, subject to approval by its Board and Guarantor, by delivering notice thereof to Note Holders.

Commitment by Arxo Finance
Arxo Finance, a wholly owned subsidiary of Tharisa which was established to provide funding to Tharisa group companies has committed to subscribe for US$10 million of the Notes.

Benefits of the Bond Issuance and Listing
The benefits of the Bond issuance and Listing include, but are not limited to, the following:

- Contribution to the funding of a growth asset within Zimbabwe with the concomitant direct and indirect economic benefits to the country
- A 'hard currency' investment (US$) in a hyper inflationary environment specifically permitted and approved with the exchange being in a designated Special Economic Zone
- Affords investors in Zimbabwe with limited tier one investment opportunities the ability to participate in the Karo Project
- Supports the development of Zimbabwe's institutional debt capital markets
- The creation of a secondary market for trading in the Notes on a regulated exchange
- Allowing the Issuer to retain capital raised through the Bond issue in approved local or offshore accounts with an internationally recognised banking institution

Credit Rating
The Issuer and the Bond have not been rated as at the date of this Prospectus.

Salient Terms of the Bond

Issuer	KMH
Guarantor	Tharisa
Aggregate Authorised Amount	US$50 000 000
Interest rate	9.5% paid semi-annually
Tenor	Three years
Repayment	Bullet repayment on maturity
Early Redemption	No early redemption at the option of the Note Holder. Early redemption at the option of the Issuer with the obligation to make whole.
Security	Unsecured
Listing	A listing on the VFEX was approved on Friday, 14 October 2022

Jurisdiction
The Issuer is a Cypriot registered and domiciled company and thus is governed by the laws of Cyprus.

Prospective Investors should note that this Document does not fall under the supervision, scrutiny, or approval of any financial regulator or securities legislation in Cyprus and is solely governed by the requirements of the VFEX.

Prescribed Asset Status
An application for Prescribed Asset Status has been lodged with IPEC and is currently under review.

SALIENT FEATURES OF THE BOND ISSUE (CONTINUED)

Timetable of Listing

Distribution of the Prospectus & Placing Agreement	Friday, 28 October 2022
Notes Offer Opens	Monday, 31 October 2022
Notes Offer Closes	Wednesday, 30 November 2022
Issuance of Notes	Monday, 5 December 2022
Listing of Bonds	Wednesday, 14 December 2022

N.B. The dates listed in the above timetable are indicative and may be subject to change.

Queries
If you have any questions on any aspect of this Document, please contact your accountant, banker, legal practitioner, sponsoring broker, or other professional advisors. Alternatively, please contact the Arrangers or Debt Sponsors (whose details are provided below):

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Actions to be taken by Note Holders
Read this Document in its entirety. If you are in doubt as to the action you should take, you should immediately seek advice from an independent financial advisor, bank manager, legal practitioner, accountant, sponsoring broker, or any other professional advisors of your choice.

Please also note that all subscribers must have a trading account with the VFEX in order to subscribe for the Bond. Kindly contact your Stockbroker or Custodian in order to open a VFEX account.

Conditions Precedent
The implementation of the Listing is conditional upon applications totalling a minimum of US$25 million being received from Prospective Investors.

Documents and consents available for inspection
Prospective Investors may inspect this Prospectus and the documents available as listed below between 08:00 and 16:00 from Friday, 28 October 2022 to Wednesday, 30 November 2022 at the Arrangers' office, Debt Sponsor's office, or KMH's Registered Office at the addresses set out in the "Corporate Information" section of this Document. Alternatively, Prospective Investors may request access to soft copies of the documents from the Arrangers by emailing advisory@ih-group.com.

i. The Incorporation documents of KMH
ii. The Memorandum of Association and the Articles of KMH
iii. Exchange Control Approval
iv. All amendments and/or supplements to this Prospectus circulated by the Issuer from time to time
v. Certified extract of KMH Board resolution to undertake the Bond issuance and apply for subsequent listing on the VFEX, certified by the Group Company Secretary
vi. Certified extract of the Tharisa Board resolution to undertake the role of Guarantor, certified by the Group Company Secretary
vii. Certified copy of the Guarantee Agreement
viii. Certified copy of the Trust Agreement
ix. The Placing Agreement
x. The written consents detailed in paragraph 12.6 of this document
xi. The audited consolidated financial statements for the three financial years ended 30 September 2021, 30 September 2020 and 30 September 2019 of Tharisa
xii. The reviewed interim financial statements for the six months ended 31 March 2022 for Tharisa
xiii. The audited financial statements for the three financial years ended 30 September 2021, 30 September 2020 and 30 September 2019 of KMH
xiv. Technical Report

RISK FACTORS

1 RISK FACTORS

Prior to investment in the Bond, prospective subscribers should consider all risks associated with the Bond, the business of the Issuer and Guarantor, the industry in which the Issuer operates, together with all the information contained in this Prospectus, including the risk factors described below, which may affect the Issuer's ability to fulfil its obligations under the Bond, which may in turn result in investors losing the value of their investment.

The risks stated below are not exhaustive – the Issuer does not purport to present all the considerations that may be relevant to Prospective Investors. The risks also do not constitute professional advice to Prospective Investors or other interested parties.

1.1 Risk factors related to the Issuer

1.1.1 Inability to implement strategy

In the absence of an operating history of the Issuer, there is a lack of historic performance benchmark and future projections based on observable historic trends. Unforeseen circumstances may affect the Issuer's ability to execute its strategy as effectively as envisioned and thus as a result, desired results may result in financial loss, reputational damage, and regulatory consequences. This may threaten performance and thus negatively impact the Issuer's ability to service its obligations under the Bond.

1.1.2 Regulatory and political risk

The Issuer may fail to comply with applicable laws and regulations relating to procurement, taxation, administration, health and safety and the environment, which may adversely affect its reputation, or result in financial loss due to penalties and/or legal claims.

Related laws and regulations are subject to change thus potentially adversely affecting the Issuer and its business.

The Issuer is subject to local, regional, and global political events and policies, which may include monetary and fiscal policy, foreign investment policies, foreign exchange rates, trade policies, local and global prices of key commodities, amongst other factors.

All the above risks may result in the Issuer's failure to deliver on its obligations to investors under the Bond.

1.1.3 Liquidity risk

The lack of operating history, coupled with the Issuer's dependence on market funding, exposes the Issuer to the risk of illiquidity, which may result in its failure to meet all of its financial obligations on a timely basis.

1.1.4 Funding risk

Phase One of the Project is not yet fully funded and, while negotiations with lenders are at an advanced stage, there is no certainty that Phase One of the Project will be fully funded and this may result in Phase One of the Project not being completed or delays in the mining operations and plant commissioning. This may threaten performance and thus negatively impact the Issuer's ability to service its obligations under the Bond.

1.1.5 Budgeted cost overruns

The capital cost for Phase One of the Project was calculated based on the mine plan and detailed engineering plant designs. While the capital cost incorporated provisions for escalation and contingencies, subsequent macro-economic factors including globally higher inflation expectations and escalations in key input costs such as steel prices, may increase the capital cost of Phase One of the Project above the initial costing. An increase in the capital costs may threaten performance and thus negatively impact the Issuer's ability to service its obligations under the Bond.

1.1.6 Favourable Investment Incentives

KMH is negotiating with the Government of Zimbabwe to secure the optimal available investment incentives for the Project in accordance with the Investment Framework Agreement. The failure to receive these incentives may affect the Project economics and thus negatively impact the Issuer's ability to service its obligations under the Bond.

1.2 Risk factors relating to the Bond

1.2.1 Credit risk

Credit risk is the risk of loss due to a borrower failing to repay its obligations in the form of principal or interest. As the Issuer is currently non-operational and thus has no history of profits or cash generation, the risk of it failing to service repayments exists.

1.2.2 Legal and regulatory risk

Weaknesses relating to the legal environment and legislation may create uncertainty around investments. Changes to laws and regulations such as future tax developments may negatively impact the returns realized on the Bond by investors. The Bond and related terms and conditions will be governed by the laws of Cyprus as they stand at any point in time.

1.2.3 Credit rating

At the time of this Prospectus, the Issuer and the Bond have not been rated by any rating agency whether on a national or international scale basis.

1.2.4 Liquidity risk

There is no assurance that the Bond will be liquid. After its initial issuance, the Bond may trade at a discount to its initial offering price as determined inter alia by market conditions and prevailing interest rates. As a result, the yield realised by Investors who intend to trade the Notes may be lower than expected.

1.2.5 Global commodity prices and currency volatility

The Karo Project's revenues, profitability and future rate of growth depend on the prices of PGMs and other base metals. The state of the world's economies impacts on demand and market prices for PGMs and base metals. Downward pressure on the prices of PGMs and/or base metals may negatively affect the Project's profitability and cash flows.

Volatility in the ZWL:US$ exchange rate may affect the Project's profitability of which Zimbabwe's political uncertainty and effects of other emerging markets are contributing factors.

While the majority of the future revenue stream is in US$, the Project's operations are based in Zimbabwe, with foreign exchange controls being subject to policy changes thereby exposing the Project to the volatility and movement in the currencies (ZWL:US$).

2 OVERVIEW OF THE ISSUE

KMH is seeking to raise an amount of US$50 million through the issue of the Bond by way of private placement to part fund Phase One of the Project. Phase One of the Project will entail a peak spend of US$391 million to first ore in mill.

Approval for the listing of the Bond on the VFEX was granted by the VFEX Listings Committee on Friday, 14 October 2022. Admission to trading is expected to be on or about Wednesday, 14 December 2022.

2.1 Benefits of Bond issuance and Listing

The benefits of the Bond issuance and Listing include, but are not limited to, the following:

- Contribution to the funding of a growth asset within Zimbabwe with the concomitant direct and indirect economic benefits to the country
- A 'hard currency' investment (US$) in a hyper inflationary environment specifically permitted and approved with the exchange being in a designated Special Economic Zone
- Affords investors in Zimbabwe with limited tier one investment opportunities the ability to participate in the Karo Project
- Supports the development of Zimbabwe's institutional debt capital markets
- The creation of a secondary market for trading in the Bonds on a regulated exchange
- Allowing the Issuer to retain capital raised through the Bond issue in approved local or offshore accounts with an internationally recognised banking institution

2.2 Details of the Bond

Below is an overview of the key terms and details of the Bond. The final bond agreement is available for inspection as per paragraph 13.

Issuer:	KMH
Guarantor:	Tharisa
Obligor:	Issuer and Guarantor
Currency:	Notes will be issued in US$ only, subject in each case to compliance with any applicable legal and regulatory requirements
Form of Bond:	Registered Bonds
Aggregate Authorised Amount:	US$50 million. KMH reserves the right to increase the total aggregate issue amount, subject to approval of the Boards of Directors of the Issuer and the Guarantor by delivering notice thereof to Note Holders and the VFEX
Interest rate:	Fixed rate, 9.5%, semi-annual payments
Issue Date:	The date on which the Notes are issued to the respective Note Holder
Maturity Date:	The date falling three (3) years after the Issue Date
Redemption:	Notes may not be redeemed prior to the Maturity Date at the option of the Note Holder. Unless previously redeemed or purchased and cancelled as specified below, Notes will be redeemed at the Final Redemption Amount on the Maturity Date
Early Redemption:	Notes shall be redeemable prior to the Maturity Date at the option of the Issuer. In such case, upon the Issuer giving to the Note Holder notice of redemption (such notice being irrevocable) the Issuer will redeem in whole (but not in part) the Note(s) specified in such notice, together with interest accrued and unpaid thereon, if any, to the date fixed for redemption, should such Notes not have been subject to early redemption (obligation to make whole)
Last interest payment date:	Maturity Date
Interest payment date:	On or about every 180 days following the Issue Date, up to and including the Maturity Date, and as further detailed in the Placing Agreement

OVERVIEW OF THE ISSUE (CONTINUED)

2.2 Details of the Bond (continued)

Issue price:	100% of par value
Nominal value:	The nominal value of each Bond will be the amount specified as such in the Placing Agreement
Minimum subscription and allotment amount:	US$2 500 (equivalent to 1 unit)
Seniority in relation to other debt:	*Pari passu* ranking with all unsecured obligations of the Issuer
Security:	See section 2.6, "Guarantee"
Rating:	There is no official rating for either the Issuer or Bond
Listing:	Private placement with the subsequent listing on the VFEX on or about Wednesday, 14 December 2022
Events of Default:	Usual and customary for facilities of this type including but not limited to failure to pay and winding up of the Issuer
Jurisdiction:	Cyprus
Law:	The Bond will be governed under the laws of Cyprus
Eligible purchasers:	Institutional, qualified, and well-informed investors to whom the offer or invitation to invest in the Bond issued under the programme is lawful and is made

2.3 Changes to the Terms and Conditions

Prior to the effecting of any changes to the terms and conditions of the Bond, at least 75% (seventy five percent) of the Note Holders by value would need to approve any changes to the terms and conditions by way of resolution. Notification to Note Holders of any meetings to be held will be published on VFEX Data Portal.

2.4 Interest calculation method

The interest rate is fixed, is calculated on simple basis and paid semi-annually.

2.5 Use of proceeds

The proceeds from the issue of the Bond, net of costs, will be used to part fund the development of the Karo Project.

2.6 Guarantee

The Guarantor has guaranteed the capital amount of the Bond and the interest payments in the event of a default by the Issuer. The Guarantee Agreement, including the terms of the guarantee and other details are available for inspection in accordance with paragraph 13.

The Guarantee Agreement was entered into on 16 September 2022 between the Guarantor and the Trustee and grants the power to the Trustee to demand immediate payment of all the obligations of the Issuer under the Terms of the Notes. The Guarantor, as a principal obligor and not merely as a surety and on the basis of express obligations enforceable against it set out in the Guarantee Agreement, irrevocably and unconditionally guarantees to the Trustee, the punctual performance by the Issuer of all its obligations under the Bond Notes and undertakes to the Trustee that whenever the Issuer does not pay any amount when due under or in connection with the Bond Notes, it shall immediately on demand pay that amount as if it was the principal obligor.

The Notes and all repayment obligations thereunder (including any interest accrued thereon) will constitute direct, unsecured and unsubordinated obligations of the Issuer ranking equally without any preference among themselves and ranking *pari passu* with all existing and future unsecured and unsubordinated obligations of the Issuer.

There is no further security offered by the Guarantor with respect to the enforcement of its obligations under the Guarantee Agreement. The obligations of the Guarantor under the Guarantee Agreement are contractual and shall rank *pari passu* to all other direct, unsecured and unsubordinated obligations of the Guarantor.

The guarantee may be triggered under the Guarantee Agreement and by the Trustee by issuing written notice to the Guarantor where an event of default has occurred under the Trust Agreement. If default is made for a period of 14 days or more in the repayment of any principal or interest due on the Notes, then the Trustee may, at its discretion, and if so requested by the Note Holders of at least one-half in principal amount of such Notes then outstanding or if so directed by an Extraordinary Resolution (requiring 75% of the value of the Notes present and voting at a meeting of the Note Holders for such purpose), the Trustee shall give written notice to the Issuer and the Guarantor that the Notes are immediately due and repayable, whereupon the principal amount of such Notes or such other amount as set out in the relevant Terms shall become immediately due and repayable together with interest accrued to (but excluding) the date of actual repayment.

All monies received by the Trustee shall be held by the Trustee upon trust to apply the same first, in payment of all costs, charges, expenses and liabilities incurred and payments made by the Trustee under the provisions of the Trust Agreement and all remuneration payable to the Trustee; secondly, in or towards payment *pari passu* and rateably of all monies due in respect of the Notes and all interest unpaid in respect of such Notes; and thirdly, the balance (if any) in payment to the Issuer.

No material changes can be made to the Guarantee Agreement by the Trustee or the Guarantor without the express approval of the Note Holders by the passing of an Extraordinary Resolution requiring a quorum of two thirds in value of the aggregate value of Notes in issue and the passing of a 75% majority resolution (in value) by the Note Holders voting thereon.

2.7 Trustee Arrangements

The Issuer, the Guarantor and the Trustee entered into the Trust Agreement on 16 September 2022 whereby the Trustee has agreed to act as trustee under the bond offering, on behalf of the Note Holders from time to time, on the terms and conditions of such Trust Agreement and whereby the Trustee shall hold the benefit of any rights and obligations under the Trust Agreement and the trusts thereby created, including the benefit of the Issuer's covenants to pay the principal and interest due on the Notes, on trust for the Note Holders and, accordingly, the Trustee shall exercise the duties, powers, trusts, authorities and discretions vested in such Trust Agreement in relation to each Note Holder and each Note, both jointly and severally.

Upon an event of default, whereby the Issuer has failed to meet its payment obligations under the Terms of the Notes for more than 14 days, the Trustee shall have the power, under the Trust Agreement to demand from the Issuer, the Guarantor and Paying Agent the immediate payment of all principal and interest on the Notes directly to the Trustee or to the order of the Trustee at all times to be held for the benefit of the Note Holders and to be apportioned under the terms thereof and in the order set out in the Trustee Agreement.

The Trustee may place monies in respect of the Notes on deposit in its name or under its control in an account at such bank or other financial institution as the Trustee may, in its absolute discretion, think fit. The Trustee need only account for an amount of interest equal to the amount of interest which would, at the then current rates, be payable by it on such a deposit to an independent depositor and at all times in accordance with any deposit agreement that may specifically be entered into on behalf of the Trustee and the bank with regards to such deposit.

The Trust Agreement does not confer on the Trustee any right to exercise any investment discretion in relation to the monies subject to the trust constituted by the Trust Agreement.

The power to replace the Trustee shall be vested in the Issuer but a person proposed to be appointed in its stead must in the first place be approved by a resolution of the Note Holders, provided that if the required quorum is not obtained at the original meeting convened to approve the appointment of a new trustee, then the person proposed by the Issuer to be appointed as a new trustee shall be deemed to have been approved by a resolution of such Note Holders. The Note Holders shall also have the power, exercisable by Extraordinary Resolution (requiring 75% of the value of the Notes present and voting at a meeting of the Note Holders for such purpose), to remove any trustee or trustees for the time being in office. A Trustee may retire at any time in relation to any Notes on giving two months' prior written notice to the Issuer without assigning any reason therefore and without being responsible for any costs occasioned by such retirement.

The Trust Agreement shall be made available to any Note Holder upon demand and may be obtained directly from the Trustee, the Issuer or the Arranger. The Trust Agreement is available to the general public, upon request, in electronic or hard copy form, at the registered office of any of the aforementioned parties, throughout the entire term of the bond offering.

2.8 Expenses of the Listing

The expenses of the Listing, which relate to legal, registrar services, advisory, printing, distribution, regulatory fees and such other charges, will be paid by KMH. The following are the estimated expenses:

Expense Item	**US$**
Legal fees	30 000
Advisory fees	1.25% of funds raised
Debt Sponsors fees	-
VFEX application fees	10 350
Registrar, Calculation, Transfer, Payment and Issuer's Settlement Agent fees	25 000
Printing and distribution costs	5 000
Designing	500
Trustee fees	An annual fee of 0.15% on the amount subscribed with a minimum of €70 000 (US$68 000) and maximum €90 000 (US$87 000)

3 OVERVIEW OF KMH

KMH was incorporated in Cyprus on 23 February 2018 under company registration number HE380340. KMH is 70% owned by Tharisa and 30% by Leto Settlement, the founding shareholder. KMH is an intermediate investment holding company holding 100% of the issued ordinary share capital of Karo Zimbabwe, which in turn holds 85% of the issued ordinary share capital of Karo Platinum. Generation Minerals holds a 15% free funded carry shareholding in Karo Platinum and has an option to acquire a further 11% exercisable after 24 months of signing the Investment Framework Amendment, but before 36 months, and payable in cash.

The proceeds, net of transaction costs, from the Bond will be advanced as a zero-coupon bond /debt instrument to fund the Project.

3.1 History and Overview of the Karo Project

As an integral part of the negotiations between the Government of Zimbabwe and Zimplats for the conversion of its mining concession, which was expiring in 2019 into a mining lease for the life of its mining operations and due to the extent of the mining concessions Zimplats held, in March 2013, the Government of Zimbabwe gazetted a notice to acquire 27 948 ha from Zimplats, which was deemed to be excess to Zimplats' long term mine plan requirements with a stated intention of introducing new entrants into the market. Subsequently, in January 2014, the Government of Zimbabwe issued an expression of interest for companies to further develop PGM opportunities, to which KMH submitted an expression of interest.

KMH entered into the Investment Framework Agreement with Zimbabwe on 22 March 2018, in terms of which KMH undertook to develop an integrated PGM mining complex.

Following the above, Karo Zimbabwe was incorporated as a wholly owned subsidiary of KMH and acquired the Karo Project concession area measuring 23 903 ha under its now 85% owned subsidiary Karo Platinum. In March 2018, Karo Platinum was granted the right to mine for five years pursuant to a Special Grant issued on 8 June 2018. Subsequently the Special Grant was superseded by a Mining Lease over the same concession area for the life of mine.

The Karo Project is a highly prospective long life PGM opportunity on the mineral rich Great Dyke located in the Mashonaland West province of Zimbabwe. It is approximately 80 km southwest of Harare and 35 km southeast of Chegutu. On the Great Dyke, it is located south of the Zimplats Selous Metallurgical Plant and north of the Zimplats Ngezi operations. It is accessible by tar road from Harare, and the closest railway line is approximately 22 km direct distance from the project site.

3.1 History and Overview of the Karo Project (continued)

A comprehensive exploration programme was undertaken by Karo Platinum. The initial exploration programme comprised some 240 diamond core drill holes totalling 32 677 m which took place from November 2018 to April 2019. This programme was followed by a second phase of drilling comprising 77 diamond core holes totalling 7 642 m. The second phase of drilling was completed in December 2020. The programmes generated over 22 000 samples that were assayed by an independent laboratory. A third phase of drilling was completed in June 2021 with 16 additional drill holes being drilled of 1 887 m. The total number of drill holes completed in June 2021 were 333 for 42 209 m. At the beginning of the second exploration program, a comprehensive implementation study was commenced and completed, resulting in a favourable outcome, with the study advocating the development of a Phase One of the Project.

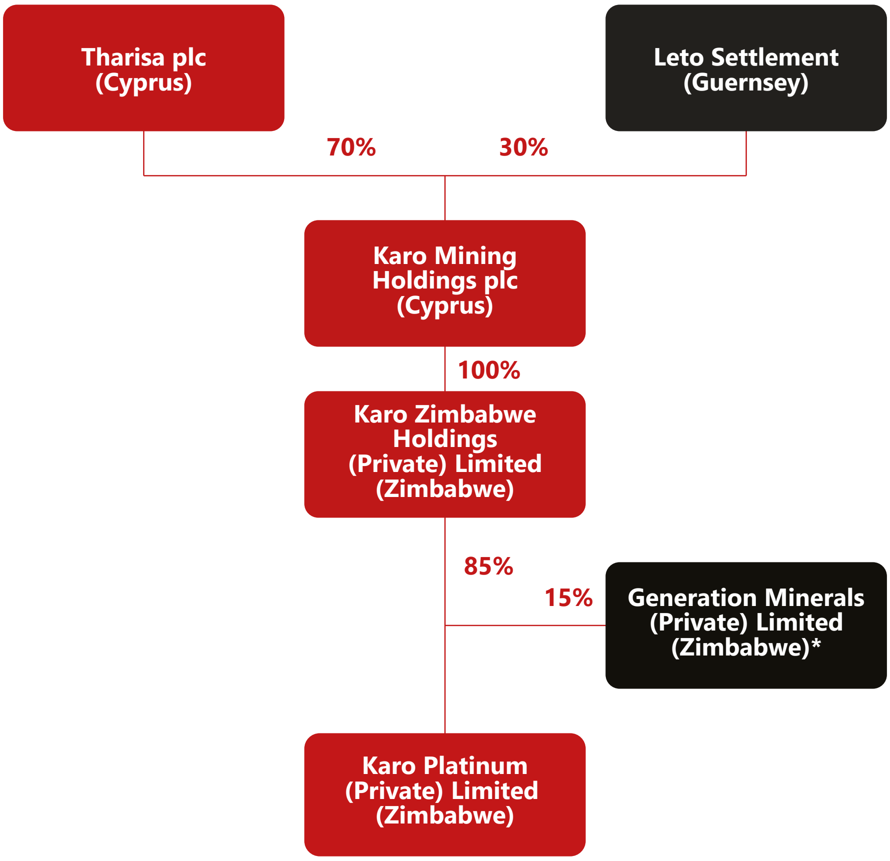
The Karo Special Economic Zone was declared by the Zimbabwe Investment Development Agency in October 2019 and pursuant thereto on 9 October 2019, Special Economic Zone Developers and Investor Licenses were issued to Karo Platinum; and Special Economic Zone Developers and Operators Licenses were issued to Karo Zimbabwe. Such investor and developers' licenses are valid for ten years and may be renewed. Incentives such as a favourable corporate tax rate and exemptions from withholding tax have been gazetted for Special Economic Zones and are available to license holders.

The implementation study conducted by Karo Platinum, developed the following economic case for the first phase:

- Mineral Resource: 152.1 Mt containing 9.97 Moz at 2.04 g/t (5PGE+Au)
- 3PGE+Au resource prill split of Pt 45%, Pd 42% Rh 4% and Au 9% and base metal rich – 0.10% Cu and 0.12% Ni
- 17-year open pit mine plan at an average run of mine grade of 3.0 g/t (5PGE+Au) targeting average production of ~190 kozpa of PGM in concentrate. This plan is preliminary in nature and includes 37% mineralised material from Inferred Mineral Resources that cannot be converted to Mineral Reserves. This optimised mine plan could have a material impact on the Mineral Reserve estimate
- Strong financials: capital requirement of US$391 million until first ore through mill

On 31 March 2022, Tharisa increased its shareholding in KMH from 26.8% to 66.3% through a farm-in arrangement in an all-share transaction. In addition, through rights issues and capitalisation of its loan account in KMH, Tharisa increased its shareholding to 70%. The balance of the issued shares in KMH are held by Leto Settlement.

3.2 Karo structure



**Generation Minerals is the Republic of Zimbabwean SPV*

3.3 Karo Project – Mineral Resource and Mineral Reserve Declaration

The following Mineral Resources and Mineral Reserves for the Karo Project were declared at the respective dates by independent Competent Persons in terms of the SAMREC Code:

Mineral Resource Declaration (March 2022) - Reported on a 100% project basis SAMREC Code (2016)														
Mineral Resource classification	**Tonnage (Mt)**	**Thickness (m)**	**Density**	**Pt (g/t)**	**Pd (g/t)**	**Rh (g/t)**	**Au (g/t)**	**4E (g/t)**	**Ru (g/t)**	**Ir (g/t)**	**6E (g/t**	**Cu (%)**	**Ni (%)**	**Co (%)**
Indicated	109.58	3.27	3.10	0.86	0.83	0.08	0.16	1.93	0.09	0.04	2.06	0.11	0.12	0.004
Inferred	42.49	4.23	3.07	0.86	0.75	0.08	0.18	1.87	0.08	0.04	1.99	0.10	0.12	0.002
Total	**152.07**	**3.50**	**3.09**	**0.86**	**0.81**	**0.08**	**0.17**	**1.91**	**0.09**	**0.04**	**2.04**	**0.10**	**0.12**	**0.004**
Mineral Resource classification	**Strike**	**Dip**	**Pt:Pd:Rh:Au**	**Pt (koz)**	**Pd (koz)**	**Rh (koz)**	**Au (koz)**	**4E (koz)**	**Ru (koz)**	**Ir (koz)**	**6E (koz)**	**Cu (kt)**	**Ni (kt)**	**Co (kt)**
Indicated	30 080	24.3	44:43:4:8	3.01	2.91	0.30	0.58	6.80	0.31	0.14	7.25	116.1	131.0	5.0
Inferred	18 100	21.8	46:40:4:10	1.18	1.03	0.11	0.25	2.56	0.11	0.05	2.72	41.7	51.6	0.8
Total	**48 180**	**23.6**	**45:42:4:9**	**4.19**	**3.94**	**0.41**	**0.82**	**9.36**	**0.42**	**0.19**	**9.97**	**157.8**	**182.6**	**5.8**

3.3 Karo Project – Mineral Resource Declaration (continued)

Mineral Reserve estimate (June 2021) – Reported on a 100% project basis									
Mineral Reserve classification	Tonnage (Mt)	3PGE+Au grade (g/t)	5PGE+Au grade (g/t)	Cu grade (%)	Ni grade (%)	Contained 3PGE+Au (Moz)	Contained 5PGE+Au (Moz)	Contained Cu (kt)	Contained Ni (kt)
Probable	35.49	2.18	2.31	0.09	0.10	2.48	2.63	30.2	35.1
Total	**35.49**	**2.18**	**2.31**	**0.09**	**0.10**	**2.48**	**2.63**	**30.2**	**35.1**

Notes:

1. The Mineral Reserve estimate is reported in accordance with the guidelines of The SAMREC Code, 2016 Edition
2. The Mineral Resources were reported inclusive of the Mineral Reserve
3. The Mineral Reserve is reported as delivered run of mine material to the concentrator plant, or related run of mine stockpile
4. Mineral Reserve estimated based on the following 3PGE+Au cut-off grades: KPSE pit – 0.41g/t, KPSW pit – 0.41g/t and KPE pit – 0.27g/t
5. Tonnage estimates are in metric units and reported as Mt
6. 3PGE + Au (g/t) = Pt grade (g/t) + Pd grade (g/t) + Rh grade (g/t) + Au grade (g/t)
7. Numbers may not add up due to rounding
8. Mineral Reserve reported on 100% project basis
9. The reported Mineral Reserve estimate is based on the PFS completed in June 2021. Future Mineral Reserve estimates may be materially different based on additional geological information and metallurgical test work obtained and technical studies currently in progress

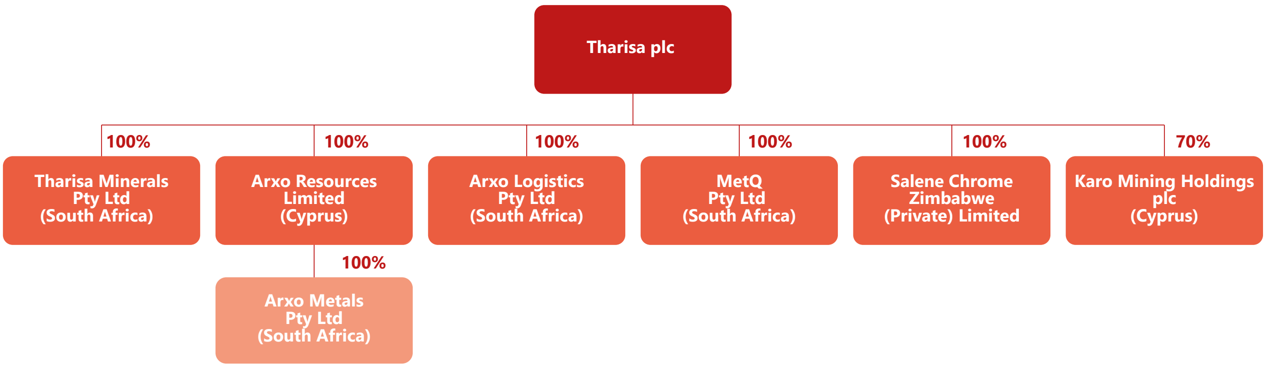
4 OVERVIEW OF THARISA

Tharisa is an integrated resource group engaged in exploration, mining, processing, and the beneficiation, marketing, sales and logistics of PGMs and chrome concentrates. Tharisa is listed on the JSE and LSE. It's largest operating asset is the Tharisa Mine – a PGM and chrome mine in the Northwest Province of South Africa. In addition, Tharisa has a 70% shareholding in KMH.

The Group has set a near-term annual production target, excluding the Karo Project production, of 200 koz of PGMs and 2.0 Mt of chrome concentrates.

4.1 Group and operational structure

The major subsidiaries of Tharisa are depicted below.



4.2 Tharisa Minerals

Tharisa Minerals is a wholly owned subsidiary of Tharisa. Its core asset is the Tharisa Mine, which is situated near Rustenburg, in the Northwest Province of South Africa, on the Western Limb of the Bushveld Complex. The Bushveld Complex is home to more than 70% of the world's platinum and chrome resources. The Tharisa Mine is uniquely positioned as the world's only co-producer of both PGMs and metallurgical and specialty grade chrome concentrates from its open pit mine.

The Tharisa Mine has a remaining open pit life of mine of 20 years with a further projected 40-year underground mining operation.

4.2.1 Tharisa Mine Mineral Resource and Mineral Reserve Statement (September 2021)

Mineral Resource	Unit	Measured	Indicated	Inferred	Total
Tonnes	Mt	109.16	112.56	632.68	854.40
5PGE + Au grade	g/t	1.69	1.35	1.45	1.47
3PGE + Au grade	g/t	1.33	1.02	1.12	1.13
Cr_2O_3 grade	%	22.42	19.37	19.72	20.02
Contained 5PGE + Au	Moz	5.99	4.47	29.80	40.26
Contained 3PGE + Au	Moz	4.65	3.68	22.81	31.15
Contained Cr_2O_3	Mt	24.47	21.80	124.79	171.06

Mineral Reserve (Open Pit 2021)	Unit	Proved	Probable	Total
Tonnes	Mt	77.7	16.5	94.2
5PGE + Au grade	g/t	1.42	1.31	1.40
3PGE + Au grade	g/t	1.10	1.01	1.08
Cr_2O_3 grade	%	18.7	17.2	18.5
Contained 3PGE + Au	Moz	2.7	0.5	3.3
Contained Cr_2O_3	Mt	14.6	2.8	17.4

Mineral Reserve (Underground 2021)	Unit	Proved	Probable	Total
Tonnes	Mt	5.7	13.3	19.0
5PGE + Au grade	g/t	1.51	1.63	1.60
3PGE + Au grade	g/t	1.22	1.24	1.23
Cr_2O_3 grade	%	18.7	20.6	20.0
Contained 3PGE + Au	Moz	0.2	0.5	0.8
Contained Cr_2O_3	Mt	1.1	2.7	3.8

Mineral Reserve (Open Pit & Underground 2021)	Unit	Proved	Probable	Total
Tonnes	Mt	83.4	29.7	113.1
5PGE + Au grade	g/t	1.43	1.45	1.42
3PGE + Au grade	g/t	1.11	1.11	1.11
Cr_2O_3 grade	%	18.7	18.7	18.7
Contained 3PGE + Au	Moz	2.9	1.0	4.0
Contained Cr_2O_3	Mt	15.7	5.6	21.3

Notes:

1. The Mineral Resource and Mineral Reserve estimate is reported in accordance with the guidelines of The SAMREC Code, 2016 Edition
2. The Mineral Resources were reported inclusive of the Mineral Reserve
3. The Mineral Reserve is reported as delivered run of mine material to the concentrator plant, or related run of mine stockpile
4. Tonnage estimates are in metric units and reported as Mt
5. 3PGE + Au (g/t) = Pt grade (g/t) + Pd grade (g/t) + Rh grade (g/t) + Au grade (g/t)
6. Due to rounding up of the figures, some totals may not add up in the table
7. Average PGM process plant recovery estimates range from 78.9% to 83.9%
8. Average chrome yield estimates range from 33.9% to 37.8%

4.3 Arxo Metals

Arxo Metals produces high-margin chemical and foundry grade chrome concentrates, operates Sibanye-Stillwater’s K3 chrome plant in Rustenburg and is the Group’s research and development arm. It also commissioned a 1MW DC furnace to produce PGM-rich metal alloys. Arxo Metals conducts extensive research and development into technologies and beneficiation opportunities.

4.4 Arxo Resources

Arxo Resources markets and sells metallurgical and chemical grade chrome concentrate purchased from Tharisa Minerals to customers primarily in Asia.

4.5 Arxo Logistics

Arxo Logistics manages the rail and road distribution of PGM concentrate and chrome concentrates produced by the Tharisa Mine, and chrome concentrates from Sibanye-Stillwater Limited’s chrome plant. These products are transported by road and rail to customers in South Africa and international customers via port facilities in Richards Bay, Durban and Maputo.

5 SHARE CAPITAL

KMH was converted from a private company to a public company on 9 September 2022. As at the date of this Prospectus, the share capital of KMH is as follows:

Authorised:
49 000 ordinary shares of US$1 each
1 000 redeemable preference shares of US$1 each

Issued:
45 200 ordinary shares of US$1 each
5 redeemable preference shares of US$1 each

Major shareholders:
KMH is 70% owned by Tharisa

6 FINANCIAL INFORMATION

6.1 Tharisa financial information

Tharisa applies the principles of the King IV Report on Corporate Governance for South Africa. Tharisa further adheres to the Johannesburg Stock Exchange Listings Requirements, the London Stock Exchange Listing Rules and Disclosure and Transparency Rules applicable to a standard listing. The interim condensed consolidated financial results of Tharisa for the six months ended 31 March 2022 are set out in full in Appendix 4 and have been prepared in accordance with IFRS and the Cyprus Companies Law. Tharisa is audited by EY Cyprus, a JSE accredited audit firm. The historical audited consolidated financial statements for the three financial years ended 30 September 2021 can be found on the Tharisa website: www.tharisa.com.

6.2 KMH financial information

The KMH financial statements have been prepared in accordance with IFRS as adopted by the EU and the requirements of the Cyprus Companies Law. The financial statements for the year ended 30 September 2021 are set out in full in Appendix 5. KMH is audited by EY Cyprus, a JSE accredited audit firm.

7 FUTURE PROSPECTS OF THE ISSUER

Note that certain statements below constitute forward looking statements – refer to page ii for a description about forward looking statements.

7.1 Strategy

The Karo Project is a long-life asset that will be developed in phases to extract the PGM and base metal resources. The historic Mineral Resource declaration over the mining location estimated some 96 Moz of PGMs (3PGE+Au), the Karo Platinum Mineral Resource declaration has accounted for 9.97 Moz of PGMs (5PGE+Au).

The initial life of mine of 17 years will develop the shallow open pit resources of the Mining Lease, up to a depth of 100 m. Thereafter underground development will access the resources up to an estimated depth of 750 m.

The phased development approach will see the first phase producing approximately 190 kozpa of PGMs in concentrate from the open pit mining and processing facilities at steady state production, following the Project commissioning envisaged in 24 months. The Project also has significant base metal credits.

Further phases of development will increase the production rate from the mining and processing operations. Additionally, the project will be phased to access the underground Mineral Resources once the current 17 years life of mine open pit has been depleted. Another phase of development will include unique downstream facilities to beneficiate the PGM concentrate.

7 FUTURE PROSPECTS OF THE ISSUER (continued)

7.1 Strategy (continued)

The critical factors that influence whether Karo Platinum can achieve these production levels include:

- successfully concluding the current financing negotiations and drawdown of the funds
- the successful construction of the Project
- successfully identify the Main Sulphide Zone and optimally mine the defined mining cut
- access to the necessary infrastructure including specifically power supply and sufficient water
- the successful commissioning of the Project
- adherence to the mine plan and the resource grades being consistent with the resource declaration grades
- ability to maintain an adequate supply of consumables and equipment by holding sufficient inventory levels
- Karo Platinum's workforce remaining safe and healthy
- Karo Platinum securing market related off-take agreements for the processing of the PGM concentrate
- Karo Platinum continuing to receive payment in full and on-time for all production
- Karo Platinum continuing to be able to make local and international payments in the normal course of business

Karo Platinum's immediate strategic focus following the commissioning of Phase One of the Project is to:

- achieve the steady state production target rate of ~190 kozpa of 6E PGMs
- create a stable and sustainable operation
- trial unique beneficiation processes to develop Karo Platinum's beneficiation capabilities

7.2 Karo Platinum Funding Requirements

The capital and working capital requirements of Phase One of the Project over the 24-month construction period amounting to US$391 million are expected to be met through various funding sources, including both debt and equity instruments. Tharisa, as the parent company, has invested US$70 million in equity into KMH to date and has committed either itself or though group companies a further US$135 million in equity and quasi equity either into KMH or directly into Karo Platinum. This is in addition to the commitment by Arxo Finance to subscribe for US$10 million of the Notes. Negotiations for a syndicated senior debt facility secured, in part, by a political and commercial insurance wrap, are at an advanced stage.

Generation Minerals has a free funded carry in respect of its 15% shareholding in Karo Platinum.

The Bond issue is targeting to raise a further amount of US$50 million.

7.3 Production Guidance

Following the commissioning of Phase One of the Project, production is expected to reach approximately 190 kozpa of 6E PGMs of which Au will comprise 19 kozpa with combined Ni and Cu production of 5 000 tonnes.

8 CORPORATE GOVERNANCE

8.1 Introduction

KMH endorses the principles of good corporate governance and corporate citizenship. Overall responsibility for governance lies with the Board which adheres to principles of good corporate governance with reference to the laws, codes and guidelines that apply in Cyprus.

8.2 Board

Phoevos Pouroulis was appointed Chairman of the Board, effective 12 July 2022. The Board comprises individuals with proven track records and a wide range of skills and experience which they employ for the benefit of KMH. The Directors are allocated responsibilities in committees where they have strategic strengths.

The primary responsibility of the Board is to discharge its fiduciary duty to the shareholders and KMH. The Board is the highest policy organ of KMH and directs strategy. The Board meets as often as is required during this development phase, but at least four times per year to provide input and oversight to the strategic planning process and to monitor operational performance.

The full names, addresses, positions of and number of KMH shares beneficially owned, controlled, or directed by the Directors are set out below:

Full Name	Address	Position	% Of KMH shares beneficially owned, controlled or directed
Phoevos Pouroulis	Neofytou Nikolaidi & Kiklis, 17, S. Pittokopitis Building, 1st Floor, Flat/Office 108-110, 8011 Paphos, Cyprus	Chairman	1.86%
Bernard Robert Pryor	Neofytou Nikolaidi & Kiklis, 17, S. Pittokopitis Building, 1st Floor, Flat/Office 108-110, 8011 Paphos, Cyprus	Managing director	nil
Rachel Rhodes	Neofytou Nikolaidi & Kiklis, 17, S. Pittokopitis Building, 1st Floor, Flat/Office 108-110, 8011 Paphos, Cyprus	Finance director	nil
Josephat Zimba	5893 Zimre Park, Ruwa, Zimbabwe	Executive director	0.03%
Adonis Pouroulis	19-21 Old Bond Street, London, W1S 4PX, United Kingdom	Non-executive director	58.53%
Shawn Harold McCormick	20 Station Road, Gerrardscross, SL9 8EL, United Kingdom	Independent non-executive director	nil
Michael Gifford Jones	Neofytou Nikolaidi & Kiklis, 17, S. Pittokopitis Building, 1st Floor, Flat/Office 108-110, 8011 Paphos, Cyprus	Director	0.18%

Phoevos Pouroulis (48)

Chairman
Appointed: 15 March 2022
Bachelor of Science and Business – Administration (Boston University, USA)

Phoevos Pouroulis is the Chief Executive Officer of the Tharisa Group, with responsibility for overall strategy and management. Phoevos has held various senior managerial and operational positions in his career spanning more than 20 years. He has extensive experience in project management, mining design, commissioning and mining operations, including coal, chrome and PGM mines, having been involved in South Africa's mining industry since 2003. He has served as Commercial Director for Chromex Mining and was a founding member of Keaton Energy. Phoevos currently serves on the board of the World Platinum Investment Council.

Bernard Robert Pryor (65)

Managing director
Appointed: 9 April 2022
London Bachelor of Science (Eng.) Hons – A.R.S.M Chartered Engineer (C. Eng) (Royal School of Mines, Imperial College London)

Bernie Pryor has over 40 years' experience in the international mining industry, covering senior executive roles in company management, project acquisition, evaluation and project development, construction and mining operations. His experience includes international commercial and general management, most notably in west and southern Africa, Australia, Brazil and Russia. He has particular skills in emerging markets, in-country management, mine operations and liaison with government and financial institutions. Commodity experience includes copper, gold, uranium, iron ore and coal in both underground and open pit operations. Recent positions include being the CEO of Alufer Mining Limited, CEO of African Minerals Ltd, CEO of Q Resources plc, Head of Business Development of Anglo-American plc UK, CEO of Anglo Ferrous Brazil, Director and Chief Operating Officer of Adastra Minerals Inc, UK, Chief Operating Officer & President Mining Division of Western Pinnacle Mining Ltd, Russia. Bernie has also held non-executive director positions at Petra Diamonds plc and MC Mining Ltd, where he had been the non-executive chairman.

Rachel Rhodes (51)

Finance director
Appointed: 8 August 2022
MA and BA Hons Cantab (Economics, Cambridge University, UK); ACA ICAEW; Member of the Institute of Chartered Accountants in England and Wales

Rachel Rhodes is a Chartered Accountant with 20 years' experience in the mining sector. Rachel has extensive experience in raising project finance and taking mining operations through construction to production. Rachel was previously the Chief Financial Officer at Alufer Mining that owns significant bauxite assets in the Republic of Guinea. Before joining Alufer, Rachel was with Anglo American and CFO of London Mining.

Josephat Zimba (52)

Executive director
Appointed: 15 March 2022
BSc Honours in Metallurgical Engineering (1st Class) – University of Zimbabwe (UZ); PhD - Physical Metallurgy/ Materials Engineering (UZ); Post-Doctoral Fellow – University of Cape Town

Josephat has more than 20 years' experience in the field of Metallurgical Engineering covering both Materials Engineering and Extractive Metallurgy. He is also a consummate Scientist and has held various Visiting Scientist appointments at Princeton University (Department of Mechanical and Aerospace Engineering and the Princeton Institute for the Science and Technology of Complex Materials), Rutgers University (Chemistry Department) and the National Renewable Energy Laboratory (Solar Technology) among other institutions. Josephat has been with the Tharisa Group for more than 13 years and has served in various capacities. He is currently the Country Manager for Zimbabwe and has been involved with the Karo Project since its inception. Josephat is a Fellow of the Zimbabwe Academy of Sciences and a Past President of the Africa Materials Research Society (AMRS). He is a board Member of the Africa MRS and a past Senate member of the International Union of Materials Research Societies (IUMRS).

Adonis Pouroulis (52)

Non-executive director
Appointed: 29 March 2021
Bachelor of Science Degree (Hons) in Mining Engineering (University of Witwatersrand, South Africa)

Adonis Pouroulis is an entrepreneur, investor and qualified mining engineer who has worked in the natural resources and energy space for over 30 years. His first listed entity was Petra Diamonds, which he founded and listed on AIM in 1997, merged with Crown Diamonds and moved to the LSE's Main Board, acquiring four mines from De Beers during his tenure as Chairman, a post he held until 2020. Adonis established Pella Resources as a platform to incubate and build resource entities and over the past decade has been influential in the founding, financing and development of a range of other companies in Africa, taking assets through the full value chain from exploration to production, and some onto acquisition. He maintains an active role with a number of executive and advisory board positions and is currently CEO of Chariot Limited and Non-Executive Chairman of Rainbow Rare Earths and Golden Rim Resources. Whilst mining and energy is still a core focus, through Pella, Adonis is also involved in advising on and investing in a range of new clean tech and renewable energy opportunities.

Shawn Harold McCormick (55)

Independent non-executive director
Appointed: 25 May 2018
Bachelor's degrees in International Relations and Journalism (both Hons); Executive studies at INSEAD and Thunderbird (University of Southern California)

Shawn McCormick, an American citizen, is the Managing Director of a London-based strategic consulting firm focused on the natural resources sector in Africa and Latin America. He has a particular speciality in government relations, managing "above ground risks" as well as corporate reputation protection. Shawn's previous roles include Director for African Affairs at the National Security Council in The White House in Washington, Corporate Vice President for International Affairs at TNK-BP in Moscow, and Senior Global Affairs Advisor and Africa regional advisor for BP in London. His board roles include Chairman of Trinity Metals (Rwanda - tin, tungsten, tantalum and lithium) and non-executive director of LSE-listed Rainbow Rare Earths (South Africa and Burundi). He previously served as non-executive director of ASX-listed Tiger Resources (DRC - copper) and also on the board of Alufer Mining (Guinea - bauxite).

Michael Gifford Jones (59)

Director
Appointed: 21 June 2018
Bachelor of Accounting (University of KwaZulu-Natal, Pietermaritzburg, South Africa); CA (SA); Member of the South African Institute of Chartered Accountants

Michael Jones is the Chief Finance Officer of the Tharisa Group and is responsible for the overall financial operation, funding and the financial reporting of the Group. Michael has more than 12 years' executive financial management experience in the mining sector. In addition, he has 20 years' experience in investment banking, focusing on mergers and acquisitions and capital raisings of both equity and debt.

8.3 Directors' interests

As at the date of this Document and to the knowledge of KMH, the Directors directly and/ or indirectly held no other beneficial interests in/with KMH other than as set out above.

There are no potential conflicts of interest between any duties to KMH of the board of directors or KMH's management, and their private interests or other duties.

8.4 Board committees

KMH has established an Audit Committee, a Remuneration Committee and a Safety, Health, Environment and Community Committee. Pending appointment of additional independent non-executive directors, the composition of these committees and their charters are yet to be finalised.

8.4.1 Audit Committee

The Board will ensure that the committee's members have the appropriate mix of qualifications and experience in order to fulfil their responsibilities appropriately. The independent external auditors of the Karo Group and the Tharisa Group, Finance director, Managing director and Group internal auditors will attend committee meetings by invitation. The committee will meet with the internal and external auditors, without any executive directors being present. Both the internal and external auditors will have unrestricted access to the chairman of the committee.

The Audit Committee will provide the Board with additional assurance regarding the quality and reliability of financial information used by the Board and the financial statements of the Karo Group. The committee will review the internal and financial control systems, accounting systems, and reporting and internal audit functions, and ensure that they are aligned with those of the Tharisa Group.

It will liaise with the Karo Group's external auditor and monitor compliance with legal requirements. Furthermore, the Audit Committee will assess the performance of financial management, approve external audit fees and recommend approval of budgets to the boards of subsidiary companies, monitor non-audit services provided by the external auditor against an approved policy, and ensure that management addresses any identified internal control weakness.

The committee will have unrestricted access to all Company and Karo Group information and may seek information from any employee. The committee may also consult external professional advisors in executing its duties. The chairman of the Audit Committee will be required to report to the Board after each meeting of the committee and the minutes of meetings of the Audit Committee will be provided to the Board. The chairman of the Audit Committee will also provide a report to the Tharisa plc Audit Committee on the activities of the committee and minutes of meetings of the Audit Committee will be provided to the Tharisa plc Audit Committee.

The committee will be chaired by an independent non-executive director.

8.4.2 Remuneration Committee

The Remuneration Committee will consider and make recommendations to the Board regarding the remuneration framework of the Managing director, Finance director and other members of the executive management of the Company and its subsidiaries, with reference to Tharisa Group remuneration decisions and local and international benchmarks. The committee will also consider and make recommendations to the Tharisa Remuneration Committee regarding the structure of the bonus scheme and allocations in terms of the Tharisa Group's incentive schemes, and certain other employee benefits and schemes.

The committee will consider and approve the remuneration framework of non-executive level employees and the payment of bonuses, which are discretionary and based upon general economic variables, the performance of the Company and each individual's performance against personalised key performance indicators, in terms of the approved bonus structure.

The chairman of the Remuneration Committee will provide a report to the Tharisa plc Remuneration Committee on the activities of the committee and minutes of meetings of the Remuneration Committee will be provided to the Tharisa plc Remuneration Committee.

The committee will be chaired by the chairman of the Board.

8.4.3 Safety, Health, Environment and Community Committee

The Safety, Health, Environment and Community Committee will develop and review the Group's framework, policies and guidelines on safety, health, and environmental management, as well as community relations, in line with that of Tharisa plc. It will monitor key indicators on accidents and incidents, and consider developments in relevant safety, health, environmental and community practices and regulations.

The chairman of the Safety, Health, Environment and Community Committee will provide a report to the Tharisa plc Safety, Health and Environment Committee on the activities of the committee and minutes of meetings of the Safety, Health, Environment and Community Committee will be provided to the Tharisa Safety, Health and Environment Committee. Safety, health, and the environment is a key value of the Tharisa Group and the Safety, Health, Environment and Community Committee will ensure that the necessary focus is given at the operational level.

OVER-SUBSCRIPTION, REGISTRATION AND PAYMENT

9 OVER-SUBSCRIPTION AND REDUCTION/CANCELLATION

The issuing currency of the Bond is the US$.

In the event of an over-subscription of the Bond, the Issuer reserves the right to increase the total aggregate issue amount, subject to approval by its Board and Guarantor, by delivering notice thereof to Prospective Investors, Note Holders and the VFEX.

Similarly, the Issuer reserves the right to reduce or cancel the subscription for the Bond to be issued at any time prior to the issue, upon which timeous notice will be provided to Prospective Investor and the VFEX. Upon such notice of increase or reduction being provided to Prospective Investors, Note Holders and VFEX, all references in this Prospectus (and each agreement, deed or document relating to this Prospectus) will be deemed to be references to the increased or reduced issue amount set out in such notice.

The issue will adhere to the recognised and standardised electronic clearing and settlement procedures operated within the Zimbabwean environment.

10 REGISTRATION

The register of the Notes shall be recorded as "KARO MINING HOLDINGS PLC US$ DENOMINATED BOND REGISTER"

Corpserve would be responsible for maintaining the Bond Register in Zimbabwe.

The Note Holders' registration process by Corpserve would be as follows:

- Opening of a bank account for receipt of subscriptions from Prospective Investors
- Creation of a Bond Register on their data processing system
- Receipt of Bond subscription forms together with proof of receipt
- Verification of payment and details of the Prospective Investor as per current know-your-client processes
- Entering the successful Prospective Investor's details into the system
- Reconciliation of the bank account at the close of the offer and producing a full register
- Sharing of the Bond Register with the VFEX for uploading onto their system
- Advising the Issuer whether there is an over-subscription and proceeding as guided by the above position of the Issuer in relation to over-subscription
- On a weekly basis, receiving an electronic file from the VFEX for verification with the Bond Register

11 PAYMENT

The distribution of both interest and capital redemption would be performed by the Registrar, Calculation, Transfer, Payment and Issuer's Settlement Agent.

Below is the method of distribution to be undertaken by the Registrar, Calculation, Transfer, Payment and Issuer's Settlement Agent:

- At a determined last record date, receipt of the Bond register from the VFEX and reconciliation with the Bond Register
- Computation of the interest or capital redemption payments on their Bond system and requesting of funding from the Issuer
- Maintaining a bank account where the interest/capital redemption funds are credited for distribution to Note Holders
- Distribution of the payments, production of advice slips and distribution to the Bond Note Holders
- Reconciliation of the bank account and attending to any issues raised by Note Holders

12 GENERAL INFORMATION

12.1 Jurisdiction

The Issuer is a Cypriot registered and domiciled company and thus is governed by the laws of Cyprus.

Prospective Investors should note that this document does not fall under the supervision, scrutiny, or approval of any financial regulator or securities legislation in Cyprus and is solely governed by the requirements of the VFEX.

12.2 Listing of the Bond on the VFEX

The Issuer intends to list the Bond on the VFEX. The VFEX is a wholly owned subsidiary of the ZSE and is situated within a designated Special Economic Zone. The VFEX has approved the listing of the Bond on Friday, 14 October 2022.

12.2.1 Overview of the VFEX

The VFEX is an exchange located in Victoria Falls, Zimbabwe, and founded in 2020. It operates via an automated trading system and uses the US$ as its exclusive trading and settlement currency.

The VFEX is situated in a designated Special Economic Zone in accordance with the ZIDA Act.

Whilst currently a subsidiary of the ZSE, the VFEX plans to introduce an international exchange and international fund managers as technical partners. This will give it wider access to more capital providers.

12.2.2 Benefits of Special Economic Zone Designation to Investors

- An investor operating in a Special Economic Zone may move funds necessary for their approved activity into and out of such Special Economic Zone without having to obtain permission under Zimbabwe's Exchange Control Act
- The ZIDA Act guarantees investors protection against nationalisation and expropriation of investments. Expropriation or nationalisation can only be done for a public purpose, and even when they are done for a public purpose, the investor is entitled to full compensation
- Taxation benefits as outlined in section 12.3 below

12.3 Taxation

12.3.1 Zimbabwe

The information below is intended as a general guide to the relevant tax laws of Zimbabwe in relation to the Listing. The contents of this section do not constitute tax advice and do not purport to take into consideration all aspects that may be relevant to a Prospective Investor or purchaser of any Notes. Relevant taxation and/or other advisors should be consulted by all Prospective Investors in this regard.

- No Stamp Duty is payable on initial subscription of the Notes
- In the secondary market however, on acquisition of the Notes, Stamp Duty (0.25% of sale value) and VAT (14.5% on brokerage) will be payable
- On sale of the Notes, only VAT (14.5%) on brokerage will be payable
- No CGT will be payable if the value of the underlying capital value of the Notes changes
- No WHT on interest would be payable on the interest received by Non-Resident Note Holders
- However, interest earned would be deemed to be from a source within Zimbabwe for both corporate Note Holders and individuals, and thus be treated as normal income from trade and investment to be taxed at the standard rate of 24.72%, payable on a half yearly payment date basis, with the exception of circumstances in which the income is considered to be exempt in the hands of the Note Holder, depending on their taxation status

12.3.2 Cyprus

The information below is intended as a general guide to the relevant tax laws of Cyprus in relation to the Issue. The contents of this section do not constitute tax advice and do not purport to take into consideration all aspects that may be relevant to a Prospective Investor or purchaser of any Notes. Relevant taxation and/or other advisors should be consulted by all Prospective Investors in this regard.

For the purposes of Cypriot taxation, Note Holders (physical and legal) would not be subject to Cypriot withholding tax (otherwise known as a 'Special Defence Contribution' or 'SDC' in Cyprus) subject to a once-off execution and return to the Issuer of a Cyprus non-resident exemption declaration. Should the residence status of any Note Holder change at any time thereafter, the onus shall be on the Note Holder to inform the Cypriot authorities of such tax residence change. The completion and return to the Issuer of the Cyprus non-resident exemption declaration at any time prior to an interest payment would confer non-taxable status in Cyprus on the interest payments received by Note Holder(s) until Maturity. If in doubt as to the application of the aforementioned, Prospective Investors and/or Note Holders are urged to contact the Issuer or the Arranger for any required clarifications.

At any required point, should a Note Holder not sign and return the declaration at the specified time, tax will be withheld in accordance with Cypriot law, which at the time of issuing of this Prospectus, stands at 30%.

The Issuer encourages all Prospective Investors and subsequent Note purchasers upon listing, to secure the signing of the exemption declaration by contacting the Registrar, Calculation, Transfer, Payment and Issuer's Settlement Agent on the contact information set out in the "Corporate Information and Professional Advisors" section of this Prospectus.

A copy of the exemption declaration is available in Appendix 2 (for a company) and Apendix 3 (for an individual) of this Propsectus.

The following Cypriot tax provisions are applicable to the Bond:

- No CGT will be payable in Cyprus on the sale of qualifying securities of a Cypriot registered entity
- SDC of 30% shall be payable, deducted at source, as a WHT on the gross interest payments received by persons or legal entities who are tax resident and domiciled in Cyprus. Note Holders shall be considered Cyprus tax resident and domiciled under local Cyprus tax regulations unless a validly executed tax exemption declaration is returned to the Registrar, Calculation, Transfer, Payment and Issuer's Settlement Agent, whereupon the Registrar, Calculation, Transfer, Payment and Issuer's Settlement Agent shall not withhold any SDC
- No Stamp Duty shall be payable on the Notes in Cyprus

12.4 Material Contracts

KMH has not entered into any material contracts outside the ordinary course of business prior to the date of this Prospectus other than for the Investment Framework Agreement and the amendments thereto. KMH has not entered into any other contract outside the ordinary course of business which contains any provision under which it has any obligation or entitlement.

12.5 Litigation statement

From time-to-time KMH or Tharisa may become engaged in litigation or regulatory proceedings incidental to its business. Neither KMH nor Tharisa is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which KMH or Tharisa is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on KMH or Tharisa's financial position or profitability.

12.6 Experts' Consents

The Arrangers, Debt Sponsors, Legal Advisors, Transfer Secretaries, Independent Arrangers and Registrar, Calculation, Transfer, Payment and Issuer's Settlement Agent have submitted their written consents to act in the capacities stated and to their names being stated in this Prospectus, which consents have not been withdrawn as at the date of this Prospectus. The above-mentioned consents are available for inspection by interested parties in terms of paragraph 13 below.

12.7 Clearing Systems

KMH has been admitted in terms of the Central Securities Depository Rules and Directives prior to the preliminary approval of the Listing of the Bond by the VFEX.

12.8 Exchange Control Approval

KMH has been granted approvals from RBZ Exchange Control that residents and Non-Residents may be permitted to hold issued Bond subject to the requirements of the RBZ with regards to funding purchases and handling of disinvestment proceeds. Exchange Control Approval was granted on 26 July 2022.

12.9 Prescribed Asset Status

An application for Prescribed Asset Status has been lodged with IPEC and is currently under review.

12.10 Regulatory Issues

The VFEX approved the distribution of this Prospectus on Friday, 14 October 2022.

DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

13 DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

Prospective Investors may inspect this Prospectus and the documents available as listed below between 08:00 and 16:00 from Friday, 28 October 2022 to Wednesday, 30 November 2022 at the Arrangers' office, Debt Sponsor's office, or KMH's Registered Office at the addresses set out in the "Corporate Information" section of this Document. Alternatively, Prospective Investors may request access to soft copies of the documents from the Arrangers by emailing advisory@ih-group.com.

The Company has written confirmation from the Competent Persons that the Mineral Resource and Mineral Reserve information disclosed is in compliance with the SAMREC Code (2016) and that they have consented to the inclusion of this information in the form and context in which it appears.

i. The Incorporation documents of KMH
ii. The Memorandum of Association and the Articles of KMH
iii. Exchange control approval
iv. All amendments and/or supplements to this Prospectus circulated by the Issuer from time to time
v. Certified extract/of the KMH Board resolution to undertake the Bond issuance and application for subsequent listing onto the VFEX, certified by the Group Company Secretary
vi. Certified extract of the Tharisa Board resolution to undertake the role of Guarantor, certified by the Group Company Secretary
vii. Certified copy of the Guarantee Agreement
viii. Certified copy of the Trust Agreement
ix. The Placing Agreement
x. The written consents detailed in paragraph 12.6 of this document
xi. The audited consolidated financial statements for the three financial years ended 30 September 2021, 30 September 2020, 30 September 2019 for Tharisa
xii. The reviewed interim financial statements for the six months ended 31 March 2022 for Tharisa
xiii. The audited financial statements for the three financial years ended 30 September 2021, 30 September 2020 and 30 September 2019 of KMH
xiv. Technical Report

14 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear below, have taken all reasonable care to ensure that the facts stated in this Document are true and accurate in all material respects and collectively and individually accept full responsibility for the accuracy of the information provided in this Prospectus and certify that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading. They have made all reasonable enquiries to ascertain such facts, and that this Prospectus contains all information required by law and by the VFEX listing rules.

The Directors confirm that this Prospectus includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquires) as investors and their professional advisors would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Guarantor and of the rights attaching to the Notes to which the Prospectus relates.

Director's Name	Position	Signature
Phoevos Pouroulis	Chairman	[Signed on original]
Bernard Robert Pryor	Managing director	[Signed on original]
Rachel Rhodes	Finance director	[Signed on original]
Josephat Zimba	Executive director	[Signed on original]
Adonis Pouroulis	Non-executive director	[Signed on original]
Michael Gifford Jones	Director	[Signed on original]
Shawn Harold McCormick	Independent non-executive director	[Signed on original]
Sanet Findlay	Company Secretary	[Signed on original]

GUARANTEE AGREEMENT

between

THARISA plc

(as ‘Guarantor’)

and

CHRISTOS PATSALIDES CORPORATE MANAGEMENT (BOND TRUSTEES) LIMITED

(in their capacity as Trustee on behalf of the Note Holders and the Notes)

AND IN RELATION TO THE ISSUER KARO MNING HOLDINGS PLC

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1 PARTIES

1.1 The Parties to this Guarantee (the 'Agreement') are:

1.1.1 **Tharisa plc**; and

1.1.2 **Christos Patsalides Corporate Management (Bond Trustees) Limited** in their capacity as bond Trustee(s) acting on behalf of and for the benefit of the Note Holders under and In accordance with the Trust Agreement.

1.2 The Parties agree as set out below.

2. INTERPRETATION

2.1 In this Guarantee, including the recitals, capitalised terms used but not defined below shall have the meanings ascribed thereto in the Placing Agreement, the Trust Agreement, the Prospectus as well as the Terms of the Notes, respectively (hereinafter collectively referred to as the 'Programme Documents') and the following expressions shall, except where the context otherwise requires, have the meanings assigned to them hereunder:

2.1.1 **"Authorisation"** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

2.1.2 **"Cyprus"** means the Republic of Cyprus;

2.1.3 **"Discharge Date"** means the date on which all amounts which may be or become payable by the Obligors under or in connection with the Notes have been irrevocably paid in full;

2.1.4 **"Group' or "Group of Companies"** has the meaning given to it under the Law and consists of a Holding Company and its Subsidiaries as well as Subsidiaries of Subsidiaries, as such terms are set out in the Law, with the Guarantor acting as the Holding Company and which includes the Issuer as a Subsidiary;

2.1.5 **"Guarantee"** means the guarantee contained in this document and provided for under the Placing Agreement and the Programme Documents;

2.1.6 **"Guarantor"** means Tharisa plc, registration number HE223412, a public company duly incorporated in accordance with the laws of Cyprus;

2.1.7 **"Issuer'** means Karo Mining Holdings Plc, registration number HE380340 a public company duly incorporated In accordance with the laws of Cyprus, being the issuer of the Notes;

2.1.8 **"Law"** means the Cyprus Companies Law Cap 113 as amended from time to time;

2.1.9 **“Notes”** means the series of certain unsecured fixed rate promissory instruments, encompassing and incorporating the Terms thereof, to be Issued by the Issuer under the Placing Agreement and the Programme Documents and subsequently listed and traded on the Victoria Falls Stock Exchange In the Republic of Zimbabwe by way of a private placement, promising to pay to the registered holder thereof all monies that may be due thereunder from time to time;

2.1.10 **“Obligation(s)”** means all monies due from time to time to the Note Holders under the Programme Documents and the Terms of the Notes, including all legal and other pecuniary costs or awards that may be payable from time to time;

2.1.11 **“Obligors ‘** means the Issuer and the Guarantor and “Obligor” means any of them as the context may require;

2.1.12 **“Parties”** means the parties to this Guarantee and “Party” means any one of them;

2.1.13 **“Placing Agreement”** means the agreement to be entered into by the Issuer, the Guarantor and the original subscribers whereby Notes of a prescribed denomination shall originally be taken up for valuable consideration and subsequently listed and traded on the Victoria Falls Stock Exchange, thereby creating legally enforceable obligations upon the parties thereto and under the terms thereof.

2.1.14 **“Prospectus”** means the information memorandum intended for prospective institutional or well-informed investors, governed by the rules of the Victoria Falls Stock Exchange and setting out legal and financial information on the Issuer, the Guarantor, the Trustee and the Notes, respectively.

2.1.15 **“Signature Date”** means the date of the signature of the Party last signing this Guarantee;

2.1.16 **“Trustee”** means the physical or legal person, duly licensed under a relevant supervisory authority in its jurisdiction of incorporation, which has been appointed to act as a monitoring and enforcement agent under the Programme Documents, at all times acting on behalf of and for the benefit of the Note Holders and entrusted to hold the entire benefit of the Trust Agreement and the express and implied trusts thereby created, on trust for the Note Holders and accordingly thereby, exercising the duties, powers, trusts, authorities and discretions vested in it by the Trust Agreement separately and independently in relation to each Note and Note Holder respectively;

2.1.17 **“Trust Agreement”** means the express trust arrangement, created under valuable consideration and entered into by and between the Issuer, the Guarantor and the Trustee dated on or about 14 September 2022 and which sets out the rights and obligations of the parties thereto in respect of the rights and obligations created under the Notes,

2.2 Construction

This Guarantee and the rights and obligations of the Parties under this Guarantee shall in all respects be subject to the terms and conditions of the Placing Agreement, the Trust Agreement and the Terms of the Notes arising therefrom and as set out in the Prospectus and in the event of any conflict between the provisions of this Guarantee and the Placing Agreement and Terms of the Notes, the provisions of the Placing Agreement and Terms of the Notes

3 CONSIDERATION

3.1 Corporate and Commercial Benefit

3.1.1 The Guarantor represents and warrants to the Trustee that its board of directors have made a robust economic, commercial and legal analysis of the economic benefit to the Guarantor arising from its entry into and performance of its guarantee and indemnification obligations under the present Agreement and has thereby determined that the issuing of the Notes purports to confer a material financial benefit to the Group as a whole, which substantially stands to enhance the Guarantor's own financial position as a majority shareholder in the Issuer, which directly and substantially stands to benefit the Guarantor's own shareholder base, as well as current and future stakeholders and accordingly a bona fide corporate and commercial benefit exists for the Guarantor's entry into this Agreement; and

3.1.2 The Guarantor hereby acknowledges that the issuing of the Notes by the Issuer stands to confer a material financial benefit upon the Group as a whole, such benefit substantially enhancing the financial position of the Guarantor.

4 GUARANTEE AND INDEMNITY

4.1 Guarantee and Indemnity

With effect from the Signature Date and until the Discharge Date, the Guarantor, as a principal Obligor and not merely as a surety and on the basis of express obligations enforceable against it, irrevocably and unconditionally -

4.1.1 guarantees to the Trustee, the punctual performance by the Issuer of all that Obligor's obligations under the Notes;

4.1.2 undertakes to the Trustee that whenever the Issuer does not pay any amount when due under or in connection with the Notes, It shall immediately on demand pay that amount as if it was the Principal Obligor; and

4.1.3 undertakes to the Trustee that if any Obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it shall, under an independent and primary obligation, indemnify the Trustee immediately on demand against any cost, loss or liability it incurs as a result of the Issuer not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under the Terms of the Notes on the date when it would have been due. The amount payable by the Guarantor under this indemnity will not exceed the amount payable under this clause, if the amount claimed had been recoverable on the basis of this guarantee.

4.2 Continuing Guarantee and Termination

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by the Issuer under the Notes, regardless of any intermediate payment or discharge in whole or in part.

4.3 Reinstatement

If any discharge, release or arrangement is made by the Trustee in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Guarantor under this clause 4 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

4.4 Waiver of Defences

4.4.1 The obligations of the Guarantor under this Guarantee will not be affected by any act, omission, matter or thing which, but for this *(Waiver of Defences)* or otherwise, would reduce, release or prejudice any of its Obligations hereunder (without limitation and whether or not known to it or the Trustee and unless otherwise expressly agreed to by the Guarantor) including —

4.4.1.1 any time, waiver or consent granted to, or composition with, any Obligor or other person;

4.4.1.2 the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor or such other person;

4.4.1.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, execute, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

4.4.1.4 any legal limitation, incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor;

4.4.1.5 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of the Notes or the Trustee Agreement;

4.4.1.6 any irregularity, unenforceability, illegality, invalidity, suspension or cancellation of any obligation of the Issuer under the Notes;

4.4.1.7 any insolvency, liquidation, winding-up, business rescue or similar proceedings (including receipt of any distribution made under or in connection with those proceedings); or

4.4.1.8 any other factor or circumstance arising on which the Guarantor might otherwise be able to rely on a defence based on prescription or estoppel.

4.4.2 The amounts to be paid by the Guarantor under this guarantee shall be unaffected by any compromise of any claim that the Trustee may have against any Obligor, whether pursuant to the adoption of a business rescue plan or otherwise.

4.5 Immediate Recourse

The Guarantor waives any right it may have of first requiring the Trustee to proceed against or enforce any other rights or claim payment from the Issuer before claiming from the Guarantor under this Guarantee. This waiver applies irrespective of any law or any provision of the Notes.

4.6 Deferral of Rights

Until all Obligations which may be or become payable by any Obligor under or in connection with the Notes have been irrevocably paid in full and unless the Trustee otherwise directs, the Guarantor will not, without the prior written consent of the Trustee, exercise any rights which it may have by reason of performance by it of its Obligations under this guarantee—

4.6.1 to be indemnified by the Issuer;

4.6.2 to claim any contribution from the Issuer;

4.6.3 to take the benefit (in whole or in part and whether by way of subrogation, cession of action or otherwise) of any rights of the Trustee in respect of the Obligations of the Issuer under the Trust Agreement;

4.6.4 to bring legal or other proceedings for an order requiring the Issuer to make any payment, or perform any obligation, in respect of which the Guarantor has given a guarantee, undertaking or indemnity under this guarantee;

4.6.5 to exercise any right of set-off against the Issuer; and/or

4.6.6 to claim, rank, prove or vote as a creditor or shareholder of the Issuer in competition with the Trustee.

4.7 Remedies Cumulative

The rights of the Trustee under this guarantee may be exercised as often as necessary and are cumulative and not exclusive of its rights under general law and may be waived only in writing and specifically. Any delay in exercising or non-exercise of any such rights shall not constitute a waiver of those rights.

5 PAYMENTS AND GROSS UP

5.1 All payments made by the Guarantor under this Guarantee will be made free of any deductions of whatsoever nature and without set-off or other withholding whatsoever by way of a deposit into such bank account as the Trustee may from time to time designate in writing to the Guarantor.

5.2 If a deduction or withholding is required by law to be made by the Guarantor, the amount of the payment due from the Guarantor shall be increased to an amount which (after making the deduction or withholding) leaves an amount equal to the payment which would have been due if no deduction or withholding had been required.

6 REPRESENTATIONS AND WARRANTIES

6.1 General

The Guarantor makes the representations and warranties set out in this Clause 6 to the Trustee,

6.2 Status

6.2.1 It is a public limited liability company, duly incorporated and validly existing under the law of its jurisdiction of incorporation.

6.2.2 It has the power to own its assets and carry on its business as it is being conducted.

6.3 Binding obligations

6.3.1 The obligations expressed to be assumed by it in this Guarantee and the Trust Agreement are legal, valid, binding and enforceable obligations.

6.4 Non-conflict with other obligations

Its entry into, and performance of, and the transactions contemplated by, the Trust Agreement and this Guarantee do not and will not conflict with:

6.4.1 any law or regulation applicable to it;

6.4.2 its constitutional documents; or

6.4.3 any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

6.5 Power and authority

6.5.1 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Guarantee.

6.5.2 No limit on its powers will be exceeded as a result of giving of guarantees contemplated by this Guarantee.

6.6 Validity and admissibility in evidence

6.6.1 All Authorisations required or desirable:

6.6.1.1 to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Guarantee; and

6.6.1.2 to make the Guarantee admissible in evidence in Its jurisdiction of incorporation have been obtained or effected and are in full force and effect.

6.6.2 All Authorisations necessary for the conduct of its business, trade and ordinary activities have been obtained or effected and are in full force and effect.

6.7 Governing law and enforcement

6.7.1 The choice of governing law of the Guarantee will be recognised and enforced in its jurisdiction of Incorporation.

7. SUPPORT

The Parties undertake at all times to do all such things, perform all such actions and take all such steps and to procure the doing of all such things, the performance of all such actions and the taking of all such steps as may be open to them and necessary for or incidental to the putting Into effect or maintenance of the terms, conditions and/ or import of this Guarantee.

8. POWER OF ATTORNEY

The Guarantor irrevocably and severally appoints the Trustee to be its attorney in fact and to take, on written notice to the Guarantor, any action which the Guarantor is obliged to take under this Guarantee but has failed to do so. The Guarantor hereby promises to ratify and confirms whatever action the attorney does or purports to do under its appointment under this clause.

9. NOTICES AND DOMICILIA

9.1 The Parties select as their respective address for the service of any court processes the following physical addresses, and for the purposes of giving or sending any notice provided for or required under this Guarantee, the said physical addresses as well as the following email addresses —

Name	**Physical Address**	**Email Address**
Guarantor	Office 109 First Floor S. Pittokopides Business Centre 17 Neophytou Nicolaides Street (Cnr Kilkis) Paphos 8011 Republic of Cyprus	secratarial@tharisa.com

Marked for the attention of: **The Company Secretary**

Name	**Physical Address**	**Email Address**
Trustee	31 Evagoras Avenue, Evagoras House, 4th Floor, 1066 Nicosia, Cyprus.	Antis.kaplanis@ patsalides.com.cy

Marked for the attention of: **The Chief Executive Officer**

provided that a Party may change its address to another physical address in Cyprus or Zimbabwe and provided always that such physical address is not a post office box or *poste restante,* or may change its address for the purposes of notices to any other physical address or email address by written notice to the other Party to that effect. Such change of address will be effective 5 Business Days after receipt of the notice of the change.

9.2 All notices to be given in terms of this Guarantee will be given in writing and will —

9.2.1 be delivered by hand or sent by email;

9.2.2 if delivered by hand during business hours, be presumed to have been received on the date of delivery. Any notice delivered after business hours or on a day which is not a business day will be presumed to have been received on the following business day; and

9.2.3 if sent by email during business hours, be presumed to have been received on the date of successful transmission of the email. Any email sent after business hours or on a day which is not a business day will be presumed to have been received on the following business day.

9.3 Notwithstanding the above, any notice given in writing, and actually received by the Party to whom the notice is addressed, will be deemed to have been properly given and received, notwithstanding that such notice has not been given in accordance with this clause 9.

10 AMENDMENTS, EXTENSIONS, REMEDIES AND WAIVERS

10.1 Any term of this Guarantee may be amended or waived only with the consent of the Trustee and the Guarantor and any such amendment or waiver will be binding on all Parties.

10.2 No amendment or waiver contemplated by this clause 10 shall be of any force or effect unless in writing and signed by or on behalf of the relevant Parties.

10.3 No latitude, extension of time or other indulgence which may be given or allowed by any Party to any other Party in respect of the performance of any obligation hereunder or enforcement of any right arising from this Guarantee and no single or partial exercise of any right by any Party shall under any circumstances be construed to be an implied consent by such Party or operate as a waiver or a novation of, or otherwise affect any of that Party's rights in terms of or arising from this Guarantee or estop such Party from enforcing, at any time and without notice, strict and punctual compliance with each and every provision or term of this Guarantee.

10.4 No failure to exercise, nor any delay in exercising, on the part of the Trustee, any right or remedy under this Guarantee shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Guarantee are cumulative and not exclusive of any rights or remedies provided by law.

11 GENERAL

11.1 Certificates and Determinations

Any certification or determination by the Trustee of a rate or amount under this Guarantee is, in the absence of manifest error, *prima facie* evidence of the matters to which it relates.

1.2 Partial Invalidity

If, at any time, any provision of this Guarantee is or becomes illegal, invalid, unenforceable or inoperable in any respect under any law of any jurisdiction, neither the legality, validity, enforceability or operation of the remaining provisions nor the legality, validity, enforceability or operation of such provision under the law of any other jurisdiction will in any way be affected or impaired. The term "inoperable" in this clause 0 shall include, without limitation, inoperable by way of suspension or cancellation.

11.3 Waiver of Immunity

The Guarantor irrevocably and unconditionally waives any right it may have to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

11.4 Sole Agreement

This Guarantee constitutes the sole record of the agreement between the Parties in regard to the subject matter hereof.

11.5 No implied terms

No Party shall be bound by any express or implied term, representation, warranty, promise or the like, not recorded in the Placing Agreement, Terms of the Notes or Trust Agreement or the Prospectus in regard to the subject matter thereof.

12 INDEPENDENT ADVICE

The Guarantor acknowledges that it has been free to secure independent legal and other advice as to the nature and effect of all of the provisions of this Guarantee and that it has either taken such independent legal and other advice or dispensed with the necessity of doing so. Further, the Guarantor acknowledges that all of the provisions of this Guarantee and the restrictions herein contained are part of the overall intention of the Parties in connection with this Guarantee.

13 ASSIGNMENT

13.1 Should the Trustee cede, delegate or assign any of its rights or obligations under the Trust Agreement in accordance with its terms, where applicable, the Trustee shall be entitled to cede, delegate or assign any of its rights or obligations under this Guarantee without the consent of the Guarantor.

13.2 To the extent that any such cession, delegation or assignment results in a splitting of claims against the Guarantor, the Guarantor hereby consents to such splitting of claims.

13.3 Neither this Guarantee nor any part, share or interest herein nor any rights or obligations hereunder may be ceded, delegated or assigned by the Guarantor without the prior written consent of the Trustee.

14 BENEFIT OF THE GUARANTEE

This Guarantee with also be for the benefit of and be binding upon the successors in title and permitted assigns of the Parties or either of them.

15 ARBITRATION

15.1 Any dispute or difference between the Parties relating to the rights or obligations of the Parties under this Agreement shall be referred to and finally determined by arbitration in Nicosia, Cyprus in accordance with the rules issued by the London Court of International Arbitration (LCIA) as well as any Arbitration laws applicable in Cyprus.

15.2 Each such arbitration shall be held in Nicosia, Cyprus.

15.3 The arbitration tribunal shall consist of a single arbitrator appointed by agreement between the Parties or, failing agreement between the Parties within fourteen (14) days after a request for the matter to be referred to arbitration for determination is made by any party, appointed on the application of any party by the London Court of International Arbitration (LCIA).

16. APPLICABLE LAW AND JURISDICTION

16.1 This Agreement shall be governed by and construed in accordance with the laws of the Republic of Cyprus; and

16.2 Subject to Clause 15 and any arbitration laws applicable in the Republic of Cyprus as to the enforceability and recognition of arbitral awards, the Parties each consent and submit themselves to the exclusive jurisdiction of the Courts of Cyprus in any matters or disputes arising from this Agreement.

17. JOINDER OF DISPUTES

17.1 Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree that where a dispute raises issues of law or fact which are substantially the same as or connected with issues of law or fact under the Placing Agreement and/or the Trust Agreement and/or the Terms of the Notes between any of the parties thereto (the "Concerned Parties") (whether such issues are or are not currently raised in any dispute or are the subject of a formal dispute between any of the Concerned Parties), the Party seeking to commence arbitration proceedings in respect of such dispute may serve a written request for arbitration on all the Concerned Parties.

17.2 Upon the request of any party to any arbitration which has commenced in respect of a dispute pursuant to this Clause, the arbitral tribunal shall join the Concerned Parties to the arbitration commenced in respect of such dispute.

17.3 The Parties to this Agreement hereby consent to being joined to arbitration proceedings commenced in relation to a dispute in respect of the Placing Agreement and/or the Trust Agreement and/or the Terms of the Notes, at the request of any Connected Party.

18 SIGNATURE

18.1 This Guarantee is signed by the Parties on the dates and at the places indicated below.

18.2 This Guarantee may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same agreement as at the date of signature of the Party last signing one of the counterparts.

18.3 The persons signing this Guarantee in a representative capacity warrant their authority to do so.

18.4 The Parties record that it is not required for this Guarantee to be valid and enforceable that a Party shall initial the pages of this Guarantee and/or have its signature of this Guarantee verified by a witness.

SIGNED at on 2022

For and on behalf of
THARISA plc

____
Signature

____
Name of Signatory

____
Designation of Signatory

[signed on Original]

SIGNED at on 2022

For and on behalf of
THE TRUSTEE

____
Signature

____
Name of Signatory

____

Designation of Signatory

[signed on Original]

APPENDIX 2: THE CYPRUS DECLARATION FOR EXEMPTION OF A COMPANY FROM THE DEDUCTION OF SPECIAL DEFENCE CONTRIBUTION

MINISTRY OF FINANCE - TAX DEPARTMENT

DECLARATION FOR EXEMPTION OF A COMPANY FROM THE DEDUCTION OF SPECIAL DEFENCE CONTRIBUTION

(Section 3(2)(b) of the Special Contribution for the Defence of the Republic Law No.117(I) / 2002)

Before completing this Declaration, please read the notes on page 2.

1. Name of Institution: ....

2. Tax Identification Code / Company Registration Number: ....

A. LEGAL PERSONS' (COMPANY) DETAILS

1. Name ....

2. Description of Economic Activity: ……………………………………………………………………………………,
……

3. Company's Registration No.: …………….	4. Taxpayer Identification Code: ………………

5. ☐ There is/are / ☐ There aren't any joint beneficiaries/ owners of the asset producing the income.

B. QUESTIONNAIRE FOR ASCERTAINING RESIDENCY

1. Address at which Central Offices are situated: ……………………………………………………………………………..,
………..

2. Country in which the Company is registered: ……………… ……………………………………………………………	3. Address at which the Company's Registered Offices are situated: ………………………………………………

4. Country in which Meetings of the Board of Directors are held:……………………………………………,
………..

5. Address of Tax Administration to which the Legal person belongs: ……………………………………………………,
………

6. Does the Company have a permanent establishment in Cyprus e.g. Is there a fixed place of business through which the business of the enterprise is wholly or partly carried out?; Yes ☐ No ☐

7. Is the Company's management and control exercised in Cyprus? Yes ☐ No ☐

8. Was the Company a tax resident of Cyprus in the Previous Tax year; Yes ☐ No ☐

9. Names and Addresses of Directors: …………………………………………………… …………………………………………………… …………………………………………………… …………………………………………………… ……………………………………………………	10. Names and Addresses of Authorized Representatives of Directors …………………………………………………… …………………………………………………… …………………………………………………… …………………………………………………… ……………………………………………………

C. DECLARATION AND UNDERTAKING (It is a criminal offence to submit an incorrect or false declaration)

(tick where applicable only)
I, the aforesaid person beneficially entitled to interest / dividends/ rents, declare that :

☐ (a) I was non-tax resident of Cyprus during the current tax year and I also intend to remain so during the current year and following years and/or

☐ (b) the above income arises from approved activities as a ship-owner / charter / ship management or from working capital of such activities.

As from year …………………….., I, the holder of the aforesaid asset/s and the person beneficially entitled to the income therefrom hereby declare that I am entitled to be exempt from Special Contribution for Defence. If I am no longer entitled to this exemption I shall inform the above organisation, in writing, within one month from the date of the change in circumstances, and shall authorise them to deduct any Special Contribution for defence on the income, with interest from the date specified in the law, from the income I am entitled to.

Signature/s : Directors and/or Secretary .... **Date** :	**Company Stamp**

(Form T.D.624/LP) 2015

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NOTES

If you cease to have your tax residency outside Cyprus you must IMMEDIATELY inform the Institution paying you the income.

1. Definition

Institutions are in the case of:-

- Interest – Individuals and Legal persons that pay or credit interest,
- Dividends – Legal persons (companies) that pay dividends and
- Rents – Companies, partnerships, the republic and local authorities that pay or credit rent

2. Who and for what reason is responsible for the completion of this Declaration

This declaration must be completed by Companies as defined by Income Tax Law 118(I)/2002, as amended, (Legal Persons)

- who are entitled to interest / dividends / rents and are not tax residents of Cyprus
- who have approved activities as a ship-owner / charter / ship management as these are defined in the Merchant Shipping (Fees and Taxing Provisions) Law of 2010 (Law 44(I)/2010), as amended, and who are entitled to interest / dividends / rents

with which they will inform the institutions about the respective case accordingly, so as no Special Contribution for defence is deducted from the income.

Institution who pay or credit interest / dividends / rents are obliged by the Special Contribution for the Defence of the Republic Law N.117(1) of 2002, as amended, to deduct special contribution for the defence at the rate applicable on the date that the income is paid or credited to Cyprus residents.

3. Where to submit the Declaration

This Declaration, once completed and signed, must be submitted to the Institution from which you receive / are credited with interest / dividends / rents. The Institution undertakes to permit the Commissioner or his/her authorised representative to examine the present Declaration at its premises or upon the Commissioners request, to submit to the Commissioner the afore-mentioned or a true copy of them.

4. Who are considered to be Cyprus Tax Residents?

Companies whose control and management are exercised in Cyprus.

5.Other information

The rates for special contribution for the defence are available on the Tax Department website, www.mof.gov.cy/tax in both the “Legislation / laws” section and “Tax Rates” section. Please note that some pages on the site are only available in Greek.

6. An incorrect or false declaration is a criminal offence

In accordance with the provisions of the Assessment and Collection of Taxes Law 4/78, as amended, a false declaration is a criminal offence and upon conviction is subject to a fine of €10 000 and/or to imprisonment of up to 5 years.

7. An incorrect or false declaration is a criminal offence

In accordance with the provisions of the Assessment and Collection of Taxes Law 4/78, as amended, a false declaration is a criminal offence and upon conviction is subject to a fine of €10 000 and/or to imprisonment of up to 5 years.

8. KEEP A COPY OF THIS DECLARATION FOR YOUR RECORDS

APPENDIX 3: THE CYPRUS DECLARATION FOR EXEMPTION OF AN INDIVIDUAL FROM THE DEDUCTION OF SPECIAL DEFENCE CONTRIBUTION

MINISTRY OF FINANCE - TAX DEPARTMENT
DECLARATION FOR EXEMPTION OF AN INDIVIDUAL FROM THE DEDUCTION OF SPECIAL DEFENCE CONTRIBUTION

(Section 3(2)(b) of the Special Contribution for the Defence of the Republic Law No.117(I) / 2002)

Before completing this Declaration, please read the notes on page 2.

1. Name of Institution: ....

2. Tax Identification Code / Company Registration Number: ....

A. INDIVIDUAL'S DETAILS

1. Full Name (Name and Surname)

2. (a) Identity Number: …………………………	(b) Expiry Date: ………………………	(c) Issuing Authority : …………………………………
3. (a) Passport Number : …………………………	(b) Expiry Date: ………………………	(c) Issuing Authority : …………………………………

4. Number and Country of Foreign Tax Number: ……………………………………………………………

5. Cyprus Tax Identity Number: ……………………………………………………………

6. Permanent Residence Address:.. ,
....

7. ☐ There are / ☐ There aren't any joint beneficiaries/ owners of the asset producing the income.

B. QUESTIONNAIRE FOR ASCERTAINING RESIDENCY

Tick in the appropriate box

1. Is your permanent home:
Privately owned ☐ Rented ☐

Tick in the appropriate box

2. Do you own a private home in Cyprus:
Yes ☐ No ☐

3. Business Address :…………………………………………………………………………………………..,
……..

4. (a) Description of Economic Activity : ……………………………………………………………………

(b) Name and Address of Employer : ……………………………………………………………………..,
………

5. When you are in Cyprus you reside at : Tick in the appropriate box
(a) a Hotel ☐ (b) Rented Premises ☐ (c) Owned Premises ☐ (d) friends or relatives ☐

6. ☐ I expect / ☐ I do not expect to be in Cyprus for a period up to 183 days during any calendar year and the days of my arrivals and Departures to and from Cyprus during the previous calendar year were :

Arrival Date	Departure Date	Days of stay
………………………..	…………………………	…………………………
………………………..	…………………………	…………………………
………………………..	…………………………	…………………………
	Total days of stay :	**…………………………**

C. DECLARATION AND UNDERTAKING (It is a criminal offence to submit an incorrect or false declaration)

(tick where applicable only)

1 - I, the aforesaid person, am tax resident of Cyprus from …………………… and I am beneficially entitled to the above Interest / dividends / rents, hereby declare that:

☐ 1.1 I have been a tax resident of Cyprus for less than 17 of the last 20 years before the current tax year and

☐ 1.2 in spite of the fact that I have my domicile in Cyprus

☐ (a) I have my domicile of choice in a country other than Cyprus and I was non-tax resident of Cyprus for period of at least 20 consecutive years before the current tax year,

from year …………….. to year………..………, or

☐ (b) I have been a non-tax resident of Cyprus for at least 20 consecutive years immediately before the year 2015.

☐ 1.3 I do not have my domicile in Cyprus.

and I am entitled to be exempted from Special Contribution for Defence until the year ………………………….

2 - I, the aforesaid person beneficially entitled to interest / dividends/ rents, declare that :

☐ (a) I was non-tax resident of Cyprus [**Note 4**] during the current tax year and I also intend to remain so during the current year and following years and/or

☐ (b) the above income arises from approved activities as a ship-owner / charter / ship management or from working capital of such activities.

As from year …………………….., I, the holder of the aforesaid asset/s and the person beneficially entitled to the income therefrom hereby declare that I am entitled to be exempt from Special Contribution for Defence. If I am no longer entitled to this exemption I shall inform the above organisation, in writing, within one month from the date of the change in circumstances, and shall authorise them to deduct any Special Contribution for defence on the income, with interest from the date specified in the law, from the income I am entitled to.

Signature ....

Date :..

(Form T.D.624/NP) 2017

NOTES

If you cease to have your tax residency outside Cyprus you must IMMEDIATELY inform the Institution paying you the income.

1. Definition

Institutions are in the case of:-

- Interest – Individuals and Legal persons that pay or credit interest,
- Dividends – Legal persons (companies) that pay dividends and
- Rents – Companies, partnerships, the republic and local authorities that pay or credit rent

2. Who and for what reason is responsible for the completion of this Declaration

This declaration must be completed by

- who are entitled to interest / dividends / rents and are not tax residents or domiciled in Cyprus
- who have approved activities as a ship-owner / charter / ship management as these are defined in the Merchant Shipping (Fees and Taxing Provisions) Law of 2010 (Law 44(I)/2010), as amended, and who are entitled to interest / dividends / rents

with which they will inform the institutions about the respective case accordingly, so as no Special Contribution for defence is deducted from interest / dividends / rents.

Institution who pay or credit interest / dividends / rents are obliged by the Special Contribution for the Defence of the Republic Law N.117(1) of 2002, as amended, to deduct special contribution for the defence at the rate applicable on the date that the interest is paid or credited to Cyprus residents.

3. Where to submit the Declaration

This Declaration, once completed and signed, must be submitted to the Institution from which you receive / are credited with interest / dividends / rents. The Institution undertakes to permit the Commissioner or his/her authorised representative to examine the present Declaration at its premises or upon the Commissioners request, to submit to the Commissioner the afore-mentioned or a true copy of them.

4. Who are considered to be Cyprus Tax Residents?

Cyprus tax residents are considered to be Individuals who meet either the 183-day-rule, or the 60-day-rule.

- 183-day-rule - an individual resides in Cyprus for one or more periods which exceed in total 183 days during a tax year.
- 60-day-rule (applies from the year 2017 onwards) - an individual complies with all the conditions below:
  (i) stays in Cyprus for at least 60 days·
  (ii) does not stay for more than 183 days in another state·
  (iii) is not a tax resident of another state·
  (iv) exercises any business in Cyprus and/or renders salaried services in Cyprus and/or holds an office in a Cyprus tax resident company·
  (v) has a permanent residence in Cyprus which owns or renders.

5. Who are considered to be domiciled in Cyprus?

Domicile in Cyprus is set in accordance with the provisions of the Wills and Succession Law no.75/70, as amended.

Individual are not considered to have their domicile in Cyprus when in Part C they have ticked 1.1 and additionally have ticked any of the following

- 1.2 και 1.2(a)
- 1.2 και 1.2(b)
- 1.3

6. Ascertaining of Residence / Domicile

The Tax Department has the right to request evidence in respect of parts B and C e.g. hotel receipts, rental agreements, property title for residence, copies of passports showing arrival and departure stamps, airplanes or other tickets, boarding passes.

7. Other information

The rates for special contribution for the defence are available on the Tax Department website, www.mof.gov.cy/tax in both the “Legislation / laws” section and “Tax Rates” section. Please note that some pages on the site are only available in Greek.

8. An incorrect or false declaration is a criminal offence

In accordance with the provisions of the Assessment and Collection of Taxes Law 4/78, as amended, a false declaration is a criminal offence and upon conviction is subject to a fine of €10 000 and/or to imprisonment of up to 5 years.

9. The Processing of Personal Data (Protection of Individuals) Law of 2001

The Tax Department maintains a Registry with which the personal data of Cyprus tax payers is filed, for the purpose of implementing Tax Legislation.

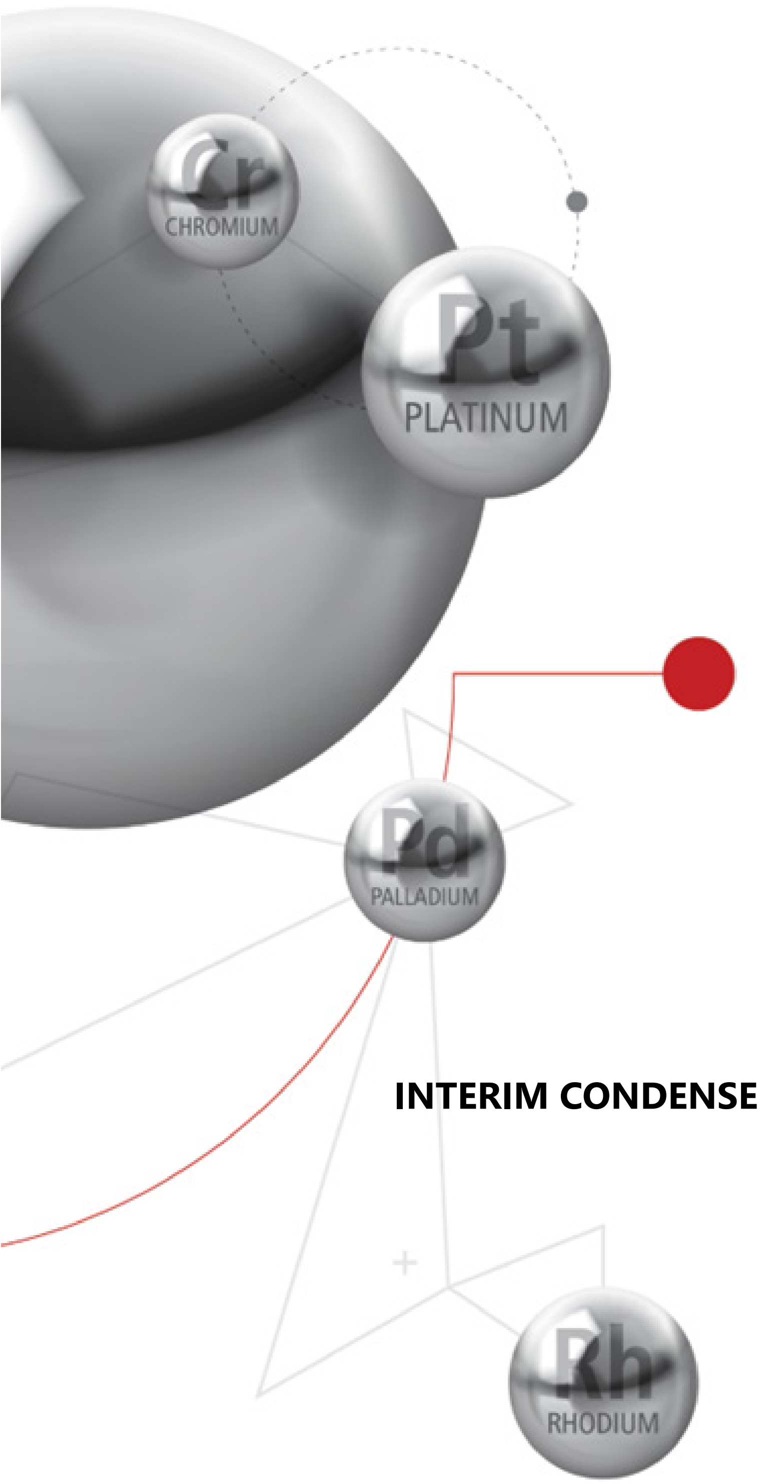
A publication was put through the Media relating to the operation of the Registry, in accordance with the Processing of Personal Data (Protection of Individuals) Law of 2001.

According to the above, the Department may use the data contained in the Declaration in order to :

- Check the accuracy of information
- Prevent or detect crime
- Protect public funds.

10. KEEP A COPY OF THIS DECLARATION FOR YOUR RECORDS

tharisa



INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2022

enriching lives through innovating the resources company of the future

(Incorporated in the Republic of Cyprus with limited liability)
(Registration number HE223412)
JSE share code: THA
LSE share code: THS
A2X share code: THA
ISIN: CY0103562118
LEI: 213800WW4YWMVVZIJM90
('Tharisa' or the 'Company')

MANAGEMENT REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2022
Robust mining and efficient processing deliver into strong commodity markets further strengthening the balance sheet as the Company acquired control of a tier one PGM asset on the Great Dyke in pursuit of its growth and diversification strategy while maintaining capital discipline and providing continued dividend returns to shareholders.

Key Highlights
- Lost Time Injury Frequency Rate ('LTIFR') of 0.72 per 200 000 man-hours worked, 5.8m fatality free shifts as at end April
- Continued growth in PGM and chrome production:
- PGM production of 91.8 koz, up 22.2% (2021: 75.1 koz) at an average PGM basket price of US$2 592/oz (2021 US$2 823/oz)
- Chrome production of 776.7 kt, up 6.3% (2021: 730.7 kt), at an average metallurgical grade chrome price of US$175/t (2021 US$145/t)
- Continued ramp up of Vulcan fine chrome recovery plant production with plant commissioning
- Consistent production and positive commodity markets translated into strong financial results
- Revenue of US$334.0 million, up 6.5% (2021: US$313.6 million)
- EBITDA of US$111.3 million (2021: US$124.2 million)
- Profit before tax of US$124.3 million (2021: US$104.6 million) EPS of US$ 32.7 cents (2021: US$ 21.4 cents)
- Interim dividend proposed of US$ 3 cents per share
- Cash balance of US$101.5 million and a positive net cash position of US$26.9 million
- FY2022 production guidance maintained

Delivering on strategy
- Acquisition of remaining 26% shareholding in Tharisa Minerals for US$ 25.6 m in a landmark BEE transaction through share exchange
- Acquired controlling interest in Karo Mining Holdings at a discount to the project NPV for a share settled purchase consideration of US$29.5 million

Phoevos Pouroulis, CEO of Tharisa, commented:
"The Tharisa team has delivered another cash generative performance based on our strong safety record, this in light of material increases in one of our major input costs being diesel. Our flagship Tharisa Mine increased its production in both PGMs and chrome, with significant progress delivered on our beneficiation strategy, which included the commissioning of chrome production from the self-funded Vulcan fine chrome recovery and beneficiation plant. During this period, Tharisa simplified its corporate ownership structure by aligning its key BEE partners with the Company's long-term value-creation strategy and took a step further with our geographic diversification, which saw the completion of the acquisition of a controlling interest in Karo Platinum, a tier-one asset on the Great Dyke in Zimbabwe.

Tharisa's cash generation ability has delivered a solid balance sheet for continuous investment. We have re-invested into the Company's targeted and strategic initiatives such as Karo Platinum and the Arxo Metals Beneficiation Site (AMBS) as well towards continued investment in the Tharisa Mine, and we will also, and equally important, return capital to our shareholders with another interim dividend proposed.

At Tharisa, we have long life assets of over 40 years, and it is our ethos to ensure we utilise and maximise these non-renewable resources to the fullest. As such, we have considerably advanced our R&D work at AMBS. We are confident that our pursuit of further downstream beneficiation and utilisation of our resources will translate to lower costs, downstream beneficiation and more value for shareholders. I have great confidence in the work done by the Arxo Metals team which developed and commercialised the technological processes in an industry leading fine chrome recovery process proven by the Vulcan Plant.
The focus for the remainder of the financial year will be to maximise PGM and chrome production, while curtailing as best as possible above inflationary costs. Financial close of a funding package for Karo Platinum is well underway and with a controlling interest in Karo Platinum in place now, we have a clear pathway to production within a 24-month timeframe.

These are volatile times and it goes without saying that having the best team to navigate the uncertainty is by far our greatest resource.

Safety

- The health and safety of our stakeholders remains a core value to the Company and Tharisa continues to strive for zero harm
- LTIFR of 0.72 per 200 000 man-hours worked at the Tharisa Mine
- 5.8m FFS as at end April
- No LTI's through the exploration phase of Karo Platinum

The Key Numbers

	Unit	**Six months ended 31 March 2022**	Six months ended 31 March 2021	Change %
Reef mined	kt	**2 833.6**	2 467.5	14.8
Stripping ratio	m^3 waste: m^3 reef	**11.9**	11.5	3.5
Reef milled	kt	**2 794.3**	2 758.9	1.3
PGM flotation feed	kt	**2 115.0**	2 104.2	0.5
PGM rougher feed grade	g/t	**1.74**	1.42	22.5
PGM recovery	%	**77.4**	78.1	(0.9)
PGM ounces produced	5PGE+Au koz	**91.8**	75.1	22.2
Average PGM basket price	US$/oz	**2 592**	2 823	(8.2)
Average PGM basket price	ZAR/oz	**39 721**	43 051	(7.7)
Cr_2O_3 ROM grade	%	**17.6**	17.8	(1.1)
Chrome recovery	%	**66.7**	62.6	6.6
Chrome yield	%	**27.8**	26.5	4.9
Chrome concentrates produced (excluding third party)	kt	**776.7**	730.7	6.3
Metallurgical grade	kt	**600.3**	551.3	8.9
Specialty grades	kt	**176.4**	179.4	(1.7)
Third-party chrome production	kt	**102.6**	112.4	(8.7)
Chrome concentrates sold (including third-party)	kt	**816.4**	899.0	(9.2)
Metallurgical grade chrome concentrate contract price	US$/t CIF China	**175**	145	20.7
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	**2 670**	2 203	21.2
Average exchange rate	US$:ZAR	**15.3**	15.3	-
Group revenue	US$ million	**334.0**	313.6	6.5
Gross profit	US$ million	**122.6**	128.6	(4.7)
Net profit	US$ million	**113.4**	75.7	49.8
EBITDA	US$ million	**111.3**	124.2	(10.4)
Headline earnings	US$ million	**42.1**	58.8	(28.4)
Headline earnings per share	US$ cents	**15.5**	21.9	(29.2)
Earnings per share	US$ cents	**32.7**	21.4	52.8
Interim dividend per share	US$ cents	**3.0**	4.0	(25.0)
Gross profit margin	%	**36.7**	41.0	(10.5)
EBITDA margin	%	**33.3**	39.6	(15.9)
Net cash flows from operating activities	US$ million	**49.1**	104.9	(53.2)
Net cash/debt	US$ million	**26.9**	29.8	(9.7)
Capital expenditure	US$ million	**51.1**	39.5	29.4

Guidance for FY2022

- FY2022 production guidance remains between 165 koz and 175 koz PGMs (6E basis) and 1.75 Mt and 1.85 Mt of chrome concentrates

Market Review

The PGM market was driven by two forces. The first is structural, with solid demand resulting in strong prices for all metals as the market absorbed inventory overhangs from the last 12 months due to the growing global pipeline for automobiles, computer chips and overall buoyant economic activity. The second force, unfortunately, was driven by geopolitical events including sanctions on Russia - a major PGM producing country, economic slowdowns and uncertainty over economic growth and inflationary pressures. Most major economic forecasts project slower global demand in the face of a global recession, balanced by lower output from the PGM industry. Supply deficits are forecast for rhodium and palladium. Platinum supply currently remains in surplus, yet this is forecast to swing into a deficit within the next 24 months. The impact of the supply disruptions and therefore pricing, especially on palladium, as a consequence of the economic sanctions on Russia are still to be felt in the markets. While current spot prices remain weaker than in 2021, driven by short-term inflationary pressures, increasing interest rates and concerns over economic activity slow down, the long-term price outlook remains positive.

Chrome prices continued to surge with logistical constraints impacting supply although severe COVID-19 lockdowns and slowing economic growth in China could weigh on prices in the near term. Logistics is an increasing impediment to the supply chain. Infrastructure, especially rail and ports, is severely constrained in South Africa and more focus is being placed on road transport and the use of multiple ports including through neighbouring countries as a means to mitigating risk and safeguard Group's export products. Similar problems exist in China. Freight rates factor into increased oil prices, congestion and waiting time at all ports. Despite the continued logistical challenges, Tharisa was able to deliver on its order book. Prices remain healthy. Headwinds include concerns in our major market for chrome being China and its outlook for economic growth but also supply disruptions ex Ukraine and Russia, possibly South Africa too. Although the current supply/demand is in balance at this stage, it can turn into a slight deficit.

Operational Review

The Tharisa Mine is a long-life asset, with a minimum of 20 years remaining in the open pit and a possible underground extension of over 40 years. The mine runs optimally at high volumes with the processing plants relying on quality feedstock for optimal output. Tharisa continued to show strong volume output while maintaining its development rates in the open pit.

The strong operating performance saw run of mine (ROM) volume increase by 14.6% YoY to 2.83 Mt (2021: 2.47 Mt), while maintaining a stripping ratio of 11.9 m^3:m^3 (2021: 11.5 m^3:m^3). The Tharisa Mine maintains a healthy stockpile of around two months of mined material ahead of the plant to mitigate mining risks.

With a focus on quality delivery of ROM and optimal reef blending, PGM production increased over 22% to 91.8 koz (2021: 75.1 koz) as the average rougher feed grade increased 22.5% to 1.74 g/t (2021 1.42 g/t).

Chrome output, while up YoY to 776.7 kt (2021 730.7 kt) is still to benefit from the production from the Vulcan Plant as the plant comes on-stream with chrome output being impacted by the Company's focus on rougher feed PGM grades which influenced chrome grade.

Specialty grade chrome concentrates (chemical and foundry) comprised 22.7% of total chrome concentrate production at 176.4 kt (2021: 179.4 kt).

Third-party chrome production was down 8.7% to 102.6 kt (2021: 112.4 kt).

Sustainable investment underpins the future growth profile

Vulcan Plant

The Vulcan fine chrome recovery plant is the first large scale plant to produce chrome concentrates from chrome ultra-fines. At the time of reporting, it had been commissioned and running at approximately 65% of output. The beneficiation plant will not only produce increased chrome output at a very low operating cost but will also ensure reduced waste to tailings and a reduced unit carbon output at the Tharisa Mine.

The recovery of product from tailings is an established environmentally positive industry practice. Tharisa's approach is to front-load the tailings deposition by recovering 'live" tailings before deposition. When fully commissioned later this year the Tharisa Mine's chrome recoveries will materially increase from ~65% to ~80, resulting in a lower deposition footprint while increasing chrome production by approximately 20%.

Tharisa Minerals

The Company announced the acquisition of the minority shareholders' interests in Tharisa Minerals for a consideration of ZAR390 million settled through the issue of 13.9 million new shares. During the reporting period Thari Resources 20% shareholding was acquired. Post the reporting period, the last of the conditions precedent to the acquisition of the Tharisa Community Trusts 6% shareholding were fulfilled making Tharisa Minerals a wholly owned subsidiary.

Karo Mining Holdings
On 30 March 2022, Tharisa acquired a controlling interest in Karo Mining Holdings Limited ('Karo Holdings') for a purchase consideration equal to US$$29.5 million to be settled through the issue of 13.69 million new Tharisa shares ('the Acquisition') to The Leto Settlement ('Leto'), a related party, thereby increasing its shareholding in Karo Holdings from 28.4% to 66.3%. Leto will retain the balance of 33.7%.

The Karo Platinum Project ('Karo Project') is a long-life asset with an initial 20-year life of mine ('LOM') and project post tax net present value ('NPV') of US$$770.4 million at spot PGM prices on date of the announcement. It has initial probable reserves of 35.5 Mt at 2.31 g/t and 2.6 Moz (5PGE+Au) and a 3PGE+Au resource prill split favouring platinum (45.0%), palladium (42.0%) rhodium (4.0%) and gold (9.0%), with material base metal credits.

Bernard Pryor was appointed as Managing Director of Karo Mining Holdings. He brings over 35 years' experience in the international mining industry.

The transaction is in line with Tharisa's growth strategy, including geographic diversification, operating low-cost open pit operations with access to premium new world metals. The Karo Project replicates the Tharisa Mine model in a different jurisdiction, and maximising value for Tharisa with a low-entry cost, a short development timeline and limited capital requirements while exercising full control over the development.

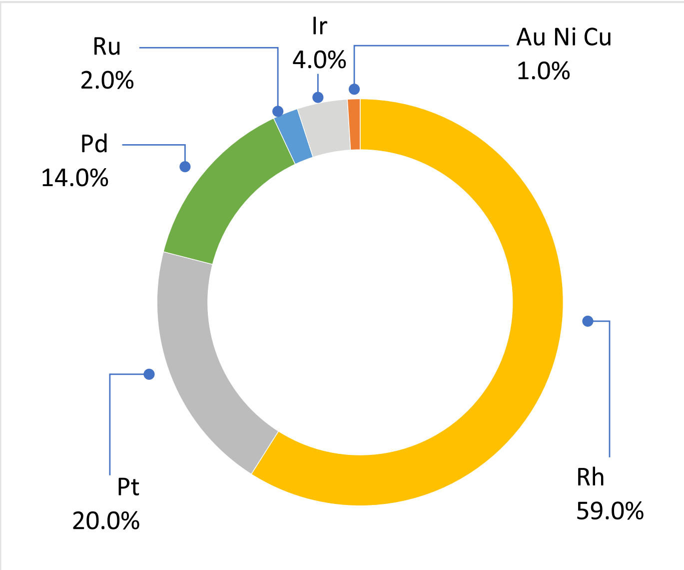
Financial Review
Tharisa has delivered another strong financial performance notwithstanding a period of market volatility impacting commodity prices and input costs underscoring the importance of being positioned on the lower end of the cost curve as the Company continued to generate strong cash flows, which underpins the growth of the Company, both organically and externally.

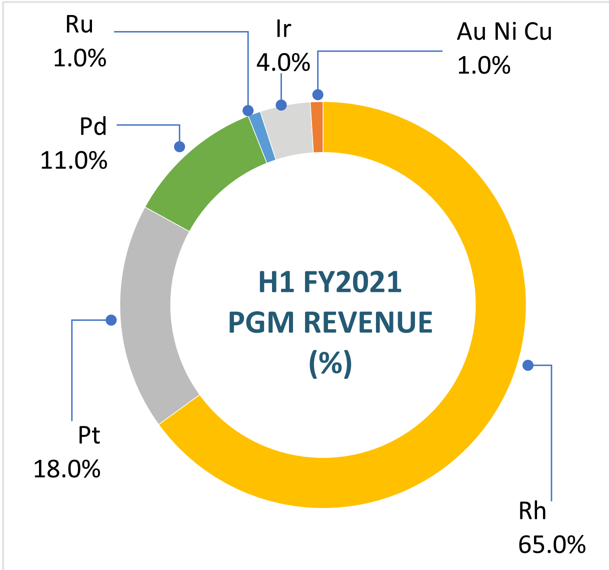
While production remains strong, external factors brought on by geopolitical conflicts, COVID-19 lockdown restrictions and the impact on fuel costs, global supply chain issues, resultant inflationary pressures and the fiscal authorities resolve to temper these through raising interest rates thereby reducing the outlook for economic growth in our markets requires a more cautious outlook as these impact the Group. However, with steady operational output and volume discipline, Tharisa is well positioned to deal with the cost pressures and withstand external shocks as we fully develop our six-pillar strategy.
The acquisition of a controlling interest in Karo Mining, which has been accounted for as a 'business combination', has had a significant impact on the financial results and position of the Group. Before delving into the financial results there is benefit in detailing the accounting implications of this acquisition. The initial investment of 28.38% was accounted for using the equity method and resulted in the derecognition of this asset while accounting for the attributable share of the loss of US$5.2 million. The Republic of Zimbabwe has an option to acquire a further 11% shareholding in Karo Platinum based on the net present value at the time the option was entered into. This option was recognised at fair value as a financial liability prior to the Company acquiring a controlling interest and is reflected as 'another financial liability' of US$17.9 million. Accounting for the acquisition of the further 37.96% - total shareholding thus 66.34% - resulted in there being a fair value gain on acquisition attributable to the equity accounted investment of US$33.5 million in addition to the gain on acquisition as a result of the discount to the valuation of US$15.1 million. The net effect of the transaction on earnings per share is a favourable US$ 16.0 cents. The total net identifiable assets acquired on acquisition amounted to US$148.4 million. The purchase consideration remained on the balance sheet at 31 March 2022 and is included in 'trade and other payables'.

Revenue for the period amounted to US$334.0 million (2021: US$313.6 million), an increase of 6.5% on increased PGM sales volumes up by 20.3% to 86.5 koz. Chrome concentrate sales decreased by 8.4% to 816.4 kt. The increase in revenue was supported by an increase in chrome concentrate selling prices with the average metallurgical grade selling price increasing by 20.7% to US$175/t notwithstanding a decrease in the average PGM basket price by 8.2% to US$2 592/oz.

A breakdown of the PGM revenue, contributing US$195.0 million, is depicted in the graph below. Rhodium maintained the dominant share of the revenue basket, comprising 59% of the PGM revenue while constituting 9.6% of the prill split, notwithstanding the rhodium price decreasing on average by 17.2% from US$18 354/oz to US$15 189/oz.

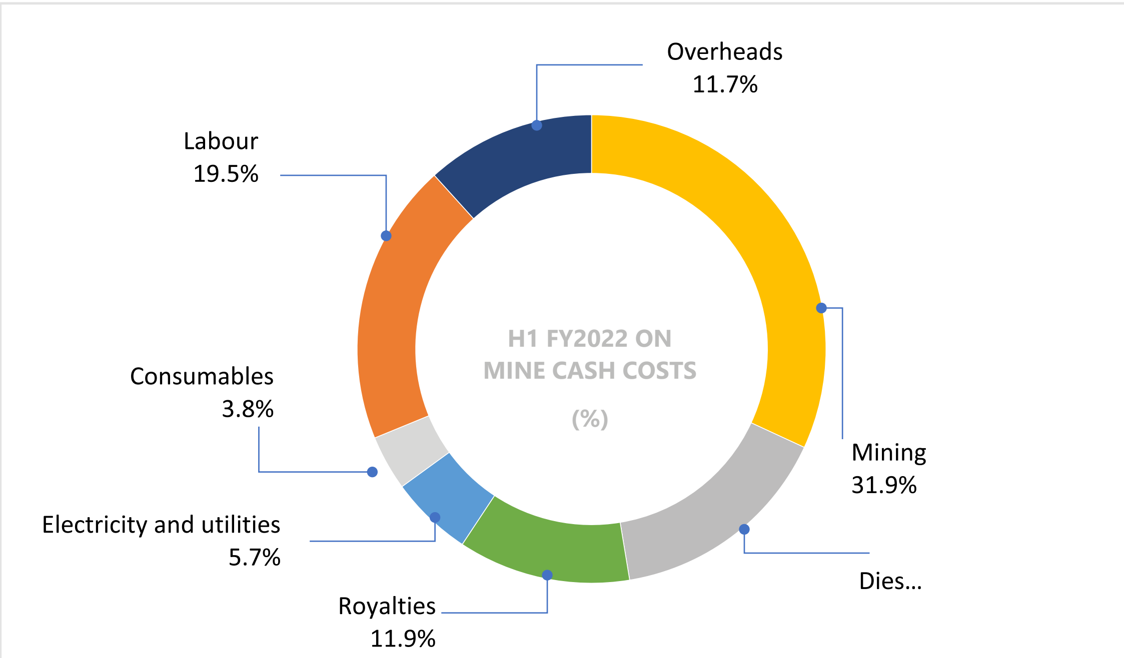
PGM revenue contribution





The chrome revenue comprises US$97.2 million from the sale of metallurgical grade chrome concentrates and US$22.9 million from the sale of specialty grade chrome concentrates (chemical and foundry), with the specialty grades typically commanding a premium of between US$30/t and US$50/t.

The major on-mine cash cost of sales (excluding selling expenses) are summarised in the graph below.



Cash costs (i.e., excluding non-cash flow items such as depreciation) on a per cube and per ROM tonne mined for mining costs and on a per tonne milled basis are detailed below. Costs relating to deferred stripping (which are capitalised) of US$4.9 million (2021: US$13.9 million) were excluded from the per tonne milled analysis

	Units	31 March 2022 Actual	31 March 2021 Actual	Variance %
Cubes mined	Mm^3	10.3	8.8	+17.1
Cost per cube mined	$US\$/m^3$	8.7	8.6	+1.2
Reef tonnes mined	Mt	2.8	2.5	+12.0
Cost per reef tonne mined	US$	31.7	30.5	+3.9
Tonnes milled	Mt	2.8	2.8	-
On mine cash cost per tonne milled	US$	47.8	41.0	+16.6
Consolidated cash cost per tonne milled	US$	49.4	44.9	+10.0

The increase in on mine cash cost per tonne milled of 28.4% was due to lower increase in tonnes milled relative to the reef tonnes mined and increases in the costs of key production inputs including diesel costs which in South Africa increased by 49.4% per litre from ZAR12.50 (US$0.8) per litre to ZAR18.67 (US$1.2) per litre.

Average sea freight rates increased 102.2% during the period to US$37.6/t (2021: US$18.6/t). Average sea freight rates have been elevated due to shipping capacity constraints.

Gross profit amounted to US$122.6 million (2021: US$128.6 million) with a gross profit margin of 36.7% (2021 41.0%).

The basis of allocation of shared costs has been maintained at 80% for the PGM segment and 20% for the chrome segment.

Other operating expenses amounted to US$24.8 million (2021: US$21.6 million), an increase of 14.8%. The major cost within other operating expenses were employee costs at US$13.8 million (including equity settled share-based payment expenses) (2021: US$11.5 million) comprising 55.5% of the other operating expenses (2021: 53.3%).

EBITDA amounted to US$111.3 million (2021: US$124.2 million).

Finance costs of US$2.3 million (2021: US$2.8 million) relate primarily to the asset equipment finance and trade finance facilities utilisation.

The Group generated a profit before tax of US$124.3 million (2021: US$104.6 million) benefiting from US$42.7 million in net fair value gains (principally relating to the accounting of the Karo Holdings acquisition as a business combination) (2021: US$1.3 million net gains).

The tax charge amounted to US$22.7 million (2021: US$28.9 million), an effective charge of 18.2% (2021: 27.7% charge). A normalised tax rate should be circa 25%. Cash taxes paid amounted to US$15.4 million.

The total comprehensive income for the period, as a consequence of foreign currency translation differences of US$11.0 million (2021: US$34.2 million), amounted to US$112.6 million (2021: US$109.8 million).

Basic earnings per share for the period amounted to US$ 32.7 cents (2021: US$ 21.4 cents).

Cash flows from operations before movements in working capital for the period amounted to US$121.2 million. Working capital requirements including (i) an increase in trade and other receivables of US$45.2 million, (ii) an increase in trade and other payables of US$3.8 million, and (iii) an increase in inventories of US$14.2 million, resulted in net cash flows from operating activities after tax of US$49.1 million.

Additions to property, plant and equipment amounted to US$51.1 million. Of this amount approximately US$17.5 million related to additions to the mining fleet and US$28.2 million related to other mining assets. Of the US$28.2 million, US$12.8 million related to expansion capital principally the Vulcan Plant construction.

After taking into account, inter alia, debt and interest repayments, there was a net increase in cash and cash equivalents for the period of US$16.9 million.

Cash and cash equivalents at 31 March 2022 amounted to US$101.5 million resulting in a net cash of US$26.9 million.

The return on invested capital was 23.1% (2021: 35.1%).

Dividend
The Board has proposed an interim dividend of US 3 cents per ordinary share, payable on 29 June 2022. Tharisa's annual dividend policy is to distribute a minimum of 15% of consolidated net profit after tax.

Shareholders on the principal Cyprus register will be paid in United States Dollar (USD), shareholders whose shares are held through Central Securities Depositary Participants (CSDPs) and brokers and are traded on the JSE will be paid in South African Rand (ZAR) and holders of Depositary Interests traded on the LSE will be paid in Sterling (GBP). The currency equivalents of the dividend, based on the weighted average of the South African Reserve Bank's daily rate at approximately 10:30 (UTC +2) on 24 May 2022, being the currency conversion date, are as follows:

	Exchange rate	Dividend per share in payment currency
South Africa – JSE	ZAR 15.76680/US$	47.30040 South African cents per share
United Kingdom - LSE	GBP 0.70552/US$	2.39044 pence per share

The timetable for the dividend declaration is as follows:

Currency conversion date:	Tuesday, 24 May 2022
Declaration date and currency conversion dates announced:	Thursday, 26 May 2022
Last day to trade cum-dividend rights on the JSE:	Monday, 13 June 2022
Last day to trade cum-dividend rights on the LSE:	Wednesday, 15 June 2022
Shares will trade ex-dividend rights on the JSE:	Tuesday, 14 June 2022
Shares will trade ex-dividend rights on the LSE:	Thursday, 16 June 2022
Record date for payment on both JSE and LSE:	Friday, 17 June 2022
Dividend payment date:	Wednesday, 29 June 2022

No dematerialisation or rematerialisation of shares within Strate will be permitted between Tuesday, 14 June 2022 and Friday, 17 June 2022, both days inclusive. No transfers between registers will be permitted between Thursday, 26 May 2022 and Friday, 17 June 2022, both days inclusive.

Tax implications of the dividend
Shareholders and Depositary Interest holders should note that information provided should not be regarded as tax advice.

Shareholders are advised that the dividend declared will be paid out of income reserves and may therefore be subject to dividend withholding tax depending on the tax residency of the shareholder.

South African tax residents
South African shareholders are advised that the dividend constitutes a foreign dividend. For individual South African tax resident shareholders, dividend withholding tax of 20% will be applied to the gross dividend of 47.30040 South African cents per share. Therefore, the net dividend of 37.84032 South African cents per share will be paid after 9.46008 South African cents in terms of dividend withholding tax has been applied. Shareholders who are South African tax resident companies are exempt from dividend tax and will receive the dividend of 47.30040 South African cents per share. This does not constitute legal or tax advice and is based on taxation law and practice in South Africa. Shareholders should consult their brokers, financial and/or tax advisors with regard to how they will be impacted by the payment of the dividend.

UK tax residents
UK tax residents are advised that the dividend constitutes a foreign dividend and that they should consult their brokers, financial and/or tax advisors with regard to how they will be impacted by the payment of the dividend.

Cyprus tax residents
Individual Cyprus tax residents are advised that the dividend constitutes a local dividend and that they should consult their brokers, financial and/or tax advisors with regard to how they will be impacted by the payment of the dividend.

Additional information required by the JSE Listing Requirements
Tharisa has a total of 299 388 187 ordinary shares in issue on Thursday, 26 May 2022, of which 296 053 255 carry voting rights and are eligible to receive dividends.

Definitions to non-IFRS financial information
EBITDA represents the sum of: results from operating activities, depreciation and impairments and write offs of property, plant and equipment as stated in the consolidated statement of cash flows and certain changes in fair value of financial assets and liabilities as stated in the consolidated statement of profit or loss.

Return on invested capital: calculated on a twelve month rolling basis being the net operating profit after tax divided by the average invested capital (comprising total assets less cash and non-interest bearing short term liabilities).

Principal risks and uncertainties
The following tables summarise the material risks identified by management in consultation with stakeholders and with reference to the Group's business model and strategy.

Risk	**Impact**	**Mitigation**
Safety		
The safety and health of our people is our core value Operating in a safe manner is a key performance indicator for all executives and managers at Tharisa and its subsidiaries	Harm to people, the environment and assets Potential Section 54 and Section 55 instructions from the DMRE in terms of the South African Mine Health and Safety Act and the impact on production	Strive for zero harm working environment Implement a culture where safety risks will not be tolerated Comprehensive training on mandatory code of practices and standard operating procedures Continuous training and adherence to global best practices Transparent and open relationships with DMRE inspectorate and other regulatory bodies Key performance indicator in Group cash bonus scheme to incentivise safe behaviour Ensuring alignment and standardisation across all jurisdictions and operations
COVID-19 pandemic		
Keeping people safe is of paramount importance to Tharisa	Employees contracting COVID-19 Decrease in face-to-face safety interaction and reinforcement High absenteeism Loss of cohesive operating teams Remote access failure Logistics constraints Global economic slowdown Cybercrime targeting business operations The impact of the COVID-19 pandemic is not yet fully quantifiable as the pandemic is ongoing	Tharisa has put in place measures that at a minimum comply with government regulations and adhere to best practices. Rigorous screening and testing measures are in place. Succession planning is in place in the event of illness. Quarantine and health facilities have been established as well as a vaccination site where employees and contractors can receive COVID-19 vaccines A comprehensive communication strategy to employees and contractors is in place providing educational awareness to employees on the impact, prevention and treatment of COVID-19 The Company has taken these steps proactively but there are no guarantees that the measures put in place will ensure the Company and its operations will not be affected by the pandemic

Risk	Impact	Mitigation
Political uncertainty		
South Africa – the burgeoning unemployment, increasing government debt and negligible GDP growth has led to a negative response to political certainty Negative business confidence Zimbabwe – limited international sanctions still exist and may affect the stability of the economy Hyper-inflation and monetary policy uncertainty Negative business confidence and political uncertainty Lack of currency liquidity Instability in Eastern Europe	Unattractive investment destination(s) for international investors Potential for further credit rating downgrades Political and civil unrest adversely impacting mine production Closing (temporary or permanent) of end user markets Imposition of sanctions on countries buying our products	The South African government has indicated commitment and intent in ensuring South Africa remains politically stable and that the economy advances Pledges by global concerns to invest in the country will serve to improve business confidence, unlock investment by local concerns and build GDP growth Continuous drive by the Government of Zimbabwe to create investor-friendly environment Establishment and awarding of Special Economic Zones in Zimbabwe to assist capital flows and investment Tharisa has a wide range of off takers who value the quality product Tharisa produces The Company continuously strives to create new markets for its products to ensure off take is not overly concentrated and thus has a negative effect on purchases
Regulatory compliance		
Tharisa Minerals' right to mine is dependent on strict adherence to various legal and legislative requirements Non-compliance with the MPRDA and/or Mining Charter and/or the Group's Social and Labour Plan. The Group is required to comply with a range of health and safety laws and regulations in connection with its mining, processing, manufacturing and logistics activities. Any perceived violation of the regulations could lead to a temporary shutdown of all or a portion of the Group's mining activities. Non-compliance with the Mines and Minerals Act of Zimbabwe and mining regulations promulgated under such Act	Cost of compliance to changes in the Mining Charter Non-compliance resulting in potential legal sanctions including fines, penalties and risks to the right to mine via a forfeiture or cancellation Access to forms of capital hindered	Ensure compliance with current MPRDA and applicable legislation Mining Charter provides some certainty Ensure compliance with the terms of the Mining Charter while making use of the phasing in period Ensure compliance with the Group's Social and Labour Plan Proactive engagement with regulatory authorities and industry organisations Ongoing communication and awareness with investors Ensure compliance with all relevant Zimbabwean legislation including the Mines and Minerals Act, Mining regulations promulgated under section 403 of the Mines and Minerals Act, the Labour Act, Exchange Control regulations and other laws and enactments governing investment Routine audits are carried out by regulatory/ competent authorities in line with the relevant legislative prescripts to ensure compliance Regular internal inspections are conducted by the SHE department to ensure compliance with regulatory requirements.
Production/location concentration		
Tharisa currently owns and operates one primary producing asset, located in South Africa The Group has made early entry investments into Zimbabwean development projects; however, the Group is still exposed to the potential of political risk and instability within the country of its operation	Exposure to potential macroeconomic, social and socio-political risks and instability Sovereign rating downgrades of the country of operation can limit the Group's ability to raise financing and increase the cost thereof Exposure to only two main commodities	Third-party operations such as the operations of Sibanye Stillwater's K3 UG2 chrome plant provide additional revenue from an alternate operation Diversification into higher grade chrome products has opened new markets for Tharisa Development of the Karo Platinum and Salene Chrome projects in Zimbabwe will provide geographic diversification Considering opportunities to diversify commodities as they arise

Risk	Impact	Mitigation
Global commodity prices and currency volatility		
The Group's revenues, profitability and future rate of growth depend on the prices of PGMs and chrome The state of the world's economies impacts on demand and market prices for PGMs and chrome Volatility in the ZAR:US$ exchange rate affects the Group's profitability of which South Africa's land reform uncertainty and effects of other emerging markets are contributing factors	Downward pressure on the prices of PGMs and/or chrome may negatively affect the Group's profitability and cash flows The Group's reporting currency is US dollar. The Group's dominant current operations are predominately based in South Africa, with a ZAR cost base, while the majority of the revenue stream is in US dollar, exposing the Group to the volatility and movement in the currencies Risk of competitor product dumping and undercutting market prices in respect of the chrome market.	Monitor costs closely to ensure that the Group remains in the lowest cost quartile Stringent cost control Improved operating efficiencies and production driving down unit costs Service providers appointed to manage the Group foreign exchange and PGM hedging strategy Production of higher value-add speciality grade chrome concentrates comprising ~25% of Group chrome concentrate production Diversification into higher priced chrome products through the development of the Salene Chrome operation
Financing and liquidity		
The activities of the Group expose it to a variety of financal risks including market, commodity prices, credit, foreign exchange and interest rate risks Static share price trading Non-compliance to ESG standards and requirements may affect capital raising abilities	Significant changes in the financial assumptions made by the Group could impact its ability to continue operating and jeopardise its ability to raise financing in the future Adverse impact on the ability to raise capital for growth and acquisitions	Positioned as a low-cost producer of both PGM and chrome concentrates Production of higher value-add speciality grade chrome concentrates Leveraging third-party operations Diversified customers and markets Undrawn banking facilities Trade finance facilities assist with working capital requirements Secondary listing on the LSE and an additional listing on A2X in South Africa provide additional trading platforms and increased liquidity Marketing and roadshow efforts have significantly enhanced the Group's profile and investor awareness and investor spread Compliance and audit of ESG standards Employment of relevant skills to manage ESG effectively
Market/customer concentration		
The bulk of Tharisa's chrome production is exported to China. This gives the Group significant exposure to a single geographic market Proposal by the South African government to impose a chrome tax	Customer base largely located in China, with accompanying exposure to Chinese markets	No reliance on a dominant customer within that market Tharisa has strategically diversified its production through the increase of speciality grade chrome concentrates, which make up approximately 25% of Tharisa's total chrome production Chemical and foundry grade chrome concentrates sold into diversified global markets Development project in Zimbabwe is focusing on higher-grade chrome products Diversified commodities with PGM concentrate sold to leading precious metal refiners on a long-term offtake basis Lobbying of government has thus far shelved the proposed chrome tax in South Africa

Risk	Impact	Mitigation
Environment		
Tharisa is obliged in terms of its undertaking to stakeholders, including the government, providers of capital and the community, to monitor, minimise and mitigate our impact on the physical environment and not to infringe on the rights to a safe and healthy environment. Non-compliance with this undertaking may infringe on the terms of the mining licence and the ability to continue mining	Harm to the environment Increased costs of remediation and rehabilitation due to legislative changes Potential legal sanctions including mine stoppage and class action suits Poor image of mining companies	Conduct all mining and processing operations in an environmentally responsible manner Compliance with applicable national and local laws and regulations Monitor compliance against EMPR, licenses and Equator Principles Compliance with provision for rehabilitation and mine closure Ongoing environmental impact monitoring, management and evaluation Ongoing internal and external compliance audits/ inspections Update/ amendment of licenses, permits and authorisations Community engagements through SLP and local forums Ongoing engagements with competent authorities to source advice on new or amended regulations
Climate change		
The Group is exposed to risks arising from climate change. The risks can be divided into physical risks, arising from the impact of climate change on operations, and reputational risk (arising from Tharisa being perceived as not contributing to addressing climate risk in a timely and meaningful way by providers of capital).	Rising temperature levels can affect the availability of natural elements that are required by the mine, such as access to water Rising temperatures can affect the physical wellbeing of the workforce The availability of capital will reflect how well companies are seeking to decarbonise their operations and supply chains Implement carbon taxes to encourage companies to improve their carbon footprints	Disclosure and reporting on annual CO2 emissions Expand and implement a roadmap to reduce operational CO2 emissions with a targeted reduction of 30% set by 2030 and a drive to become net carbon neutral by 2050 Engaging with our supply chain on their commitment to decarbonisation Closer co-operation with suppliers and ensuring the latest technology is employed to reduce CO2 emissions In South Africa Introduction and implementation of energy and water-efficient ways of product processing Construction of new water storage facilities to cater for projected water shortages Forming part of the water management forums in the catchment area Electricity generation from renewable sources wherever possible. Replacement of diesel fuel as an energy source within fleet at end of asset life
Local stakeholders		
Tharisa Minerals' neighbours are impacted by its operations in terms of dust, noise, water usage and security The perceptions of stakeholders, including different sections of the community and various levels of government, are varied and multi-layered Negative and inaccurate media coverage can influence perception	Local stakeholder discontent has the potential to disrupt operations Safety and health of the community Complaints to regulatory authorities and risk of intervention Potential for adverse litigation Poor image of mining companies Lack of support in equity markets and amongst stakeholders, ultimately leading to a cost of capital impact	Ongoing environmental impact monitoring Property purchase agreements being concluded with local landowners Partner with government and local municipality to develop identified land within the municipal spatial development area to which the community may be relocated Ongoing discussions with the DMRE and other government bodies Positive engagements with the local community with a focus on sustainable community projects Focus on recruiting from local communities as much as possible if there is a skills match Rolling our vaccination site to the greater community as per government regulations Regular and repetitive communication and emphasis on key messages utilising all available media channels Immediate corrective actions and corrections on factual inaccuracies or misconceptions

Risk	Impact	Mitigation
Access to resources and infrastructure		
Tharisa's mining, processing, manufacturing logistics and marketing operations rely on sustainable access to water, electricity as well as road, rail and port infrastructure	Production interruptions Failure to meet delivery and customer commitments and contracts	Two independent processing plants provide flexibility in times of electricity and water curtailments Multi-modal transport optionality via bulk or containers, road and/or rail Integrated agreement for rail transportation and port facilities concluded with Transnet Improved water supply through close collaboration with the custodian of the water resource. Agricultural water rights from Buffelspoort as a result of the additional properties that were purchased Mine water reticulation system and construction of new water storage facilities Salt and water balancing have improved water quality. Supply potable water from Samancor Mine (Randwater line) Drilling and licensing of new boreholes to ensure water supply volumes remain positive The increased depth of the mine pit is providing more ingression of water which is dewatered for surface use The deeper the open pits (current mining area) the more water ingression into the pit leading to more water being dewatered to the surface for use Open-pit diesel-powered mining fleet reduces reliance on electricity Generators installed at the processing plants to mitigate electrical supply curtailments
Labour		
The consistent, assured availability of appropriately skilled human resources at economical rates is essential to the sustainability of Tharisa's operations. Similarly important is the efficiency and discipline of the Group's workforce	Labour disruptions in South Africa remain a risk, particularly with the current political climate which may contribute to heightened labour and community unrest Potential damage to property Loss of production	Monthly liaison with shop stewards and regular contact with regional leadership Ongoing training programmes Adequate insurance cover in the event of damage to property arising from unrest All levels of employees are incentivised through bonus and incentive schemes leading to improved productivity and employee retention Tharisa has completed half a year of a four year wage agreement without disruptions, providing certainty for both parties Care for employees during COVID-19 with additional safety and health measures put in place while Tharisa managed through waves 1,2,3&4 without any retrenchments of workforce
Management of resources and reserves		
Management and planning of the extraction of the multiple MG layers of the reef is critical to the business model Tharisa's success depends on it extracting the maximum value per tonne of the reef while avoiding pit dilution and undue sterilisation of the resource	Sub-optimal quantity and quality of reef results in poor processing plant recoveries, which impacts production and financial performance Sterilisation of resources reduces the life of mine and inhibits mining flexibility Loss of production as a result of low ROM stockpiles ahead of the plants	Owner mining model enables in-house management and control of all mining activities, with a focus on correct mining practices with optimal quality and quantity of ROM Investment in the latest technology and machinery for optimal mining practices In-house mining skills Accuracy and execution of mine plan Mining employees managed on KPIs

Risk	Impact	Mitigation
Unscheduled breakdowns		
The Group's performance is reliant on the consistent mining and production of PGM and chrome concentrates from the Tharisa Mine	Any unscheduled breakdown leading to a prolonged reduction in mining and/or production may have a material impact on the Group's financial performance and results of operations Loss of production as a result of low ROM stockpiles ahead of the plants	Optimisation of the existing mining fleet Developed engineering and geological skills that are integral to the in-house mining Preventative maintenance programme for the fleet and plant Long lead item spares in stock Ensure adequate ROM stockpiles (target 2 months) while supplementing times of low ROM with purchases of ROM from third parties
Cyber security		
The Group performance may be materially and adversely impacted by a cyber-attack on its IT system	The processing plants at the mine are controlled by a supervisory control and data acquisition operating system and a cyber-attack could potentially subject the Group to a ransomware demand and/or cause a shutdown of the processing operations until a backup system is operational, or a work-around solution is obtained	The Group has carried out an audit of its potential exposure to a cyber-attack in respect of all its IT and has implemented mitigating measures which limit its exposure to internal and third-party access The Group has implemented and continuously ensures globally accepted best-in-class software and protocols to filter malicious and criminal content, as well as the latest antivirus and security programmes Insurance against cyber-attack including backup and restoration assistance Internal backups and scheduled backup tests for integrity and continuity

Conclusion

Tharisa has set out a six-pillar growth strategy against which we measure our performance, while ensuring that the market is fully informed of our strategy and capital commitments.

Underpinning this is our application of innovation and technology as we continue to play a critical role in the energy transition through the metals, we mine. Our commitment to improving the lives of those we employ and the communities within which we work, combined with the returns we deliver for all our stakeholders, can only be achieved with sustainability at the core of Tharisa's strategy.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The directors of Tharisa plc ('the Company' or 'the Group') are responsible for the maintenance of adequate accounting records and the preparation of the interim condensed consolidated financial statements and related information in a manner that fairly presents the state of affairs of the Company. These interim condensed consolidated financial statements are prepared in accordance and containing the information required by IAS 34 Interim Financial Reporting, the Listings Requirements of the JSE Limited and Financial Pronouncements as issued by the Financial Reporting Standards Council and incorporate full disclosure in line with the accounting policies of the Group, which are supported by prudent judgement.

The directors are also responsible for the maintenance of effective systems of internal control, which are based on established organisational structures and procedures. These systems are designed to provide reasonable assurance as to the reliability of the financial statements, and to prevent and detect material misstatement and loss.

The preparation of these condensed results was supervised by the Chief Finance Officer, Michael Jones, a Chartered Accountant (SA).

The interim condensed consolidated financial statements have been prepared on a going concern basis, as the directors believe that the Company and Group will continue to be in operation in the foreseeable future. The interim consolidated financial statements have been approved by the Board on 24 May 2022.

Phoevos Pouroulis
Chief Executive Officer

Michael Jones
Chief Finance Officer

Cyprus
24 May 2022

[signed on original]

INDEPENDENT AUDITOR’S REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF THARISA PLC

Introduction

We have reviewed the interim condensed consolidated financial statements of Tharisa plc (‘the Company’), and its subsidiaries (collectively referred to as ‘the Group’) on pages 15 to 53 contained in the accompanying interim report, which comprises the interim condensed consolidated statement of financial position as at 31 March 2022 and the interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, ’Review of Interim Financial Information Performed by the Independent Auditor of the Entity’. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements do not present fairly, in all material respects, the financial position of the entity as at 31 March 2022 and of its financial performance and its cash flows for the six-month period then ended in accordance with International Accounting Standard 34 Interim Financial Reporting.

Stavros Pantzaris
Certified Public Accountant and Registered Auditor

For and behalf of

Ernst & Young Cyprus Limited
Certified Public Accountant and Registered Auditor

Nicosia
24 May 2022

[signed on original]

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the period ended 31 March 2022

	Notes	Period ended 31 March 2022 Reviewed US$'000	Period ended 31 March 2021 Reviewed US$'000	Year ended 30 Sept 2021 Audited US$'000
Revenue	6	334 029	313 626	596 345
Cost of sales	7	(211 401)	(185 034)	(388 926)
Gross profit		122 628	128 592	207 419
Other income		394	369	764
Net foreign exchange (loss)/gain		(8 848)	(2 913)	15 477
Other operating expenses	8	(24 800)	(21 596)	(44 822)
Results from operating activities		89 374	104 452	178 838
Finance income		460	560	1 391
Finance costs		(2 323)	(2 755)	(4 893)
Changes in fair value of financial assets at fair value through profit or loss	22	(4 814)	1 655	10 540
Changes in fair value of financial liabilities at fair value through profit or loss	22	(1 769)	811	(370)
Gain on acquisition of subsidiary	21	48 597	-	-
Share of loss of investment accounted for using the equity method	12	(5 229)	(131)	(251)
Profit before tax		124 296	104 592	185 255
Tax	9	(22 670)	(28 929)	(53 714)
Profit for the period/year		**101 626**	**75 663**	**131 541**
Other comprehensive income				
Items that may be classified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations, net of tax		10 978	34 186	20 450
Other comprehensive income/(loss), net of tax		10 978	34 186	20 450
Total comprehensive income for the period/year		**112 604**	**109 849**	**151 991**
Profit for the period/year attributable to:				
Owners of the company		88 897	57 439	100 469
Non-controlling interest		12 729	18 224	31 072
		101 626	**75 663**	**131 541**
Total comprehensive income for the period/year attributable to:				
Owners of the company		98 644	80 226	113 471
Non-controlling interest		13 960	29 623	38 520
		112 604	**109 849**	**151 991**
Earnings per share				
Basic earnings per share (US$ cents)	10	32.7	21.4	37.4
Diluted earnings per share (US$ cents)	10	32.1	21.2	37.3

The notes on pages 21 to 53 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 March 2022

	Notes	Period ended 31 March 2022 Reviewed US$'000	Period ended 31 March 2021 Reviewed US$'000	Year ended 30 Sept 2021 Audited US$'000
Assets				
Non-current assets				
Property, plant and equipment	11	625 831	343 316	380 461
Intangible assets		2 978	3 003	2 942
Investment accounted for using the equity method	12	-	10 284	10 274
Financial and other assets	13	7 271	10 388	15 854
Deferred tax assets		1 533	1 494	1 177
Total non-current assets		**637 613**	**368 485**	**410 708**
Current assets				
Inventories	14	73 861	43 505	58 269
Trade and other receivables	15	183 702	155 064	136 554
Contract assets		1 578	1 523	2 440
Financial and other assets	13	512	300	3 041
Current taxation		3 849	558	8 949
Cash and cash equivalents	16	101 462	72 778	83 436
Total current assets		**364 964**	**273 728**	**292 689**
Total assets		**1 002 577**	**642 213**	**703 397**
Equity and liabilities				
Share capital and premium	17	310 258	287 453	289 818
Other reserve		47 245	47 245	47 245
Foreign currency translation reserve		(82 101)	(82 063)	(91 848)
Retained earnings		266 076	170 288	199 217
Equity attributable to owners of the Company		541 478	422 923	444 432
Non-controlling interests	17	75 377	(1 280)	6 842
Total equity		**616 855**	**421 643**	**451 274**
Non-current liabilities				
Provisions		20 359	17 390	19 931
Borrowings	18	24 311	18 029	20 590
Other financial liabilities	19	17 879	-	-
Deferred tax liabilities		124 077	73 984	87 565
Total non-current liabilities		**186 626**	**109 403**	**128 086**
Current liabilities				
Borrowings	18	50 231	24 996	16 260
Other financial liabilities	19	1 591	5 989	485
Current taxation		540	347	286
Trade and other payables	20	145 156	78 312	104 566
Contract liabilities		1 578	1 523	2 440
Total current liabilities		**199 096**	**111 167**	**124 037**
Total liabilities		**385 722**	**220 570**	**252 123**
Total equity and liabilities		**1 002 577**	**642 213**	**703 397**

The interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 24 May 2022.

Phoevos Pouroulis
Director

Michael Jones
Director

[signed on original]

The notes on pages 21 to 53 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 31 March 2022

		Attributable to owners of the Company							
	Notes	**Share capital US$'000**	**Share premium US$'000**	**Other reserve US$'000**	**Foreign currency translation reserve US$'000**	**Retained earnings US$'000**	**Total US$'000**	**Non-controlling interest US$'000**	**Total equity US$'000**
Balance at 1 October 2021 (Audited)		**271**	**289 547**	**47 245**	**(91 848)**	**199 217**	**444 432**	**6 842**	**451 274**
Total comprehensive income for the period									
Profit for the period		-	-	-	-	88 897	88 897	12 729	101 626
Other comprehensive income:									
Foreign currency translation differences		-	-	-	9 747	-	9 747	1 231	10 978
Total comprehensive income for the period		**-**	**-**	**-**	**9 747**	**88 897**	**98 644**	**13 960**	**112 604**
Transactions with owners of the Company									
Contributions by and distributions to owners									
Dividends paid	27	-	-	-	-	(14 118)	(14 118)	(169)	(14 287)
Issue of ordinary shares	17	11	20 429	-	-	-	20 440	-	20 440
Acquisition of non-controlling interest	17	-	-	-	-	(8 471)	(8 471)	(11 437)	(19 908)
Acquired through business combination	21	-	-	-	-	-	-	66 181	66 181
Equity-settled share-based payments		-	-	-	-	551	551	-	551
Contributions by and distributions to owners of the Company		11	20 429	-	-	(22 038)	(1 598)	54 575	52 977
Total transactions with owners of the Company		11	20 429	-	-	(22 038)	(1 598)	54 575	52 977
Balance at 31 March 2022 (Reviewed)		**282**	**309 976**	**47 245**	**(82 101)**	**266 076**	**541 478**	**75 377**	**616 855**

The notes on pages 21 to 53 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 31 March 2022

		Attributable to owners of the Company							
	Notes	**Share capital US$'000**	**Share premium US$'000**	**Other reserve US$'000**	**Foreign currency translation reserve US$'000**	**Retained earnings US$'000**	**Total US$'000**	**Non-controlling interest US$'000**	**Total equity US$'000**
Balance at 1 October 2020 (Audited)		**269**	**286 660**	**47 245**	**(104 850)**	**122 085**	**351 409**	**(30 580)**	**320 829**
Total comprehensive income for the period									
Profit for the period		-	-	-	-	57 439	57 439	18 224	75 663
Other comprehensive income:									
Foreign currency translation differences		-	-	-	22 787	-	22 787	11 399	34 186
Total comprehensive income for the period		**-**	**-**	**-**	**22 787**	**57 439**	**80 226**	**29 623**	**109 849**
Transactions with owners of the Company									
Contributions by and distributions to owners									
Issue of ordinary shares	17	-	524	-	-	-	524	-	524
Dividends paid	27	-	-	-	-	(9 414)	(9 414)	(323)	(9 737)
Equity-settled share-based payments		-	-	-	-	178	178	-	178
Contributions by and distributions to owners of the Company		-	524	-	-	(9 236)	(8 712)	(323)	(9 035)
Total transactions with owners of the Company		-	524	-	-	(9 236)	(8 712)	(323)	(9 035)
Balance at 31 March 2021 (Reviewed)		**269**	**287 184**	**47 245**	**(82 063)**	**170 288**	**422 923**	**(1 280)**	**421 643**

The notes on pages 21 to 53 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 31 March 2022

		Attributable to owners of the Company							
	Notes	Share capital US$'000	Share premium US$'000	Other reserve US$'000	Foreign currency translation reserve US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interest US$'000	Total equity US$'000
Balance at 1 October 2020 (Audited)		**269**	**286 660**	**47 245**	**(104 850)**	**122 085**	**351 409**	**(30 580)**	**320 829**
Total comprehensive income for the year									
Profit for the year		-	-	-	-	100 469	100 469	31 072	131 541
Other comprehensive income:									
Foreign currency translation differences		-	-	-	13 002	-	13 002	7 448	20 450
Total comprehensive income for the year		**-**	**-**	**-**	**13 002**	**100 469**	**113 471**	**38 520**	**151 991**
Transactions with owners of the Company									
Contributions by and distributions to owners									
Dividends paid	27	-	-	-	-	(20 181)	(20 181)	(1 098)	(21 279)
Issue of ordinary shares	17	2	2 887	-	-	-	2 889	-	2 889
Equity-settled share-based payments		-	-	-	-	(3 156)	(3 156)	-	(3 156)
Contributions by and distributions to owners of the Company		2	2 887	-	-	(23 337)	(20 448)	(1 098)	(21 546)
Total transactions with owners of the Company		2	2 887	-	-	(23 337)	(20 448)	(1 098)	(21 546)
Balance at 30 September 2021 (Audited)		**271**	**289 547**	**47 245**	**(91 848)**	**199 217**	**444 432**	**6 842**	**451 274**

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% and General Health System contribution at 1.7%-2.65% for deemed distributions after 1 March 2019 will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of the deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 21 to 53 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the period ended 31 March 2022

	Notes	Period ended 31 March 2022 Reviewed US$'000	Period ended 31 March 2021 Reviewed US$'000	Year ended 30 Sept 2021 Audited US$'000
Cash flows from operating activities				
Profit for the period/year		101 626	75 663	131 541
Adjustments for:				
Depreciation of property, plant and equipment	11	18 449	15 949	36 024
Share of loss of investment accounted for using the equity method	12	5 229	131	251
Net realisable value write down of inventory	14	613	361	789
Write off of property, plant and equipment	11	2 876	2 509	4 950
Expected credit loss allowance	15	9	102	100
Equity-settled share-based payments		1 029	178	3 560
Changes in fair value of financial assets at fair value through profit or loss	22	4 814	(1 655)	(10 540)
Gain on acquisition of subsidiary	21	(48 597)	-	-
Changes in fair value of financial liabilities at fair value through profit or loss	22	1 769	(811)	370
Net foreign exchange loss/(gain)		8 848	2 913	(15 477)
Interest income		(460)	(560)	(1 391)
Interest expense		2 323	2 755	4 893
Tax		22 670	28 929	53 714
		121 198	126 464	208 784
Changes in:				
Inventories		(14 162)	2 669	(13 442)
Trade and other receivables and contract assets		(45 241)	(31 298)	(11 385)
Trade and other payables and contract liabilities		3 805	9 598	39 674
Provisions		(1 093)	-	2 150
Cash generated from operations		64 507	107 433	225 781
Income tax paid		(15 410)	(2 516)	(17 412)
Net cash flows from operating activities		**49 097**	**104 917**	**208 369**
Cash flows from investing activities				
Interest received		317	531	1 107
Additions to property, plant and equipment	11	(51 096)	(39 465)	(106 006)
Net cash inflow/(outflow) from business combination	21	4 984	2	(3 079)
Increase in investments accounted for using the equity method -		12	(4 965)	(112)
Additions to other assets	13	(222)	(1 426)	(2 282)
Net cash flows used in investing activities		**(50 982)**	**(40 470)**	**(110 260)**
Cash flows from financing activities				
Movement in bank credit facilities	18	32 442	(6 782)	(15 553)
Advances received	18	11 534	17 064	26 787
Repayment of borrowings	18	(7 182)	(41 056)	(48 208)
Principal lease payments	18	(2 113)	(2 402)	(4 597)
Dividends	27	(14 287)	(9 737)	(21 279)
Interest paid		(1 612)	(1 347)	(3 003)
Net cash flows from/(used in) financing activities		**18 782**	**(44 260)**	**(65 853)**
Net increase in cash and cash equivalents		16 897	20 187	32 256
Cash and cash equivalents at the beginning of the period/year		83 436	49 293	49 293
Effect of exchange rate fluctuations on cash held		1 129	3 298	1 887
Cash and cash equivalents at the end of the period/ year16		**101 462**	**72 778**	**83 436**

The notes on pages 21 to 53 are an integral part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the period ended 31 March 2022

1. REPORTING ENTITY

Tharisa plc ('the Company') is a company domiciled in Cyprus. These interim condensed consolidated financial statements of the Company for the period ended 31 March 2022 comprise the Company and its subsidiaries (together referred to as 'the Group'). The Group is primarily involved in platinum group metals ('PGM') and chrome mining, processing, trading and the associated logistics. The Company is listed on the main board of the JSE Limited and has a secondary standard listing on the main board of the London Stock Exchange and a secondary listing on the A2X Exchange in South Africa.

2. INDEPENDENT AUDITOR'S REVIEW

Ernst & Young Cyprus Limited, the independent auditor, has conducted a review in accordance with International Standards on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor, and their unmodified review report is available on page 15.

3. BASIS OF PREPARATION

Statement of compliance
These interim condensed consolidated financial statements have been prepared in accordance with the Listings Requirements of the JSE Limited, the framework concepts and the measurement and recognition requirements of IFRS, the International Accounting Standards 34 Interim Financial Reporting, the SAICA Financial Reporting Guides issued by the Accounting Practices Committee and the Financial Reporting Pronouncements of the Financial Reporting Standards Council. Selected explanatory notes are included to explain events and transactions that are significant to obtain an understanding of the changes in the financial position and performance of the Group since the last consolidated financial statements as at and for the year ended 30 September 2021. These interim condensed consolidated financial statements do not include all the information required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards ('IFRS'). The interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 30 September 2021, which have been prepared in accordance with IFRS.

These condensed consolidated financial statements were approved by the Board of Directors on 24 May 2022.

Basis of measurement
The interim condensed consolidated financial statements are prepared on the historical cost basis except as otherwise stated in the accounting policies set out below.

Functional and presentation currency
The interim condensed consolidated financial statements are presented in United States Dollars ('US$') which is the Company's functional currency and presentation currency. Amounts are rounded to the nearest thousand.

The following US$: ZAR exchange rates were used in preparing the interim condensed consolidated financial statements:
- Closing rate: ZAR14.62 (31 March 2021: ZAR14.76 and 30 September 2021: ZAR15.05)
- Average rate: ZAR15.33 (31 March 2021: ZAR15.28 and 30 September 2021: ZAR14.83)

Going concern
These interim condensed consolidated financial statements have been prepared on a going concern basis.

Use of estimates and judgements
Preparing the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements at and for the year ended 30 September 2021.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 30 September 2021.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards and interpretations adopted in the current year

The Group has adopted the following revised standards and interpretations which became effective for the year ending 30 September 2022:

- *Interest Rate Benchmark Reform - Phase 2 Amendments to IFRS 9, IAS 39, IFRS 4, IFRS 7 and IFRS 16*

The Amendments focus on the effects on financial statements when an entity replaces the old interest rate benchmark with an alternative benchmark rate as a consequence of the global regulatory reform of key interbank offered rates ('IBORs'). The US Libor that the Group is exposed to will cease to exist by June 2023. The group's borrowings that reference US Libor are: the asset backed loan facilities and bank credit facilities including specifically trade finance facilities. The Group is in discussions with debt counterparties as to new reference rates on the IBOR linked borrowings, including the consideration of the Secured Overnight Financing Rate which is the recommended US LIBOR alternative. The Group will assess the impact on the balances and cash flows linked to the rate changes arising from IBOR reform once negotiations with debt counterparties are more advanced and more information is available on the replacement interest rates.

Standards and interpretations issued but not yet effective

The new standards, interpretations and amendments to standards listed below are not effective and have not been early adopted but will be adopted once they become effective. The Group notes the new standards, amendments and interpretations which have been issued but not yet effective and does not plan to early adopt these. There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods.

- *Classification of Liabilities as Current or Non-current - Amendments to IAS 1*
- *Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12*

5. OPERATING SEGMENTS

For management purposes, the chief operating decision maker of the Group, being the executive directors of the Company and the executive directors of the subsidiaries, reports its results per segment. The Group currently has the following four segments:

PGM segment
Chrome segment
Agency and trading segment
Manufacturing segment

The operating results of each segment are monitored separately by the chief operating decision maker in order to assist them in making decisions regarding resource allocation as well as enabling them to evaluate performance. Segment performance is evaluated on a PGM ounce production and sales basis, and a chrome concentrate tonnes production and sales basis. The agency and trading segment performance is evaluated on third-party chrome concentrate tonnes production and sales basis. Third-party logistics, third-party trading and third party chrome operations are evaluated individually but aggregated together as the agency and trading segment. For the manufacturing segment, performance is evaluated on a sales and gross profit basis.

The Group's administrative costs, financing (including finance income and finance costs) and income taxes are managed on a group basis and are not allocated to a segment.

Due to the intrinsic nature of the Group's PGM and chrome concentrate production processes, assets are reported on a consolidated basis and cannot necessarily be allocated to a specific segment. Consequently, assets are not disclosed per segment in the following segmental analysis. Refer to the interim condensed consolidated statement of profit or loss for a reconciliation between the Group's segmental gross profit and the Group's net profit after tax.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the period ended 31 March 2022 (continued)

Period ended 31 March 2022 (Reviewed)	PGM US$'000	Chrome US$'000	Agency and trading US$'000	Manufacturing US$'000	Total US$'000
Revenue	194 979	120 062	17 675	1 313	334 029
Cost of sales					
Manufacturing costs	(108 132)	(33 012)	(10 859)	(1 245)	(153 248)
Selling costs	(387)	(29 603)	(1 861)	-	(31 851)
Freight services	-	(22 541)	(3 761)	-	(26 302)
	(108 519)	(85 156)	(16 481)	(1 245)	(211 401)
Gross profit	86 460	34 906	1 194	68	122 628

Period ended 31 March 2021 (Reviewed)	PGM US$'000	Chrome US$'000	Agency and trading US$'000	Manufacturing US$'000	Total US$'000
Revenue	193 297	102 095	16 856	1 378	313 626
Cost of sales					
Manufacturing costs	(96 593)	(33 271)	(7 878)	(638)	(138 380)
Selling costs	(219)	(26 917)	(5 373)	-	(32 509)
Freight services	-	(11 747)	(2 398)	-	(14 145)
	(96 812)	(71 935)	(15 649)	(638)	(185 034)
Gross profit	96 485	30 160	1 207	740	128 592
Year ended 30 September 2021 (Audited)					
Revenue	353 388	203 875	36 494	2 588	596 345
Cost of sales					
Manufacturing costs	(205 008)	(63 608)	(13 600)	(2 551)	(284 767)
Selling costs	(540)	(54 297)	(14 915)	-	(69 752)
Freight services	-	(29 213)	(5 194)	-	(34 407)
	(205 548)	(147 118)	(33 709)	(2 551)	(388 926)
Gross profit	147 840	56 757	2 785	37	207 419

The shared costs relating to the production of PGM and chrome concentrates are allocated to the relevant operating segments based on the relative sales value per product on an ex-works basis. Shared costs are allocated 80.0% to PGM concentrate and 20.0% to chrome concentrates. The allocation is consistent to the basis applied for the period and year ended 31 March 2021 and 30 September 2021 respectively.

Cost of sales includes a charge for the write off of property, plant and equipment totalling US$2.9 million (period ended 31 March 2021: US$2.5 million and year ended 30 September 2021: US$5.0 million) which mainly relates to mining equipment. The write off has been allocated to the PGM and chrome segments in accordance with the allocation basis of shared costs as described in the preceding paragraph.

Geographical information

The following table sets out information about the geographical location of:

(i) the Group's revenue from external customers and
(ii) the Group's property, plant and equipment and intangible assets ('specified non current assets') (31 March 2021 and 30 September 2021 includes the investment accounted for using the equity method).

The geographical location analysis of revenue from external customers is based on the country of establishment of each customer. The geographical location of the specified non current assets is based on the physical location of the asset in the case of property, plant and equipment and intellectual property and the location of the operation to which they are allocated in the case of goodwill.

(i) Revenue from external customers

Period ended 31 March 2022 (Reviewed)	PGM US$'000	Chrome US$'000	Agency & trading US$'000	Manufacturing US$'000	Total US$'000
South Africa	194 979	22 847	2 226	1 249	221 301
China	-	36 906	9 096	-	46 002
Singapore	-	38 618	-	-	38 618
Hong Kong	-	16 717	1 433	-	18 150
Australia	-	1 548	-	-	1 548
Japan	-	3 426	4 782	-	8 208
Other countries	-	-	138	64	202
	194 979	**120 062**	**17 675**	**1 313**	**334 029**

Period ended 31 March 2021 (Reviewed)	PGM US$'000	Chrome US$'000	Agency & trading US$'000	Manufacturing US$'000	Total US$'000
South Africa	193 297	17 416	402	1 378	212 493
China	-	32 164	14 001	-	46 165
Singapore	-	23 155	-	-	23 155
Hong Kong	-	20 412	2 305	-	22 717
United Arab Emirates	-	7 628	-	-	7 628
Other countries	-	1 320	148	-	1 468
	193 297	**102 095**	**16 856**	**1 378**	**313 626**
Year ended 30 September 2021					
South Africa	353 388	37 502	4 961	2 567	398 418
China	-	52 433	27 496	-	79 929
Singapore	-	43 796	-	-	43 796
Hong Kong	-	53 277	3 774	-	57 051
United Arab Emirates	-	7 923	-	-	7 923
Australia	-	5 802	-	-	5 802
Japan	-	3 142	-	-	3 142
Other countries	-	-	263	21	284
	353 388	**203 875**	**36 494**	**2 588**	**596 345**

Revenue represents the sales value of goods supplied to customers, net of value added tax. The following table summarises sales to customers with whom transactions have individually exceeded 5.0% (period ended 31 March 2021: 5.0% and year ended 30 September 2021: 5.0%) of the Group's revenues.

	Period ended 31 March 2022 Reviewed Segment	**US$'000**	Period ended 31 March 2021 Reviewed Segment	US$'000	Year ended 30 September 2021 Audited Segment	US$'000
Customer 1	PGM	167 047	PGM	161 822	PGM	296 020
Customer 2	Chrome	34 415	PGM	31 475	PGM and Agency and trading	57 518
Customer 3	PGM and Agency and trading	28 105	Chrome	21 825	Chrome and Agency and trading	41 036
Customer 4	Chrome and Agency and trading	24 027	Chrome	18 297	Chrome	40 661
Customer 5	Chrome and Agency and trading	23 420	Chrome	17 416	Chrome	35 167

(i) Specified non-current assets	**31 March 2022 Reviewed US$'000**	**31 March 2021 Reviewed US$'000**	**30 Sept 2021 Audited US$'000**
South Africa	409 557	339 929	373 418
Zimbabwe	218 892	16 307	19 874
Cyprus	360	367	385
	628 809	**356 603**	**393 677**

Non-current assets includes property, plant and equipment and intangible assets (31 March 2021 and 30 September 2021 also includes the investment accounted for using the equity method).

6. REVENUE

Period ended 31 March 2022 (Reviewed)	PGM US$'000	Chrome US$'000	Agency & trading US$'000	Manufacturing US$'000	Total US$'000
Revenue recognised at a point in time					
Variable revenue based on initial results	185 163	75 174	11 789	-	272 126
Quantity adjustments	(13 776)	(501)	8	-	(14 269)
Revenue based on fixed selling prices	-	22 847	2 117	1 313	26 277
Revenue recognised over time					
Freight services	-	22 542	3 761	-	26 303
Revenue from contracts with customers	**171 387**	**120 062**	**17 675**	**1 313**	**310 437**
Fair value adjustments (refer to note 22)	23 592	-	-	-	23 592
Total revenue	**194 979**	**120 062**	**17 675**	**1 313**	**334 029**

Period ended 31 March 2021 (Reviewed)	PGM US$'000	Chrome US$'000	Agency & trading US$'000	Manufacturing US$'000	Total US$'000
Revenue recognised at a point in time					
Variable revenue based on initial results	165 173	72 856	13 736	-	251 765
Quantity adjustments	(7 235)	75	172	-	(6 988)
Revenue based on fixed selling prices	-	17 416	550	1 378	19 344
Revenue recognised over time					
Freight services	-	11 748	2 398	-	14 146
Revenue from contracts with customers	157 938	102 095	16 856	1 378	278 267
Fair value adjustments	35 359	-	-	-	35 359
Total revenue	193 297	102 095	16 856	1 378	313 626

Year ended 30 September 2021 (Audited)	PGM US$'000	Chrome US$'000	Agency & trading US$'000	Manufacturing US$'000	Total US$'000
Revenue recognised at a point in time					
Variable revenue based on initial results	375 036	138 169	26 539	-	539 744
Quantity adjustments	(15 350)	(1 009)	(316)	-	(16 675)
Revenue based on fixed selling prices	-	37 502	5 077	2 588	45 167
Revenue recognised over time					
Freight services	-	29 213	5 194	-	34 407
Revenue from contracts with customers	359 686	203 875	36 494	2 588	602 643
Fair value adjustments	(6 298)	-	-	-	(6 298)
Total revenue	353 388	203 875	36 494	2 588	596 345

During the period ended 31 March 2022, revenue from freight services of US$2.4 million (period ended 31 March 2021 and year ended 30 September 2021: US$2.1 million) was recognised which was classified as a contract liability at 30 September 2021 (31 March 2021 and 30 September 2021: 30 September 2020).

7. COST OF SALES

	Period ended 31 March 2022 Reviewed US$'000	Period ended 31 March 2021 Reviewed US$'000	Year ended 30 Sept 2021 Audited US$'000
Mining			
Drill and blast	16 065	11 198	29 573
Load and haul	14 657	9 752	26 197
Diesel	16 825	9 686	25 614
Salaries and wages	16 966	12 208	29 259
Provident fund contributions	930	631	1 448
Mining contractor	1 061	-	-
Maintenance	16 383	13 115	28 160
Depreciation	9 922	8 253	18 932
Cost of commodities	10 016	9 670	23 156
Write off of property, plant and equipment	2 876	2 509	4 950
	105 701	**77 022**	**187 289**
Processing			
Salaries and wages	9 052	8 270	16 084
Provident fund contributions	673	493	1 062
Utilities	7 183	6 222	15 129
Materials and consumables	16 729	14 291	21 384
Contractor and equipment hire	883	1 770	12 115
Overhead	3 573	2 121	3 416
Depreciation	7 624	7 217	16 085
	45 717	**40 384**	**85 275**
State royalties	14 691	17 399	23 788
Change in inventories – finished products and ore stockpile	(12 862)	3 575	(11 585)
Selling costs	31 851	32 509	69 752
Freight services	26 303	14 145	34 407
Cost of sales	**211 401**	**185 034**	**388 926**

8. OTHER OPERATING EXPENSES

		Period ended 31 March 2022 Reviewed US$'000	Period ended 31 March 2021 Reviewed US$'000	Year ended 30 Sept 2021 Audited US$'000
Directors and staff costs	Non-Executive Directors	322	314	631
	Employees - salaries	9 626	8 311	17 504
	Employees - bonuses	1 497	1 171	1 831
	Employees - provident fund and other contributions	1 297	1 041	1 823
		12 742	10 837	21 789
Audit – external audit services		189	294	579
Bank charges and related fees		384	473	809
Consulting and business development cost		977	1 276	2 082
Corporate and social investment		86	308	246
Depreciation		903	479	1 007
Equity-settled share-based payment expense		1 029	679	3 560
Internal audit		21	61	91
Expected credit loss allowance		9	-	100
Listing fees and investor relations		321	192	346
Health and safety		1 368	971	1 818
Insurance		1 556	1 197	2 619
Legal and professional		390	1 339	1 763
Office administration, rent and utilities		1 352	643	1 557
Research and development		381	320	605
Security		479	451	919
Telecommunications and IT related		2 236	1 889	3 929
Training		105	76	403
Travelling and accommodation		77	51	94
Sundry		195	60	506
		24 800	**21 596**	**44 822**
Number of employees		**2 091**	**1 912**	**1 996**

The change in line item description from administrative expenses to other operating expenses is consistent with the presentation and disclosure within the consolidated financial statements of the Group for the year ended 30 September 2021.

9. TAX

	Period ended 31 March 2022 Reviewed US$'000	Period ended 31 March 2021 Reviewed US$'000	Year ended 30 Sept 2021 Audited US$'000
Corporate income tax for the year			
Cyprus	1 163	733	1 774
South Africa	17 230	1 860	5 895
	18 393	2 593	7 669
Special contribution for defence in Cyprus*	1	-	-
Deferred tax: originating and reversal of temporary differences	4 143	26 290	44 814
Dividend withholding tax	133	46	1 231
Tax charge	22 670	28 929	53 714

* Amount is less than US$1 000.

Reconciliation between tax charge and accounting profit at applicable tax rates:			
Profit before tax	124 296	104 592	185 255
Notional tax on profit before tax, calculated at the Cypriot income tax rate of 12.5% (31 March 2021 and 30 September 2021: 12.5%)	15 537	13 074	23 157
Tax effects of:			
Different tax rates from the standard Cypriot income tax rate	11 879	15 644	26 989
Impact of change in South African tax rate – deferred tax	(1 387)	-	-
Tax exempt income			
Gain on business combination	(6 075)	-	-
Fair value adjustments	-	(143)	(722)
Interest received	(29)	(9)	(6)
Currency gains	(234)	(163)	(37)
Other	(4)	(1)	(5)
Non-deductible expenses			
Share of loss of equity-accounted investments	654	16	31
Fair value adjustments	734	-	-
Investment related expenses	400	290	558
Interest paid	13	-	-
Currency losses	76	110	192
Capital expenses	145	61	240
Special contribution for defence in Cyprus	1	-	2
Dividend withholding tax - accrued preference dividends	131	-	2 068
Dividend withholding tax - current year dividends	133	46	1 232
Deferred tax - unremitted distributable reserves of foreign subsidiaries	625	-	-
Prior year under provision of current income tax	104	-	-
Deferred tax not raised: assessed losses	(37)	-	-
Recognition of deemed interest income for tax purposes	4	4	15
Tax charge	22 670	28 929	53 714

9. TAX (continued)

	Period ended 31 March 2022 Reviewed US$'000	Period ended 31 March 2021 Reviewed US$'000	Year ended 30 Sept 2021 Audited US$'000
Reconciliation between tax charge and accounting profit at applicable tax rates:			
Profit before tax	124 296	104 592	185 255
Notional tax on profit before tax, calculated at the current South African income tax rate of 28.0% (31 March 2021 and 30 September 2020: 28.0%)	34 803	29 286	51 871
Tax effects of:			
Different tax rates from the standard South African income tax rate	(1 500)	(830)	(6 097)
Impact of change in South African tax rate – deferred tax	(3 107)	-	
Tax exempt income			
Gain on business combination	(13 607)	-	-
Fair value adjustments	-	(321)	(1 616)
Interest received	(65)	(21)	(14)
Currency gains	(523)	(365)	(82)
Other	(9)	(1)	(11)
Non-deductible expenses			
Share of loss of equity-accounted investments	1 464	36	70
Fair value adjustments	1 643	-	-
Investment related expenses	897	650	1 249
Interest paid	28	-	-
Currency losses	171	247	430
Capital expenses	325	136	538
Special contribution for defence in Cyprus	1	-	5
Dividend withholding tax - accrued preference dividends	293	-	4 577
Dividend withholding tax - current year dividends	297	103	2 760
Deferred tax - unremitted distributable reserves of foreign subsidiaries	1 399	-	-
Prior year under provision of current income tax	234	-	-
Deferred tax not raised: assessed losses	(82)	-	-
Recognition of deemed interest income for tax purposes	8	9	34
Tax charge	22 670	28 929	53 714

Tax is recognised on management's best estimate of the weighted average annual income tax rate expected for the full financial period/year applied to the pre-tax income of the period/year. In terms of the Double Taxation Agreement between Cyprus and South Africa, dividend withholding tax at a rate of 5.0% (period ended 31 March 2021 and year ended 30 September 2021: 5.0%) is charged on dividends declared. The Group's consolidated effective tax rate for the period ended 31 March 2022 was 18.2% (period ended 31 March 2021: 27.7% year ended 30 September 2021: 29.0%).

Effective for the 2023 financial year, the South African corporate tax rate will decrease from 28.0% to 27.0%. For the interim period ended 31 March 2022, the Group's South Africa deferred tax assets and liabilities have been adjusted by applying the newly enacted 27.0% South African corporate tax rate (31 March 2021 and 30 September 2021: 28.0%).

Other than Cyprus and South Africa, no provision for tax in other jurisdictions was made as these entities either sustained losses for taxation purposes or did not earn any assessable profits.

10. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share and headline and diluted headline earnings per share have been based on the profit attributable to the ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding. Treasury shares are excluded from the weighted average number of ordinary shares outstanding. Vested Share Appreciation Rights ('SARS') issued to employees at award prices lower than the current share price, results in a potential dilutive impact on the weighted average number of issued ordinary shares and have been included in the calculation of dilutive weighted average number of issued ordinary shares. The average market value of the Company's shares for the purposes of calculating the potential dilutive effect of SARS was based on quoted market prices for the year during which the options were outstanding.

	Period ended 31 March 2022 Reviewed US$'000	Period ended 31 March 2021 Reviewed US$'000	Year ended 30 Sept 2021 Audited US$'000
Basic and diluted earnings per share			
Profit for the year attributable to ordinary shareholders (US$'000)	88 897	57 439	100 469
Weighted average number of issued ordinary shares for basic earnings and headline earnings per share ('000)	272 262	268 534	268 859
Dilutive impact of SARS ('000)	1 276	2 153	599
Dilutive impact of acquisition of the non-controlling shares in Tharisa Minerals Proprietary Limited (refer to note 17)	3 209	-	-
Weighted average number of ordinary shares for diluted basic earnings and diluted headline earnings per share ('000)	276 747	270 687	269 458
Earnings per share			
Basic (US$ cents)	32.7	21.4	37.4
Diluted (US$ cents)	32.1	21.2	37.3
Headline and diluted headline earnings per share			
Headline earnings for the year attributable to ordinary shareholders (US$'000)	42 091	58 776	103 107
Headline earnings per share			
Basic (US$ cents)	15.5	21.9	38.3
Diluted (US$ cents)	15.2	21.7	38.3

Reconciliation of profit to headline earnings

31 March 2022 (Reviewed)	Gross US$'000	Tax US$'000	Non-controlling interest US$'000	Net US$'000	Period ended 31 March 2021 Reviewed US$'000	Year ended 30 Sept 2021 Audited US$'000
Profit attributable to ordinary shareholders				88 897	57 439	100 469
Adjustments:					-	-
Gain on acquisition: fair value re-measurement of existing 28.38% shareholding	(33 503)	-	-	(33 503)	-	-
Gain on acquisition: purchase of shares at a discount	(15 094)	-	-	(15 094)	-	-
Write off of property, plant and equipment	2 876	(805)	(280)	1 791	1 337	2 638
Headline earnings				42 091	58 776	103 107

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings US$'000	Mining assets and infrastructure US$'000	Mining fleet US$'000	Right-of-use asset: mining fleet US$'000	Mineral rights US$'000	Other assets US$'000	Total US$'000	31 March 2021 Reviewed Total US$'000	30 Sept 2021 Audited Total US$'000
Cost									
Balance at 30 September 2021 (Audited)	19 293	396 901	99 585	16 790	-	9 562	542 131	396 878	396 878
Additions	3 481	28 236	17 473	-	-	1 906	51 096	39 465	106 006
Lease agreements entered into	-	-	-	60	-	-	60	1 271	2 157
Business combination (note 21)	-	1 570	-	-	201 750	190	203 510	4 630	4 704
Disposals	-	-	-	-	-	-	-	(1)	(5)
Re-measurement	-	-	25	6	-	(3)	28	(18)	21
Write offs	-	(61)	(7 091)	(1 292)	-	(134)	(8 578)	(3 935)	(9 023)
Transfers	-	646	2 418	(7 248)	-	(633)	(4 817)	(571)	(614)
Exchange differences on translation	713	12 538	3 550	81	-	319	17 201	53 358	42 007
Balance at 31 March 2022 (Reviewed)	**23 487**	**439 830**	**115 960**	**8 397**	**201 750**	**11 207**	**800 631**	**491 077**	**542 131**
Accumulated depreciation									
Balance at 30 September 2021 (Audited)	(1 353)	(105 512)	(39 744)	(8 977)	-	(6 084)	(161 670)	(117 918)	(117 918)
Charge for the period/year	(128)	(7 891)	(8 475)	(974)	-	(981)	(18 449)	(15 949)	(36 024)
Business combination (note 21)	-	(17)	-	-	-	(84)	(101)	-	(12)
Disposals	-	-	-	-	-	-	-	1	4
Write offs	-	46	4 792	736	-	128	5 702	1 427	4 073
Transfers	-	-	-	4 830	-	(13)	4 817	571	614
Exchange differences on translation	(45)	(3 459)	(1 347)	(40)	-	(208)	(5 099)	(15 893)	(12 407)
Balance at 31 March 2022 (Reviewed)	**(1 526)**	**(116 833)**	**(44 774)**	**(4 425)**	**-**	**(7 242)**	**(174 800)**	**(147 761)**	**(161 670)**

11. PROPERTY, PLANT AND EQUIPMENT (continued)

	31 March 2022 Reviewed US$'000	31 March 2021 Reviewed US$'000	30 Sept 2021 Audited US$'000
Net book value			
Freehold land and buildings	21 961	17 719	17 940
Mining assets and infrastructure	322 997	256 283	291 389
Mining fleet	71 186	57 908	59 841
Right-of-use mining fleet	3 972	9 138	7 813
Mineral rights	201 750	-	-
Other assets	3 965	2 268	3 478
	625 831	**343 316**	**380 461**

Included in additions to mining assets and infrastructure are additions to the deferred stripping asset of US$4.9 million (31 March 2021: US$13.9 million and 30 September 2021: US$25 8 million).

The estimated economically recoverable proved and probable mineral reserve of Tharisa Minerals Proprietary Limited was reassessed at 18 November 2021 which gave rise to a change in accounting estimate. Following an annual review of its Minerals Resource and Mineral Reserve statement, the open pit life of mine was extended by seven years. The remaining reserve that management had previously assessed was 97.5 Mt (at 1 October 2020). At 18 November 2021, the remaining reserve was assessed to be 113.6 Mt.

As a result, the expected useful life of the plant increased. The impact of the change on the actual depreciation expense, included in cost of sales, is a reduced depreciation charge of US$1.0 million. The change in estimate was recognised prospectively.

Included in mining assets and infrastructure and other assets are projects under construction of US$141.8 million (31 March 2021: US$34.2 million and 30 September 2021: US$61.5 million).

Other assets comprise of motor vehicles, computer equipment and software, office equipment and furniture, community and site office improvements and building right-of-use assets.

Capital commitments
At 31 March 2022, the Group's capital commitments for contracts to purchase property, plant and equipment amounted to US$43.8 million (31 March 2021: US$47.6 million and 30 September 2021: US$31.9 million).

Securities
At 31 March 2022, 31 March 2021 and 30 September 2021, the majority of the Group's mining fleet was pledged as security against the asset backed loan facilities (refer to note 18).

Write offs
During the period ended 31 March 2022, the Group scrapped individual assets totalling US$2.9 million (31 March 2021: US$2.5 million and 30 September 2021: US$5.0 million). The write offs mainly relate to yellow fleet equipment identified as no longer fit for use and premature component failures.

The mining component pre-mature failures are identified through the measurement of the hours depreciated for each component in relation to the expected useful live. A write off is recognised for each component that did not reach its expected useful life. Further to this, mining fleet is also written off on confirmation as obsolete by management.

12. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

The investment accounted for using the equity method represented the investment of 28.38% (31 March 2021 and 30 September 2021: 26.8%) of the issued share capital of Karo Mining Holdings Limited ('Karo Mining'), a company incorporated in Cyprus. Karo Mining's principal place of business is in Cyprus. The functional and presentation currency of Karo Mining and its subsidiaries is the US$.

As there were certain contractual arrangements requiring decisions about the relevant activities to be unanimous consent, the Group determined that a joint arrangement existed and consequently classified its investment in Karo Mining as a joint venture at 31 March 2021 and 30 September 2021. The Group accounts for joint ventures using the equity method in the consolidated financial statements.

Effective 7 February 2022, the Company acquired an additional 1.58% of the issued share capital of Karo Mining increasing its shareholding to 28.38% for a cash subscription of 22 new ordinary shares for US$5.0 million.

Effective 30 March 2022, the Company acquired a controlling interest in Karo Mining by increasing its shareholding to 66.34% of the issued share capital of Karo Mining. The additional 37.96% of the issued share capital of Karo Mining was acquired from the Leto Settlement, a related party (refer to note 23) for a purchase consideration of US$29.4 million. The purchase consideration will be settled through the issue of 13 693 000 new ordinary shares of the Company to the Leto Settlement.

The call option that existed at 30 September 2021 allowing the Company, at its election, to directly subscribe for shares in Karo Platinum (Private) Limited ('Karo Platinum') (up to 40.0% of the issued share capital of Karo Platinum) by way of a farm-in agreement was restructured on 30 March 2022 and replaced by the acquisition of the additional 37.96% in Karo Mining at a discount to the fair value (refer to notes 13 and 21).

	31 March 2022 Reviewed US$'000	31 March 2021 Reviewed US$'000	30 Sept 2021 Audited US$'000
Investment in Karo Mining			
Opening balance	10 274	10 303	10 303
Interest capitalised	112	112	222
Share of total comprehensive loss	(5 229)	(131)	(251)
Additional investment (1.58%)	4 965	-	-
Reclassification of loan receivable to other financial assets	(8 466)	-	-
Carrying value of pre-existing shareholding prior to the acquisition of controlling interest on 30 March 2022	1 656	10 284	10 274
Acquisition of subsidiary (note 21)	(1 656)	-	-
Carrying value	-	10 284	10 274
Shares acquired	-	4 500	4 500
Loan advance	-	8 243	8 353
Total share of comprehensive loss from joint venture	-	(2 459)	(2 579)
Total investment	-	10 284	10 274

The Company provided funding of US$8.5 million (including accrued interest) (31 March 2021: US$8.2 million and 30 September 2021: US$8.4 million) to Karo Mining as a repayable debt facility. The loan, subsequently transferred and held through a wholly-owned subsidiary Arxo Finance plc, was previously classified as part of the investment in Karo Mining. At 30 March 2022, the Group reclassified the loan to other financial assets and consequently at 31 March 2022 the loan was eliminated on consolidation.

12. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD (continued)

	31 March 2022 Reviewed US$'000	31 March 2021 Reviewed US$'000	30 Sept 2021 Audited US$'000
Summarised consolidated financial information of Karo Mining			
Summarised statement of financial position*			
Non-current assets	1 659	199	207
Current assets (excluding cash and cash equivalents)	339	804	360
Cash and cash equivalents	4 984	219	54
Loan payable	(8 466)	(8 876)	(8 353)
Other financial liabilities	(17 879)	-	-
Trade and other payables and income tax payable	(3 741)	(1 523)	(1 892)
Net deficit (100%)	(23 104)	(9 177)	(9 624)
Summarised statement of comprehensive income*			
Operating expenses	(444)	(369)	(696)
Option granted to NCI to call upon shares in Karo Platinum (Private) Limited	(17 879)	-	-
Finance costs	(112)	(112)	(223)
Tax	(10)	(10)	(19)
Total comprehensive loss	(18 445)	(491)	(938)
Summarised statement of changes in equity*			
Opening balance	(9 624)	(8 686)	(8 686)
Shares issued during the period	4 965	-	-
Net loss for the period/year	(18 445)	(491)	(938)
Balance at the end of the period/year	(23 104)	(9 177)	(9 624)

* Balances are reflected at 30 March 2022 immediately prior to the acquisition of a controlling shareholding in Karo Mining.

13. FINANCIAL AND OTHER ASSETS

Non-current assets	*Fair value hierarchy*	31 March 2022 Reviewed US$'000	31 March 2021 Reviewed US$'000	30 Sept 2021 Audited US$'000
Financial assets				
Investments in money markets, current accounts, cash funds and income funds	Level 2	7 271	7 711	7 702
Right to acquire shares in Karo Platinum (Private) Limited	Level 3	-	1 324	5 870
Other assets				
Prepaid investment in Karo Platinum (Private) Limited	Amortised cost	-	1 353	2 282
		7 271	10 388	15 854
Current assets				
Financial assets				
Forward exchange contracts	Level 2	496	283	-
Investments in equity instruments	Level 1	16	17	18
Discount facility	Level 2	-	-	3 023
		512	300	3 041

13. FINANCIAL AND OTHER ASSETS (continued)

Right to acquire shares in Karo Platinum (Private) Limited ('Karo Platinum') and prepaid investment in Karo Platinum

The Company was granted an option to acquire up to 40% of the issued share capital of Karo Platinum, a company incorporated in Zimbabwe, at a discount to the market value. The asset represented the fair value gain (50% discount to the market value as the project was at a measured resource and reserve stage) of the discount to the purchase price.

As part of the evaluation of the right to acquire shares in Karo Platinum, the Company incurred exploration and evaluation costs which were capitalised as a prepaid investment in Karo Platinum.

Effective 30 March 2022, the option to acquire shares in Karo Platinum was restructured and replaced by an agreement whereby the Company acquired a controlling interest in Karo Mining Holdings Limited at a discount to the fair value (refer to note 21). Karo Mining Holdings Limited (a company incorporated in Cyprus), owns 100% of the issued share capital of Karo Zimbabwe Holdings (Private) Limited which prior to the acquisition held 100% of the issued share capital of Karo Platinum. Refer to note 21 for Karo Mining Holdings Limited's list of subsidiaries at 31 March 2022. At 30 March 2022, the right to acquire shares in Karo Platinum was derecognised through profit or loss and the prepaid investment in Karo Platinum was capitalised to the cost of the investment in Karo Mining Holdings subsidiary in the Company's separate financial statements.

14. INVENTORIES

	31 March 2022 Reviewed US$'000	31 March 2021 Reviewed US$'000	30 Sept 2021 Audited US$'000
Finished products	24 141	11 835	15 972
Ore stockpile	22 069	6 530	17 553
Consumables	28 264	25 501	25 533
	74 474	**43 866**	**59 058**
Impairment and net realisable value write down	(613)	(361)	(789)
Total carrying amount	**73 861**	**43 505**	**58 269**

Inventories are stated at the lower of cost or net realisable value. Low-grade chrome concentrates to the value of US$1.9 million (31 March 2021: no write down; 30 September 2021: US$1.2 million) are carried at the realisable value after a net realisable value write down of US$0.1 million (31 March 2021: no write down and 30 September 2021: US$0.1 million). The net realisable write down was allocated to the chrome segment.

Certain PGM finished products are provided for in full. The write down during the period ended 31 March 2022 amounts to US$0.5 million (31 March 2021: no write down; 30 September 2021: US$0.7 million). The provision and the net realisable value write down were allocated to the PGM segment. In addition, certain consumables and spares were provided for during the period ended 31 March 2021 (US$0.4 million) as their operational use became doubtful. The provision was allocated 80.0% and 20.0% to the PGM and chrome operating segments respectively.

15. TRADE AND OTHER RECEIVABLES

	31 March 2022 Reviewed US$'000	31 March 2021 Reviewed US$'000	30 Sept 2021 Audited US$'000
Trade receivables	41 406	23 514	33 596
PGM discounting receivable	117 841	109 521	77 286
Total trade receivables	**159 247**	**133 035**	**110 882**
Other receivables – related parties (refer to note 23)	26	1 661	1 951
Deposits, prepayments and other receivables	8 187	9 104	8 901
Accrued income	5 538	2 234	2 902
Value added tax receivable (VAT)	10 704	9 030	11 918
	183 702	**155 064**	**136 554**

The fair value of trade and other receivables measured at amortised cost approximate the carrying amount due to the short-term maturity. The fair value of the PGM discounting receivable is determined on ruling quoted market prices and exchange rates.

Trade and other receivables of the Group are expected to be recoverable within one year from each reporting date. Trade receivables are unsecured, non-interest bearing and payment terms vary from 0 to 120 days (31 March 2021 and 30 September 2021: 0 to 120 days). An expected credit loss allowance of US$0.1 million was recognised during the period ended 31 March 2022 (period ended 31 March 2021: no loss allowance and year ended 30 September 2021: US$0.1 million). The expected credit loss allowance relates to the chrome and manufacturing segments, is customer specific and is based on the respective customer's observable current financial position. No impairment of trade receivables was recognised during the periods and year ended 31 March 2022, 31 March 2021 and 30 September 2021 respectively.

The table below summarises the maturity of trade receivables:	31 March 2022 Reviewed US$'000	31 March 2021 Reviewed US$'000	30 Sept 2021 Audited US$'000
Current	159 069	132 662	109 986
Less than 90 days past due but not impaired	50	25	53
Greater than 90 days past due but not impaired	128	348	843
	159 247	**133 035**	**110 882**

At 31 March 2022, the Group had certain unresolved tax matters. Included in the VAT receivable is an amount of US$5.6 million (31 March 2022, 31 March 2021 and 30 September 2021: ZAR82.3 million) which relates to diesel rebates receivable from the South African Revenue Service ('SARS') in respect of the mining operations. SARS rejected diesel claims relating to the periods from September 2011 to April 2017 (US$3.7 million) and May 2017 to February 2018 (US$1.9 million). On 27 February 2020, a Founding Affidavit was filed with the High Court of South Africa. The Group filed a supplementary affidavit to re-inforce its position, to which SARS had a period of 15 days to respond to.

16. CASH AND CASH EQUIVALENTS

		31 March 2022 Reviewed US$'000	31 March 2021 Reviewed US$'000	30 Sept 2021 Audited US$'000
Bank balances		71 112	72 436	72 945
Short-term bank deposits		30 350	342	10 491
		101 462	**72 778**	**83 436**
The credit exposure by country is as follows:				
South Africa		57 005	42 680	55 669
Hong Kong		30 294	10 866	18 831
Mauritius		9 680	13 417	1 017
United Kingdom		597	2 038	2 338
Zimbabwe		690	2	1 385
Cyprus		2 989	3 407	3 872
Other countries		207	368	324
		101 462	**72 778**	**83 436**
The credit exposure by bank and credit ratings are as follows:				
Nedbank	BB-	35 857	37 902	42 597
HSBC	A+	30 303	10 870	18 841
Bank of China	A	4 952	2 725	6 350
Bank of Cyprus	B-	7 972	3 407	3 872
Citibank	A	2 713	3 599	4 409
Stanlib Corporate Money Market	AA+	9 513	-	5 748
Absa	BB-	9 919	13 878	1 272
Other	A to BB-	233	397	347
		101 462	**72 778**	**83 436**

The amounts reflected approximate fair value.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are generally call deposit accounts and earn interest at the respective short-term deposit rates.

An amount of US$1.0 million was provided as security for a bank guarantee issued in favour of a trade creditor of a subsidiary of the Group and US$0.3 million was provided as security against certain credit facilities of the Group at 31 March 2022, 31 March 2021 and 30 September 2021.

17. SHARE CAPITAL AND RESERVES

Share capital	Number of Shares	31 March 2022 Reviewed US$'000	Number of Shares	31 March 2021 Reviewed US$'000	Number of Shares	30 Sept 2021 Audited US$'000
Authorised – ordinary shares of US$0.001 each	10 000 million	10 000	10 000 million	10 000	10 000 million	10 000
Authorised – convertible redeemable preference shares of US$1 each	1 051	1	1 051	1	1 051	1
Issued						
Ordinary shares						
Balance at the beginning of the period/year	275 000 000	275	275 000 000	275	275 000 000	275
Issued to non-controlling shareholders	10 695 187	11	-	-	-	-
Balance at the end of the period/year	285 695 187	286	275 000 000	275	275 000 000	275
Treasury shares						
Balance at the beginning of the period/year	3 715 621	4	6 523 686	6	6 523 686	6
Transferred as part of employee share award plans	(380 689)	-	(583 617)	-	(2 808 065)	(2)
Balance at the end of the period/year	3 334 932	4	5 940 069	6	3 715 621	4
Issued and fully paid	282 360 255	282	269 059 931	269	271 284 379	271
Share premium						
Balance at the beginning of the period/year	271 284 379	289 547	268 476 314	286 660	268 476 314	286 660
Shares issued	11 075 876	20 429	583 617	524	2 808 065	2 887
Balance at the end of the period/year	282 360 255	309 976	269 059 931	287 184	271 284 379	289 547
Total share capital and premium		310 258		287 453		289 818

Share capital

During the period ended 31 March 2022, 10 695 187 new ordinary shares were issued to Thari Resources (Proprietary) Limited, a non-controlling shareholder of Tharisa Minerals (Proprietary) Limited, as consideration for the acquisition of 20.0% of the issued share capital of Tharisa Minerals (Proprietary) Limited. There were no allotments during the period and year ended 31 March 2021 and 30 September 2021 respectively.

During the period ended 31 March 2022, 380 689 (period ended 31 March 2021: 583 617 and year ended 30 September 2021: 2 808 065) ordinary shares were transferred from treasury shares to satisfy the vesting/exercise of Conditional Awards and Appreciation Rights by the participants of the Tharisa Share Award Plan.

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares, other than treasury shares, are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Share premium

The share premium represents the excess of the issue price of ordinary shares over their nominal value, to the extent that it is registered at the Registrar of Companies in Cyprus, less share issue costs. The share premium is not distributable for dividend purposes.

The increase in the share premium account relates to the issue and allotment of ordinary shares granted in terms of the Share Award Plan and the issue to the non-controlling shareholder as detailed above.

17. SHARE CAPITAL AND RESERVES (continued)

Acquisition of non-controlling interest of Tharisa Minerals (Proprietary) Limited

Effective 16 February 2022, the Company acquired 20.0% of the issued share capital of Tharisa Minerals (Proprietary) Limited ('Tharisa Minerals') for a purchase consideration of US$19.9 million (ZAR300.0 million) from Thari Resources Proprietary Limited, a related party (refer to note 23). The purchase consideration was settled through the issue of 10 695 187 new ordinary shares in the Company. Post the acquisition, the Company owns 94.0% of the issued ordinary shares of Tharisa Minerals.

At the same time and subject to the fulfilment of certain conditions precedent, the Company agreed to purchase the remaining 6.0% of the issued ordinary shareholding of Tharisa Minerals from the non-controlling shareholder for a purchase consideration of US$5.9 million (ZAR90.0 million) with the purchase consideration being settled through the issue of 3 208 556 new ordinary shares in the Company. The non-controlling shareholder is the Tharisa Community Trust.

At 31 March 2022, the conditions precedent had not been fulfilled and the transaction is not unconditional. Fulfilment of the conditions precedent are outside the control of the Group. Consequently, the Group has not accounted for the transaction at 31 March 2022 (refer to note 26).

	31 March 2022 Reviewed US$'000
Shares issued as consideration	19 908
Reduction in non-controlling interest	(11 437)
Reduction to equity attributable to ordinary shareholders	8 471

18. BORROWINGS

	31 March 2022 Reviewed US$'000	31 March 2021 Reviewed US$'000	30 Sept 2021 Audited US$'000
Non-current			
Asset backed facilities	20 431	14 486	17 258
Lease liabilities	3 245	2 385	2 273
Property loans	635	629	617
Loan from related party	-	529	442
	24 311	18 029	20 590
Current			
Asset backed facilities	13 076	9 462	11 227
Lease liabilities	2 813	4 146	3 112
Property loans	48	48	47
Loan from related party	-	771	100
Bank credit facilities	34 294	10 569	1 774
	50 231	24 996	16 260

18. BORROWINGS (continued)

	31 March 2022 Reviewed US$'000	31 March 2021 Reviewed US$'000	30 Sept 2021 Audited US$'000
Lease payments due:			
Within one year	3 125	4 545	3 406
Two to five years	3 492	2 591	2 505
	6 617	7 136	5 911
Less future finance charges	(559)	(605)	(526)
Present value of minimum lease payments due	6 058	6 531	5 385
Present value of minimum lease payments due:			
Within one year	2 813	4 146	3 302
Two to five years	3 245	2 385	2 083
	6 058	6 531	5 385

The fair value of borrowings approximates its carrying amounts as the interest rates charged are variable and considered to be market related.

At 31 March 2022, the Group has unutilised borrowing facilities available of US$30.4 million (31 March 2021: US$8.9 million and 30 September 2021: US$28.8 million).

Asset backed facilities

Asset backed facilities comprise of the equipment loan facility, the loan from Atrafin and the commercial asset finance. These facilities were disclosed on a disaggregated basis for the period ended 31 March 2021 and for the year ended 30 September 2021. Since the purpose of these facilities are similar in nature, all utilised for acquiring equipment which serves as security against these facilities, these facilities have in the current year been disclosed on an aggregated basis. The aggregation of the disclosure had no impact on the balance sheet at 31 March 2021 or at 30 September 2021 nor any impact on the net profit after tax and earnings per share for the period ended 31 March 2021 and for the year ended 30 September 2021.

	31 March 2022 Reviewed US$'000	31 March 2021 Reviewed US$'000	30 Sept 2021 Audited US$'000
Non-current			
Equipment loan facility	16 489	14 486	14 307
Atrafin loan	2 492	-	2 951
Commercial asset finance	1 450	-	-
Asset backed facilities	**20 431**	**14 486**	**17 258**
Current liabilities			
Equipment loan facility	11 856	9 462	10 527
Atrafin loan	797	-	700
Commercial asset finance	423	-	-
Asset backed facilities	**13 076**	**9 462**	**11 227**

Commercial Asset Finance

Tharisa Minerals Proprietary Limited entered into a commercial asset finance facility with Absa Bank Limited to the value of US$10.3 million (ZAR150.0 million) during the year ended 30 September 2021. The facility bears interest at the South African Prime rate less 125 basis points and is repayable monthly in arrears over 36 months. The equipment acquired by utilising this facility serves as security. In addition, Tharisa Minerals Proprietary Limited obtained a bank overdraft facility from Absa Bank Limited to the value of US$10.3 million (ZAR150.0 million).

Loan from related party

The loan from related party arose as part of the business combination of Salene Chrome Zimbabwe (Private) Limited (refer to note 21). The loan was settled in full during the period ended 31 March 2022.

18. BORROWINGS (continued)

	Reviewed							
	Asset backed facilities US$'000	Lease liabilities US$'000	Property loans US$'000	Bank credit facilities US$'000	Loan from related party US$'000	Total US$'000	31 March 2021 Reviewed US$'000	30 Sept 2021 Audited US$'000
Balance 30 September 2021	**28 485**	**5 385**	**664**	**1 774**	**542**	**36 850**	**70 613**	**70 613**
Changes from financing cash flows								
Advances: bank credit facilities	-	-	-	113 553	-	113 553	62 357	115 174
Repayment: bank credit facilities	-	-	-	(81 111)	-	(81 111)	(69 139)	(130 727)
Movement in bank credit facilities	-	-	-	32 442	-	32 442	(6 782)	(15 553)
Advances received	11 534	-		-	-	11 534	17 064	26 787
Repayment of borrowings	(6 682)	-		-	(500)	(7 182)	(41 056)	(48 208)
Lease payments	-	(2 113)		-	-	(2 113)	(2 402)	(4 597)
Repayment of interest	(537)	(216)		(78)	(42)	(873)	(884)	(2 031)
Changes from financing cash flows	**4 315**	**(2 329)**		**32 364**	**(542)**	**33 808**	**(34 060)**	**(43 602)**
Foreign currency translation differences	**1 032**	**180**	**19**	**-**	**-**	**1 231**	**6 025**	**6 202**
Liability-related changes								
Lease agreements entered into	-	2 591	-	-	-	2 591	1 271	2 354
Re-measurement of lease liabilities	-	2		-	-	2	(143)	214
Business combination (note 21)	-	-		-	-	-	529	529
Interest expense	594	241		156	-	991	1 399	2 330
Revaluation of foreign denominated loan	(919)	(12)		-	-	(931)	(2 609)	(1 790)
Total liability-related changes	**(325)**	**2 822**		**156**	**-**	**2 653**	**447**	**3 637**
Balance at 31 March 2022	**33 507**	**6 058**	**683**	**34 294**	**-**	**74 542**	**43 025**	**36 850**
Non-current borrowings	20 431	3 245	635	-	-	24 311	18 029	20 590
Current borrowings	13 076	2 813	48	34 294	-	50 231	24 996	16 260
Total borrowings	**33 507**	**6 058**	**683**	**34 294**	**-**	**74 542**	**43 025**	**36 850**

19. OTHER FINANCIAL LIABILITIES

	Fair value hierarchy	**31 March 2022 Reviewed US$'000**	**31 March 2021 Reviewed US$'000**	**30 Sept 2021 Audited US$'000**
Non-current liabilities				
Option granted to NCI to call upon shares in Karo Platinum (Private) Limited	Level 3	17 879	-	-
Current liabilities				
Discount facility	Level 2	1 591	5 989	-
Forward exchange contracts	Level 2	-	-	485
		1 591	5 989	485

Option granted to NCI to call upon shares in Karo Platinum (Private) Limited (refer to note 21)
As part of the Amendment to the Project Framework Agreement, the Republic of Zimbabwe has an option to increase its shareholding in Karo Platinum (Private) Limited ('Karo Platinum') by 11.0% exercisable after 24 months of the signing of the Amendment dated 30 March 2022, but before 36 months, payable in cash at the current net present value of Karo Platinum. The increase in the shareholding may, at the election of Karo Mining Holdings, be affected either through a sale of shares in Karo Platinum by Karo Zimbabwe Holdings (Private) Limited or by means of a share subscription by the Republic of Zimbabwe. This shareholding will not be on a free funded carry basis.

20. TRADE AND OTHER PAYABLES

	31 March 2022 Reviewed US$'000	**31 March 2021 Reviewed US$'000**	**30 Sept 2021 Audited US$'000**
Trade payables	34 452	24 273	44 467
Accrued expenses	27 112	17 187	22 767
Leave pay accrual	5 388	4 989	5 328
Value added tax payable	2 143	1 704	261
Provision for mining royalty	46 310	26 641	30 953
Other payables – related parties (note 23)	29 556	3 405	509
Other payables	195	113	281
	145 156	**78 312**	**104 566**
Trade payables denominated in foreign currency balances were as follows:			
US$	1 185	811	94
ZAR	33 254	23 428	44 366
EUR	4	18	3
GBP	9	16	4
	34 452	**24 273**	**44 467**

The amounts above are unsecured, non-interest bearing and payable within one year from the reporting period. The amounts reflected above approximate fair value, due to the short-term thereof.

21. BUSINESS COMBINATION

Acquisition of Karo Mining Holdings Limited

Effective 30 March 2022, the Group acquired an additional 37.96% of the issued share capital of Karo Mining Holdings Limited ('Karo Mining'), a company incorporated in Cyprus. Following the acquisition of the controlling interest in Karo Mining, the Group's shareholding in Karo Mining at 31 March 2022 is 66.34%.

The additional 37.96% of the issued share capital of Karo Mining was acquired from the Leto Settlement, a related party (refer to note 23) for a purchase consideration of US$29.4 million. The purchase consideration will be settled through the issue of 13 693 000 new ordinary shares of the Company to the Leto Settlement. The Group has determined that the acquisition of Karo Mining represents a business and has accordingly accounted for the acquisition as a business combination in terms of IFRS 3.

At 31 March 2022 the Company has not issued the 13 693 000 new ordinary shares to the Leto Settlement. An accrual equal to the purchase consideration was raised and is reflected in trade and other payables to related parties (refer to note 23). At 30 March 2022, all regulatory approvals were obtained, agreements were concluded and conditions precedent to the transaction had been fulfilled. The Group believes that there were no substantive barriers present that could have prevented the transaction from becoming unconditional.

The Group assessed that at 30 March 2022 it exercises control over Karo Mining. The Group concluded that it has power over Karo Mining as the Group has the ability to appoint the majority of the board of directors of Karo Mining, owns the majority of the issued share capital and has the majority of the decision making rights over relevant activities. At 31 March 2022, the Group is exposed and has the right to variable returns from Karo Mining which results from its 66.34% shareholding and has the ability to use the shareholding to affect its return on its investment. The Group controls the development activities and is actively involved with the development of Karo Mining and more specifically Karo Platinum.

Effective 30 March 2022, the Investment Project Framework Agreement entered into between the Republic of Zimbabwe and the Leto Settlement was amended by changing the shareholding in Karo Platinum (Private) Limited ('Karo Platinum'), an indirect subsidiary of Karo Mining to 85.0% by Karo Zimbabwe Holdings (Private) Limited and 15.0% by the Republic of Zimbabwe, on a free funded carry basis. Before the amendment, the Republic of Zimbabwe was entitled to a 50.0% shareholding in Karo Platinum. The remaining entities are all indirect wholly-owned subsidiaries of Karo Mining.

The table below details Karo Mining's interest in subsidiaries as at 31 March 2022 (collectively referred to as 'Karo Group'):

Company name	Effective interest	Country of incorporation & principal place of business	Principal activity
Karo Zimbabwe Holdings (Private) Limited	100%	Zimbabwe	Investment holding
Karo Platinum (Private) Limited*	85%	Zimbabwe	Platinum mining
Karo Coal Mines (Private) Limited	100%	Zimbabwe	Coal
Karo Power Generation (Private) Limited	100%	Zimbabwe	Power generation
Karo Refinery (Private) Limited	100%	Zimbabwe	PGM smelting and refining

*At 31 March 2022 the shares equalling 15.0% of the issued share capital of Karo Platinum has not been transferred to the Republic of Zimbabwe. Similarly, the Company's shares to be issued as purchase consideration for the acquisition of Karo Mining had not been issued. The Group believes that there are no substantive barriers preventing the shares from being transferred. Consequently, the 15.0% shareholding of the Republic of Zimbabwe has been accounted for in the acquisition accounting of Karo Mining and subsidiaries.

Refer to note 12 for a summary of Karo Group's statement of profit or loss for the period ended 31 March 2022 which would have been consolidated if the acquisition had taken place as at 1 October 2021. Since the effective acquisition date is 30 March 2022, the Karo Group's results have been consolidated within the Group's results. Up to the effective acquisition date the Karo Group's results were equity accounted at the Group's proportionate share in the investment (refer to note 12).

The transaction cost was US$0.1 million which is classified as other operating expenses.

21. BUSINESS COMBINATION (continued)

Acquisition of Karo Mining Holdings Limited (continued)

The fair values of the net identifiable assets acquired were determined independently by using the sum of the parts methodology. The market multiple approach was used to determine the fair value of Karo Platinum (Private) Limited while the net asset value approach was used to determine the fair values of the remaining entities.

Due to the proximity of the acquisition to the interim reporting date and the complexity involved with regards to fair value determinations of the assets acquired and the consideration paid, the preliminary numbers will be finalised during the measurement period of twelve months from date of acquisition. The following table summarises the provisional fair value of the assets and liabilities of the Karo Group comprising Karo Mining and its subsidiaries:

31 March 2022 (Reviewed)	**Fair value recognised on acquisition US$'000**
Assets	
Property, plant and equipment	203 409
Inventories	2
Trade and other receivables	337
Cash and cash equivalents	4 984
	208 732
Liabilities	
Borrowings	(8 466)
Other financial liabilities	(17 879)
Deferred tax	(30 263)
Tax liability	(6)
Trade and other payables	(3 735)
	(60 349)
Total identifiable net assets at fair value	148 383
Non-controlling interest	(66 181)
Total attributable assets acquired	**82 202**
Consideration	
Book value of existing shareholding (note 12)	(1 656)
Prepaid investment in Karo Platinum (Private) Limited (note 13)	(2 504)
Gain on acquisition: fair value of existing 28.38% shareholding	(33 503)
Gain on acquisition: purchase of shares at a discount	(15 094)
Total purchase price to be settled by the issue of ordinary shares	(29 445)
Net cash acquired	**4 984**
Cash inflow from business combination	**4 984**

The fair value of receivables acquired approximates their carrying amount due to the short-term nature thereof.

The purchase of shares at a discount represents a bargain purchase on the acquisition.

The non-controlling interest represents the proportionate share of the fair value of the net identifiable assets.

22. FINANCIAL RISK MANAGEMENT

Fair values
The Board of Directors considers that the fair values of significant financial assets and financial liabilities approximate their carrying values at each reporting date.

Financial instruments carried at fair value:
The following table presents the carrying values of financial instruments measured at fair value at the end of each reporting period across the three levels of the fair value hierarchy defined in IFRS 13, Fair Value Measurement, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The impact of COVID-19 and the geo-political conflict in Eastern Europe should already be priced into the inputs, which for the Group, mostly relates to commodity price risk used in the level 1 and 2 fair valuation techniques as determined by the market. The level 3 valuation techniques were adjusted internally by amending the cash flows associated with the discounted cash flow valuations.

			Fair value		
Financial instrument	**Fair value level**	**31 March 2022 Reviewed US$'000**	**31 March 2021 Reviewed US$'000**	**30 Sept 2021 Audited US$'000**	**Valuation technique and key inputs**
Financial assets measured at fair value					
Investments in money markets, current accounts, cash funds and income funds	Level 2	7 271	7 711	7 702	Quoted market price for similar instruments
Right to acquire shares in Karo Platinum (Private) Limited	Level 3	-	1 324	5 870	Comparable company market multiple valuation and a Monte Carlo Simulation model
Discount facility	Level 2	-	-	3 023	Quoted market metal prices and exchange rate
Investments in equity instruments	Level 1	16	17	18	Quoted market price
Forward exchange contracts	Level 2	496	283	-	Quoted market closing exchange rates
Trade and other receivables measured at fair value					
PGM receivable	Level 2	117 841	109 521	85 472	Quoted market metal prices and exchange rate (refer below)
Financial liabilities measured at fair value					
Option granted to NCI to call upon shares in Karo Platinum (Private) Limited	Level 3	17 879	-	-	Discounted cash flow valuation and a Monte Carlo Simulation model
Discount facility	Level 2	1 591	5 989	-	Quoted market metal prices and exchange rate
Forward exchange contracts	Level 2	-	-	485	Quoted market closing exchange rates

There have been no transfers between fair value hierarchy levels in the current period.

The levels are defined as follows:
Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments (highest level).
Level 2: fair values measured using quoted prices in active markets for similar financial instruments or using valuation methodologies in which all significant inputs are directly or indirectly based on observable market data.
Level 3: fair values measured using valuation methodologies in which any significant inputs are not based on observable market data.

22. FINANCIAL RISK MANAGEMENT (continued)

Fair value gains and losses recognised in the financial instruments during the year:

	31 March 2022 Reviewed US$'000	31 March 2021 Reviewed US$'000	30 Sept 2021 Audited US$'000
Changes in fair value of financial assets at fair value through profit or loss			
Investments in equity instruments	(2)	8	10
Investments in money markets, current accounts, cash funds and income funds	109	109	223
Discount facility	-	-	4 615
Forward exchange contracts	949	392	-
Right to acquire shares in Karo Platinum (Private) Limited	(5 870)	1 324	5 870
Option to acquire shares in Salene Chrome Zimbabwe (Private) Limited	-	(178)	(178)
	(4 814)	**1 655**	**10 540**
Changes in fair value of financial liabilities at fair value through profit or loss			
Discount facility	(1 769)	811	-
Forward exchange contracts	-	-	(370)
	(1 769)	**811**	**(370)**

Level 3: Option granted to NCI to call upon shares in Karo Platinum (Private) Limited ('Karo Platinum')
Refer to notes 19 and 21. The Republic of Zimbabwe has an option to increase its shareholding in Karo Platinum by 11.0% exercisable after 24 months from 30 March 2022, but before 36 months, payable in cash at the current net present value of Karo Platinum.

The option represents a financial instrument which is recognised at fair value through profit or loss. At 31 March 2022, the Group completed an independent reviewed valuation of Karo Platinum. In determining the fair value, the discounted cash flow valuation technique was used. The following significant inputs were used in determining the fair value:

Mineral Resource Category	Total tonnage in Resource area (Mt)	4E Grade (g/t)	6E Grade (g/t)
Proven and probable	35.5	2.18	2.31
Indicated	39.0	1.88	2.01
Inferred	68.0	1.91	2.04
Combined	**142.5**	**1.90**	**2.02**

Platinum price	US$/oz	1 035
Palladium price	US$/oz	2 106
Rhodium price	US$/oz	16 976
Gold price	US$/oz	1 836
Ruthenium price	US$/oz	506
Iridium price	US$/oz	4 887

Mt:	million tonnes
4E	Represents Platinum, Palladium, Rhodium and Gold
6E	Represents 4E and Ruthenium and Iridium

The Monte-Carlo simulation was used in determining the fair value of Karo Platinum at the end of the 36-month period (31 March 2025). The following significant inputs were used:

Valuation of 11.0% of Karo Platinum at 31 March 2022:	US$56.0 million	Comparable company valuation technique
Volatility:	4.5%	Sector volatility (converted to monthly)
Drift:	1.2%	Risk free rate (converted to monthly)
Time step:	1.0	Annual intervals
Discount rate:	1.08%	Converted to monthly

22. FINANCIAL RISK MANAGEMENT (continued)

Level 3: Option granted to NCI to call upon shares in Karo Platinum (continued)
The fair value was determined at the end of the 36-month period. The fair value exceeded the strike price, which resulted in the recognition of a financial liability.

Calculated fair value of the option at 31 March 2022:	US$17.9 million

The fair value expense was recognised in the profit or loss of Karo Zimbabwe Holdings (Private) Limited immediately prior to the acquisition of the controlling interest in Karo Mining Holdings Limited by the Group. The Group's proportionate share of the expense is classified in the share of loss of investment accounted for using the equity method in the statement of profit or loss. A sensitivity analysis was performed on the fair value of the option:

Sensitivity	**Option value (US$'million)**	**(Decrease)/increase in profit and loss and equity (US$'000)**
Increase in discount rate – 5.0%	18.2	(91)
Decrease in discount rate – 5.0%	17.5	108
Increase in volatility – 10.0%	17.4	136
Decrease in volatility – 10.0%	17.6	79

23. RELATED PARTY TRANSACTIONS AND BALANCES

	31 March 2022 Reviewed US$'000	**31 March 2021 Reviewed US$'000**	**30 Sept 2021 Audited US$'000**
Loans receivable			
Karo Mining Holdings Limited (refer to note 21)	-	8 243	8 353
Trade and other receivables (note 15)			
Thys and Alta Steenkamp*	-	192	188
The Tharisa Community Trust	-	5	65
Rocasize Proprietary Limited	11	2	3
Karo Mining Holdings Limited	-	717	796
Karo Zimbabwe Holdings (Private) Limited	-	276	321
Karo Platinum (Private) Limited	-	314	417
Karo Power Generation (Private) Limited	-	140	146
Salene Mining Proprietary Limited	15	15	15
	26	**1 661**	**1 951**
Trade and other payables (note 20)			
The Leto Settlement (refer to note 21)	29 445	3 000	-
Karo Mining Holdings Limited	-	136	-
Karo Zimbabwe Holdings (Private) Limited	-	126	315
Karo Platinum (Private) Limited	-	29	29
Rocasize Proprietary Limited	1	4	55
	29 446	**3 295**	**399**
Amounts due to Directors			
A Djakouris	17	21	21
J Salter	21	24	23
O Kamal	13	13	13
C Bell	22	17	17
R Davey	19	16	16
Z Hong	9	9	10
V Chu	-	5	-
Lo Wai Man	9	5	10
	110	**110**	**110**
Total other payables	**29 556**	**3 405**	**509**

23. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	Period ended 31 March 2022 Reviewed US$'000	Period ended 31 March 2021 Reviewed US$'000	Year ended 30 Sept 2021 Audited US$'000
Revenue			
Salene Manganese Proprietary Limited	1 068	-	420
Karo Platinum (Private) Limited	-	5	5
Cost of sales			
Rocasize Proprietary Limited	151	234	511
Other income			
Rocasize Proprietary Limited	10	7	9
Consulting fees received			
Rocasize Proprietary Limited	3	6	14
Salene Chrome Zimbabwe (Private) Limited (before acquisition)	-	54	54
Karo Mining Holdings Limited	6	-	-
Karo Platinum (Private) Limited	191	80	183
Karo Power Generation (Private) Limited	7	5	10
Karo Zimbabwe Holdings (Private) Limited	29	5	10
Rent paid			
PCMQ Proprietary Limited	-	15	23
Thys & Alta Properties Proprietary Limited	-	8	9
Interest receivable			
Karo Mining Holdings Limited	112	111	222
Interest paid			
The Leto Settlement	13	-	-
Ross Two-10-Properties Proprietary Limited	-	6	11
Thys & Alta Properties Proprietary Limited	-	-	4
Rohcon Engineering Proprietary Limited	-	6	14
Dividends paid			
Thari Resources Proprietary Limited	-	-	845
The Tharisa Community Trust	169	-	253

* The Group previously disclosed a trade and other receivable from Thys and Alta Steenkamp and property loans payable to Ross Two-10-Properties Proprietary Limited, Rohcon Engineering Proprietary Limited, PCMQ Proprietary Limited and Thys & Alta Properties Proprietary Limited. These related party relationships have ceased.

23. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Compensation to key management:

Period ended 31 March 2022 (Reviewed)	Salary and fees US$'000	Expense allowances US$'000	Share-based payments US$'000	Provident fund and risk benefits US$'000	Bonus US$'000	Total US$'000
Non-Executive Directors	322	-	-	-	-	322
Executive Directors	856	4	-	38	107	1 005
Other key management	627	10	306	48	416	1 407
	1 805	**14**	**306**	**86**	**523**	**2 734**
Period ended 31 March 2021 (Reviewed)						
Non-Executive Directors	314	-	-	-	-	314
Executive Directors	817	4	-	41	201	1 063
Other key management	479	11	-	47	114	651
	1 610	**15**	**-**	**88**	**315**	**2 028**
Year ended 30 September 2021 (Audited)						
Non-Executive Directors	631	-	-	-	-	631
Executive Directors	1 622	8	3 315	82	356	5 383
Other key management	988	22	1 034	97	220	2 361
	3 241	**30**	**4 349**	**179**	**576**	**8 375**

Share-based awards to the Directors and to the key management for the year under review are as follows:

Period ended 31 March 2022 (Reviewed) Ordinary shares	Opening balance	Inclusion of additional employee	Allocated	Vested	Forfeited	Total
LTIP – executive directors	1 333 682	-	1 751 608	-	-	3 085 290
LTIP – key management	695 276	145 650	1 319 717	-	-	2 160 643

Period ended 31 March 2021 (Reviewed) Ordinary shares	Opening balance	Resignation	Allocated	Vested	Forfeited	Total
LTIP – executive directors	2 379 802	-	-	-	-	2 379 802
LTIP – key management	1 576 158	(272 700)	-	-	-	1 303 458

Year ended 30 September 2021 (Audited) Ordinary shares						
LTIP – executive directors	2 379 802	-	-	(1 046 120)	-	1 333 682
LTIP – key management	1 576 158	(272 700)	-	(608 182)	-	695 276

23. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

No SARS were awarded during the period ended 31 March 2022.

Period ended 31 March 2021 (Reviewed) Ordinary shares	Opening balance	Resignation	Allocated	Vested	Forfeited	Total
SARS – executive directors	440 631	-	-	-	-	440 631
SARS – key management	293 919	(50 907)	-	-	-	243 012

Year ended 30 September 2021 (Audited) Ordinary shares	Opening balance	Resignation	Allocated	Vested	Forfeited	Total
SARS – executive directors	440 631	-	-	(440 631)	-	-
SARS – key management	293 919	(50 907)	-	(243 012)	-	-

Option to acquire shares in Salene Manganese Proprietary Limited
On 9 July 2019, the Company was granted a call option to acquire a 70.0% shareholding in Salene Manganese Proprietary Limited ('Salene Manganese'), a company incorporated in South Africa. The purchase consideration to acquire 70.0% of the shareholding will be equal to 70.0% of the market value of Salene Manganese. Salene Manganese's principal activity is a manganese exploration and mining company. Salene Manganese purchased a Mining Right issued over the farm Macarthy 559, Kuruman district in South Africa. The Mining Right is for the mining of iron ore and manganese ore. At 31 March 2022, the call option had not yet been exercised. The call option is exercisable on or before 14 August 2022.

Management assessed the terms and conditions of this call option and considered whether potential voting rights in Salene Manganese from the future exercise of the option are substantive, as defined in IFRS 10. This assessment took into account, among others, a number of conditions precedent, including the current status of the Group's internal review and approval processes of the transaction, the status of the required internal Group approval, JSE Listings Requirements pertaining to related party transactions, as well as other regulatory approvals. Based on this evaluation, management concluded that the Group did not control Salene Manganese, nor did it have the ability to exercise the right as at 31 March 2022.

Relationships between parties:
Thari Resources Proprietary Limited
A former shareholder of Tharisa Minerals Proprietary Limited, refer to note 17.

The Tharisa Community Trust and Rocasize Proprietary Limited
The Tharisa Community Trust is a shareholder of Tharisa Minerals Proprietary Limited and owns 100% of the issued ordinary share capital of Rocasize Proprietary Limited.

Salene Manganese Proprietary Limited and Salene Mining Proprietary Limited
A director of the Company is also a director of these companies.

The Leto Settlement
The beneficial shareholder of Medway Developments Limited, a material shareholder in the Company.

Karo Mining Holdings Limited, Karo Zimbabwe Holdings (Private) Limited, Karo Platinum (Private) Limited and Karo Power Generation (Private) Limited
The Company owned 26.8% of the issued share capital of Karo Mining Holdings Limited at 31 March 2021 and 30 September 2021. During the period ended 31 March 2022, the Company acquired a controlling interest in Karo Mining Holdings Limited. Refer to note 21.

24. CONTINGENT LIABILITIES

Diesel rebates

At 31 March 2022, the Group had certain unresolved tax matters. Included in the VAT receivable, is an amount of US$5.6 million (ZAR82.3) million which relates to diesel rebates receivable from the South African Revenue Service ('SARS') in respect of the mining operations. SARS rejected diesel claims relating to the periods from September 2011 to April 2017 (US$3.7 million) and May 2017 to February 2018 (US$1.9 million). The Group is taking the necessary action to recover the amount due.

Mining royalty

The Group has objected and appealed to the assessments issued by SARS imposing an additional mining royalty in relation to the 2015 and 2017 years of assessment in an amount of US$7.0 million (ZAR102.3 million) (inclusive of penalties and interest). Due to the technical nature of the matter at hand, the matter underwent two separate Alternate Dispute Resolution processes and the matter is now set to be heard at the tax court on a yet to be determined date. SARS increased the gross sales value of the PGM sales to the minimum specified condition (of 150 parts per million) as set out in the legislation by adjusting the average PGM grade on a linear basis. SARS did not take into account the increase in the associated costs to bring the concentrate to the minimum specified condition whether on a linear basis or otherwise. This is inconsistent with both past practice by SARS and industry applied norms. The Group objected and appealed against the assessment on the basis that it is not in terms of the applicable legislation and is currently engaged in the tax court process to have the matter resolved. The Group, together with its legal adviser, has re-assessed the basis on which it is liable for payment of the mining royalty challenging both the linear basis of grossing up the sales value and determining the incremental costs which would be incurred in bringing the concentrate to the minimum specified standard.

In the event that SARS would be successful, the Group estimates the incremental mining royalty for assessments for the period up to 31 March 2022 to be US$20.4 million (ZAR312.9 million) (30 September 2021 to be US$17.2 million (ZAR250.9 million)), with the amount net of tax estimated to be US$12.4 million (ZAR180.6 million). If the Group is successful with a favourable outcome of calculating the mining royalty on the re-assessed basis, it would result in a refund of past royalty payments with a net inflow to the Group.

The principles being applied have not been tested by either SARS or the judiciary and there is therefore uncertainty on the possible outcome of the legal process which could lead to an outflow (royalty payable to SARS) or inflow (amount recovered by the Group from SARS). Furthermore, the time period to reach finality may be protracted. Accordingly, no estimate of the contingent amount receivable has therefore been made.

Rehabilitation provision

The Group's mining and exploration activities are subject to extensive environmental laws and regulations. The Group has made, and expects to make in the future, expenditures to comply with such laws and regulations, but cannot predict the full amount of such future expenditures. Estimated future rehabilitation costs are based principally on legal and regulatory requirements. Tharisa Minerals Proprietary Limited's approved Environmental Management Programme ('EMPr') commits the company to completely backfill the pit voids to natural ground level and restore the pre-mining land potential, namely agricultural land with grazing and wilderness capabilities. The company has evaluated alternative mine closure strategies building on the establishment of a post-mining economy with socio-economic benefits. An amended application has been submitted to the Department of Mineral Resources and Energy ('DMRE') seeking its approval for a backfill of the pit voids concurrent with mining only, also called in-pit dumping, which results in a partial void and associated pit lake which is profiled and 'made safe' before rehabilitation of the surface with the residual waste rock stockpiles remaining on surface ('pit-lake option'). In conjunction with the submission of this application, the Company has also engaged with the relevant government departments to ensure their support for this submission. This application has been submitted supported by the necessary specialty studies. As there is uncertainty as to the successful outcome of the application, the company has applied a probability weighted factor in calculating the mine closure liability applying a 60% probability to the successful approval of the pit-lake option. In the alternative, the company has applied a 40% probability to an alternative 'make safe' option with the partial backfilling of the pit whereby the walls of the pit will be profiled at 24 degrees and, with the passage of time, result in a pit-lake forming in the void. The rehabilitation expense and provision has been accounted for on this basis. The company is confident of the successful outcome in its engagement with the DMRE. No adjustment for any effects on the company that may result from a complete backfill of the voids, if any, has been made in the financial statements. It is not possible to determine and measure any additional requirements that may be required as the amended EMP is at an advanced stage through the various approval levels, hence no provision has been made for these potential additional requirements.

Other

As at 31 March 2022, there is no litigation (31 March 2021 and 30 September 2021: no litigation), current or pending, which is considered likely to have a material adverse effect on the Group. Refer to note 25 for guarantees.

25. CAPITAL COMMITMENTS AND GUARANTEES

	31 March 2022 Reviewed US$'000	31 March 2021 Reviewed US$'000	30 Sept 2021 Audited US$'000
Capital commitments			
Authorised and contracted	41 049	43 627	30 639
Authorised and not contracted	2 712	4 000	1 298
	43 761	**47 627**	**31 937**

The commitments are with respect to property, plant and equipment and are outstanding at the respective reporting period. All contracted amounts will be funded through existing funding mechanisms within the Group and cash generated from operations. Balances denominated in currencies other than the US$ were converted at the closing rates of exchange ruling at each respective reporting period.

Guarantees

The Company has issued various guarantees to financiers and major suppliers of the Group securing debt facilities and credit lines available to the Company's subsidiaries. No additional guarantees to the existing guarantees at 30 September 2021 were issued during the period ended 31 March 2022.

26. EVENTS AFTER THE REPORTING PERIOD

On 8 April 2022, the Company issued 13 693 000 new ordinary shares to the Leto Settlement as consideration for the acquisition of Karo Mining Holdings Limited (refer to note 21).

On 20 May 2022, the conditions precedent to the acquisition of the 6.0% of the issued share capital of Tharisa Minerals Proprietary Limited from a non-controlling shareholder, the Tharisa Community Trust, have been fulfilled (refer to note 17). At the date of this report, the shares as consideration for the acquisition have not been issued yet.

The Board of Directors is not aware of any matter or circumstance arising since the end of the financial year that will impact these financial results.

27. DIVIDENDS

During the period ended 31 March 2022, the Company declared and paid a final dividend of US$ 5.0 cents per share in respect of the financial year ended 30 September 2021.

A subsidiary of the Company, Tharisa Minerals Proprietary Limited, declared and paid an ordinary dividend of US$2.8 million (period ended 31 March 2021: no dividend and year ended 30 September 2021: US$4.2 million) during the period ended 31 March 2022. The dividend paid to non-controlling shareholders amounted to US$0.1 million (period ended 31 March 2021: no dividend and year ended 30 September 2021: US$1.1 million).

During the period ended 30 September 2021, the Company declared and paid a final dividend of US$ 3.5 cents per share in respect of the financial year ended 30 September 2020. In addition, an interim dividend of US$ 4.0 cents per share was declared and paid in respect of the financial year ended 30 September 2021.

JSE Sponsor
Investec Bank Limited
Connect with us on LinkedIn and Twitter to get further news and updates about our business.

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About Tharisa
Tharisa is an integrated resource group critical to the energy transition and decarbonisation of economies. It incorporates mining, processing, exploration, and the beneficiation, marketing, sales, and logistics of PGMs and chrome concentrates, using innovation and technology as enablers. Its principal operating asset is the Tharisa Mine located in the south-western limb of the Bushveld Complex, South Africa. The mechanised mine has a 20-year open-pit life and the ability to extend operations underground by at least an additional 40 years. Tharisa also owns Karo Mining Holdings and Salene Chrome, development stage, low-cost, open-pit PGM and chrome assets respectively, located on the Great Dyke in Zimbabwe. The Company is committed to reducing its carbon emissions by 30% by 2030 and the development of a roadmap is continuing to be net carbon neutral by 2050. Tharisa plc is listed on the Johannesburg Stock Exchange (JSE: THA) and the Main Board of the London Stock Exchange (LSE: THS).

APPENDIX 5: KMH CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

KARO mining holdings

KARO MINING HOLDINGS plc

(REGISTRATION NUMBER: HE380340)

CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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DIRECTORS’ RESPONSIBILITIES AND APPROVAL
for the year ended 30 September 2021

The directors are required in terms of the Cyprus Companies Law, Cap. 113 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the Karo Mining Holdings plc and its subsidiaries (collectively referred to as ‘the Group’) as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated and company financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are required to consider the going concern principle and this consideration is addressed in the directors’ report.

The external auditors are responsible for auditing and reporting on the Group’s financial statements. The consolidated and company financial statements have been examined by the Group’s external auditors and their report is presented on pages 12 to 14.

The consolidated annual financial statements of Karo Mining Holdings plc as identified in the first paragraph, were approved by the board and were signed on its behalf by:

P Pouroulis
Director

MG Jones
Director

30 September 2022

[signed on original]

CORPORATE INFORMATION

Board of Directors	Michael Gifford Jones Shawn McCormick Adonis Pouroulis (appointed 29 March 2021) Phoevos Pouroulis (appointed 15 March 2022) Josephat Zimba (appointed 15 March 2022) Bernard Robert Pryor (appointed 9 April 2022) Rachel Clare Rhodes (appointed 1 September 2022) Loucas Pouroulis (resigned 12 July 2022)
Company Secretary	Lysandros Lysandrides
Independent Auditors	Ernst & Young Cyprus Ltd Certified Public Accountants and Registered Auditors 6 Stasinou Avenue Nicosia, Cyprus
Banker	Bank of Cyprus Public Company Limited Nedbank Zimbabwe Limited
Registered Office	Sofoklis Pittokopitis Business Center, Office 108-110 17 Neophytou Nicolaides & Kilkis Street 8011, Paphos Cyprus
Registration number	HE 380340

The Board of Directors of Karo Mining Holdings plc ('the Company') presents to the members its Management Report together with the audited consolidated financial statements of the Company and its subsidiaries (together with the Company, 'the Group') and the Company's separate financial statements for the year ended 30 September 2021.

Karo Mining Holdings Limited is incorporated in Cyprus under registration number HE 380340. The Company commenced operations during the period ended 30 September 2018. The Company, formerly Karo Mining Holdings Limited, was converted to a public company on 9 September 2022.

1. PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an investment holding company in Cyprus for the Karo Zimbabwe Group of companies. Its direct and indirect subsidiaries include Karo Zimbabwe Holdings (Private) Limited, Karo Platinum (Private) Limited, Karo Power Generation (Private) Limited, Karo Refining (Private) Limited and Karo Coal Mines (Private) Limited.

The principal activities of the Group is the exploitation of metals and minerals, principally platinum group metals ('PGMs'), copper, nickel and cobalt. The Group operates an exploration and mining company in all aspects, specifically in the PGMs industry.

2. REVIEW OF CURRENT POSITION, FUTURE DEVELOPMENTS AND PERFORMANCE OF THE COMPANY AND THE GROUP

On 22 March 2018, Karo Mining Holdings plc entered into an Investment Project Framework Agreement with the Republic of Zimbabwe in terms of which the Company, through any of its subsidiaries, has undertaken to establish a platinum group metals mine, concentrators, smelters, a base metal and precious metals refinery as well as power generation capacity. Karo Platinum (Private) Limited ('Karo Platinum'), applied for and was awarded PGM rights under a Special Grant under the Zimbabwe Mines and Minerals Act, covering an area of 23 903 ha. The licence area is situated on the Great Dyke in the Mashonaland West District of Zimbabwe. This area of land had been released by Zimbabwe Platinum Mines (Private) Limited from its mining lease area in support of the government of Zimbabwe's efforts to enable participation by other investors in the platinum mining industry in Zimbabwe. In terms of the Special Grant, Karo Platinum will be entitled to mine PGMs situated within the licence area. Karo Platinum will be responsible for the mine development and mining operations.

Exploration and drilling activities have focused on the western boundary of the Great Dyke, with average depths of 50 m to 150 m below surface targeted. Various approvals have been received. Significantly, the Zimbabwe Special Economic Zones Authority has declared a portion of Selous measuring 50 667 hectares as a special economic zone. The zone is located on certain pieces of land covered by special mining grants issued to a subsidiary of Karo Zimbabwe Holdings (Private) Limited.

The Board of Directors does not expect any major changes in the principal activities of the Company and the Group in the foreseeable future other than the COVID-19 related issues and geopolitical situation between Russia and Ukraine that may have an impact on the Company's operations.

3. FINANCIAL RESULTS

The Group's results are set out on page 15 of the consolidated financial statements while the results of the Company are set out on page 47.

The Group incurred a loss of US$6 808 659 for the year ended 30 September 2021 (2020: loss of US$1 707 372) and, as of that date, the Group's current liabilities exceeded its current assets by US$1 479 214 (2020: US$771 821) and its total liabilities exceeded total assets by US$15 489 227 (2020: US$8 680 568).

4. GOING CONCERN

Tharisa plc initially provided funding to the Group to meet its obligations. A loan facility of US$8 million was utilised to fund the initial exploration activities. Subsequent to 30 September 2021, Tharisa plc subscribed to additional share capital in the Company to the value of US$33.6 million (refer to note 22). Consequently, the directors consider that, as at the date of approval of the consolidated and company financial statements, the financial support from Tharisa plc comprises of adequate funding and funding resources for the Group to continue to operate for the foreseeable future and has continued to adopt the going-concern basis in the preparation of the Group's consolidated and Company's separate financial statements. Tharisa plc has issued a financial support commitment to the Company confirming that it will continue to provide funding to the Company and the Group in order to enable it to continue as a going concern and meet all its liabilities as the fall due.

5. EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are disclosed in note 22 to the consolidated financial statements and note 20 to the Company's separate financial statements.

6. AUTHORISED AND ISSUED SHARE CAPITAL

The Company had authorised ordinary share capital of 1 000 ordinary shares of US$1 each of which 1 000 ordinary shares of US$1 were issued (30 September 2020: authorised ordinary share capital of 1 000 ordinary shares of US$1 each of which 1 000 ordinary shares of US$1 were issued).

On 17 January 2022, the Company's authorised share capital was increased to US$5 000 divided into 5 000 ordinary shares of US$1 each, by the creation of an additional 4 000 ordinary shares of US$1 each.

On 18 July 2022, the Company's authorised share capital was increased to US$50 000 divided into 49 000 ordinary shares of US$1 each and 1 000 redeemable preference shares of US$1 each.

At the date of this report, 45 200 ordinary shares of US$1 each and 5 redeemable preference shares of US$1 each were issued (refer to note 22 of the consolidated financial statements).

7. DIVIDENDS

No dividends were declared or paid during the year (2020: no dividends).

8. BRANCHES

During the year the Group and the Company did not operate any branches.

9. BOARD OF DIRECTORS

The Members of the Company's Board of Directors as at 30 September 2021 and at the date of this report are presented on page 3.

On 29 March 2021, Mr. Adonis Pouroulis was appointed as Director of the Company. On 15 March 2022, Mr. Phoevos Pouroulis and Mr. Josephat Zimba were also appointed as Directors of the Company. On 9 April 2022, Mr. Bernard Robert Pryor was also appointed as Director of the Company. On 1 September 2022, Ms. Rachel Rhodes was appointed as a Director of the Company. On 12 July 2022, Mr. Loucas Pouroulis resigned as a director.

In accordance with the Company's articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

10. AUDITORS

The independent auditors, Ernst & Young Cyprus Limited, who were appointed by the Board of Directors as the Company's first auditors, have been informed of the intention of the Board of Directors to propose at the Annual General Meeting of the Company their replacement by another audit firm for the audit of the Company's financial statements for the year ended 30 September 2022.

11. PRINCIPAL RISKS AND UNCERTAINTIES

The Group's critical estimates and judgements and financial risk management are disclosed in notes 3 and 18 to the consolidated financial statements and notes 3 and 16 of the Company's separate financial statements.

Material risks are considered and reported on an ongoing basis by those members of the management team responsible for risk management.

The following tables summarise the material risks identified by management in consultation with stakeholders and with reference to the Group's business model and strategy.

Risk	Impact	Mitigation
Safety		
The safety and health of The Group's people is a core value of the Group. Operating in a safe manner is a key performance indicator for all executives and managers of the Group.	Harm to people, the environment, and assets. Disruptions to operations pending root cause investigations. Potential mine closure by the Ministry of Mines Inspectorate. Potential power plant closure by the Zimbabwe Energy Regulatory Authority (ZERA) inspectorate.	Strive for zero harm working environment. Implement a culture where safety risks will not be tolerated. Comprehensive training on mandatory code of practices and standard operating procedures. Continuous training and adherence to global best practices to ensure a culture of best safety risk intolerance. Transparent and open relationships with the Ministry of Mines and Mining Development and Zimbabwe Energy Regulatory Agency inspectorate Key performance indicator in Group cash bonus scheme to incentivise safe behaviour Ensuring alignment and standardisation across all jurisdictions and operations.
COVID-19 pandemic		
Keeping people safe is of paramount importance to the Group.	Employees contracting COVID-19. Decrease in face-to-face safety interaction and reinforcement. High absenteeism. Loss of cohesive operating teams due to remote access failure. Logistics constraints. Global economic slowdown. Cybercrime targeting business operations.	The Group has put in place measures that at a minimum comply with government regulations and adhere to best practices. Rigorous screening and testing measures are in place. Succession planning is in place in the event of illness. A comprehensive communication strategy to employees and contractors is in place to providing educational awareness to employees on the impact, prevention and treatment of COVID-19. The Company has taken these steps proactively but there are no guarantees that the measures put in place will ensure the Company and its operations will not be affected by the pandemic.

Risk	Impact	Mitigation
Political uncertainty		
Negative business confidence and political uncertainty. Limited international sanctions still exist and may affect the stability of the economy. Hyper-inflation and monetary policy uncertainty as well as exclusion of foreign currency as legal tender. Lack of currency liquidity.	Unattractive investment destination for international investors. Political and civil unrest adversely impacting mine development plan.	Pledges by global concerns to invest in the country will serve to improve business confidence, unlock investment by local concerns and stimulate GDP growth. Continuous drive by the Government of Zimbabwe to create investor-friendly environment Establishment and awarding of Special Economic Zones in Zimbabwe to assist capital flows and investment. Investor friendly laws and dispensations. Lifting of certain indigenization restrictions.
Regulatory compliance		
The Group's right to mine and generate electricity is dependent upon strict adherence to various legal and legislative requirements. Non-compliance with the Mines and Minerals Act of Zimbabwe and mining regulations promulgated under such Act. Routine audits are carried out by the Ministry inspectorate to ensure compliance. Non-compliance with the Electricity Act, Energy Regulatory Act and regulations promulgated under such Acts. Routine audits are carried out by the ZERA inspectorate to ensure compliance. The company is required to comply with a range of health and safety laws and regulations in connection with its mining, processing and on mine logistics activities as well as electricity generation activities.	Non-compliance resulting in potential legal sanctions including fines, penalties and risks to the right to mine via a forfeiture or cancellation. Access to forms of capital hindered.	Ensure compliance with the Group's Social and Labour Plan. Proactive engagement with regulatory authorities and industry organisations. Ongoing communication and awareness with stakeholders. Ensure compliance with all relevant Zimbabwean legislation including the Mines and Minerals Act, Mining regulations promulgated under section 403 of the Mines and Minerals Act, the Labour Act, Exchange Control regulations and other laws and enactments governing investment. Routine audits are carried out by regulatory/ competent authorities in line with the relevant legislative prescripts to ensure compliance. Regular internal inspections are conducted by the SHE Department to ensure compliance with regulatory requirements.

Risk	Impact	Mitigation
Global commodity prices and currency volatility		
The Group's revenues, profitability and future rate of growth depend on the prices of PGMs and other base metals. The state of the world's economies impacts on demand and market prices for PGMs and other base metals. Volatility in the ZWL:US$ exchange rate affects the Group's profitability of which Zimbabwe's political uncertainty and effects of other emerging markets are contributing factors.	Downward pressure on the prices of PGMs and/or base metals may negatively affect the Group's profitability and cash flows. The Group's reporting currency is US dollar. The Group's operations are predominately based in Zimbabwe, with frequent policy swings from ZWL to US$, while the majority of the future revenue stream is in US dollar, exposing the Group to the volatility and movement in the currencies Risk of competitor product dumping and undercutting market prices.	Monitor costs closely to ensure that the Group achieves a position in the lowest cost quartile. Stringent cost control. Improved operating efficiencies and production driving down unit costs. Service providers to be appointed to manage the Group foreign exchange and PGM hedging strategy. Constantly negotiate with government, ZERA and the Zimbabwe Electricity Transmission and Distribution Company (ZETDC), the customer.
Financing and liquidity		
The activities of the Group expose it to a variety of financial risks including market, commodity prices, credit, foreign exchange and interest rate risks. Non-compliance to ESG standards and requirements may affect capital raising abilities.	Significant changes in the financial assumptions made by the Group could impact its ability to continue operating and jeopardise its ability to raise financing in the future. Adverse impact on the ability to raise capital for growth and acquisitions.	Positioned as a low-cost producer of both PGM and base metals and renewable energy. Leveraging third-party operations. Compliance and audit of ESG standards. Employment of relevant skills to manage ESG effectively.
Market/customer concentration		
The bulk of the Group's PGM and base metals production is earmarked for export to China. This gives the Group significant exposure to a single geographic market. In terms of the Electricity Act, the ZETDC is the sole customer for renewable energy generated by Karo Power Generation.	Customer base largely located in China, with accompanying exposure to Chinese markets ZETDC may determine unfavourable tariffs or payment terms that may negatively impact on Karo Power Generation's cash flow position	No reliance on a dominant customer within that market. Focusing on higher-grade PGM products and higher volume production of base metals to de-risk reliance on PGMs concentrates. Diversified commodities with PGM concentrate sold to leading precious metal refiners on a long-term offtake basis. Constantly engage and negotiate with government, ZERA and the Zimbabwe Electricity Transmission and Distribution Company (ZETDC), the customer.

Risk	Impact	Mitigation
Environment		
The Group is obliged in terms of its undertaking to stakeholders, including the government, providers of capital and the community, to monitor, minimise and mitigate our impact on the physical environment and not to infringe on the rights to a safe and healthy environment. Non-compliance with this undertaking may infringe on the terms of the mining licence and the ability to continue mining.	Harm to the environment. Increased costs of remediation and rehabilitation due to legislative changes. Potential legal sanctions including mine stoppage and class action suits. Poor image of mining companies.	Conduct all mining and processing operations in an environmentally responsible manner. Compliance with applicable national and local laws and regulations. Monitor compliance against the Environmental Management Act, and legislation covering air quality, emissions, land-use planning, soil conservation/soil improvement, waste management, hazardous substances, hazardous waste, water quality standards and biodiversity, licenses, and Equator Principles. Compliance with provision for rehabilitation and mine closure. Ongoing environmental impact monitoring, management and evaluation. Ongoing internal and external compliance audits/ inspections. Update/ amendment of licenses, permits and authorisations. Community engagements through SLP and local forums. Ongoing engagements with competent authorities to source advice on new or amended regulations.
Climate change		
The Group is exposed to risks arising from climate change. The risks can be divided into physical risks, arising from the impact of climate change on operations, and reputational risk (arising from the mining industry and the Group being perceived as not contributing to addressing climate risk in a timely and meaningful way by providers of capital).	Rising temperature levels can affect the availability of natural elements that are required by the mine, such as access to water. Rising temperatures can affect the physical wellbeing of the workforce. The availability of capital will reflect how well companies are seeking to decarbonise their operations and supply chains. Implement carbon taxes to encourage companies to improve their carbon footprints.	Disclosure and reporting on annual CO_2 emissions. Expand and implement a roadmap to reduce operational CO_2 emissions with a targeted reduction of 30% set by 2030 and a drive to become net carbon neutral by 2050. Engaging with our supply chain on their commitment to decarbonisation. Closer co-operation with suppliers and ensuring the latest technology is employed to reduce CO_2 emissions. Introduction and implementation of energy and water-efficient methods of product processing. Construction of water storage facilities to cater for projected water shortages. Forming part of the water management forums in the catchment area. Electricity generation from renewable sources wherever possible. Utilising alternative fuels other than diesel within the fleet.

Risk	Impact	Mitigation
Local stakeholders		
The Groups' neighbours are impacted by its operations in terms of dust, noise, water usage and security. The perceptions of stakeholders, including different sections of the community and various levels of government, are varied and multi-layered.	Local stakeholder discontent has the potential to disrupt operations. Safety and health of the community. Complaints to regulatory authorities and risk of intervention. Potential for adverse litigation. Poor image of mining companies.	Ongoing environmental impact monitoring. Property purchase agreements being concluded with local landowners. Partner with government and local municipality to develop identified land within the municipal spatial development area to which the community may be relocated. Ongoing discussions with the government bodies. Positive engagements with the local community with a focus on sustainable community projects. Focus on recruiting from local communities as much as possible if there is a skills match.
Access to resources and infrastructure		
The Group's mining operations rely on sustainable access to water, electricity and road and rail infrastructure.	Mine development interruptions Failure to meet delivery and customer commitments and contracts	Plan to integrate solar power generation project within the mining concession. Multi-modal transport optionality via bulk or containers, road and/or rail Integrated agreement for rail transportation and port facilities. Engage the local municipality and collaborate on road maintenance. Obtain the water access permits from the Zimbabwe National Water Authority (ZINWA). Mine water reticulation system and construction of water storage facilities.

Risk	Impact	Mitigation
Labour		
The consistent, assured availability of appropriately skilled human resources at economical rates is essential to the sustainability of the Group's operations. Similarly important is the efficiency and discipline of the Group's workforce,	Labour disruptions remain a risk, particularly with the current political climate which may contribute to heightened labour and community unrest. Potential damage to property. Delays in mine development.	Ongoing training programmes. Adequate insurance cover in the event of damage to property arising from unrest. All levels of employees are incentivised through bonus and incentive schemes leading to improved productivity and employee retention. Care for employees during COVID-19 with additional safety and health measures put in place while the Group managed through Waves 1,2&3 without any retrenchments of workforce.
Unscheduled breakdowns		
The Group's performance is dependent upon the consistent mining and production of PGMs from the Karo Platinum Mine and power generation from Karo Power Generation.	Any unscheduled breakdown leading to a prolonged reduction in mining and/or production may have a material impact on the Group's financial performance and results of operations	Developed engineering and geological skills that are integral to the in-house mining Preventative maintenance programme for the fleet and plant Long lead item spares in stock
Cyber security		
The Group performance may be materially and adversely impacted by a cyber-attack on its IT system	The processing plants at the mine are controlled by a supervisory control and data acquisition operating system and a cyber-attack could potentially subject the Group to a ransomware demand and/or cause a shutdown of the processing operations until a backup system is operational, or a work-around solution is obtained	The Group has carried out an audit of its potential exposure to a cyber-attack in respect of all its IT and has implemented mitigating measures which limit its exposure to internal and third-party access The Group has implemented and continuously ensures globally accepted best-in-class software and protocols to filter malicious and criminal content, as well as the latest antivirus and security programmes Insurance against cyber-attack including backup and restoration assistance Internal backups and scheduled backup tests for integrity and continuity

On behalf of the Board of Directors

P Pouroulis **MG Jones**

30 September 2022

[signed on original]

INDEPENDENT AUDITOR'S REPORT

To the Members of Karo Mining Holdings Plc

Report on the Audit of the Consolidated Financial Statements and the Separate Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Karo Mining Holdings Plc and its subsidiaries (the 'Group'), and the separate financial statements of Karo Mining Holdings Plc (the 'Company'), which are presented in pages 15 to 70 and comprise the consolidated statement of financial position and the statement of financial position of the Company as at 30 September 2021, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows, and the statements of comprehensive income, changes in equity and cash flows of the Company for the year then ended, and notes to the consolidated and separate financial statement, including a summary of significant accounting policies.

In our opinion, except for the effects on the comparability of the consolidated financial statements of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements and the separate financial statements give a true and fair view of the financial position of the Group and the Company as at 30 September 2021, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Qualified Opinion

Non-compliance with International Financial Reporting Standards (IFRS): International Accounting Standard (IAS) 21 – *The effects of Changes in Foreign Exchange Rates in prior period (Group)*

During the period from 1 October 2019 to 22 June 2020 the Group used inappropriate exchange rates to translate ZWL denominated transactions and balances to USD functional currency which exchange rates did not meet IAS 21 requirements for a spot rate. The interbank exchange rate was used to translate foreign denominated transactions and balances to United States Dollars (USD) functional currency; however, the rate was not a spot rate in accordance with IFRS. The misstatements could not, however, be quantified as an appropriate exchange rate had not been identified.

Our prior year audit opinion on the consolidated financial statements for the year ended 30 September 2020 was, therefore, modified due to the impact of these matters. Management has not made retrospective adjustments in terms of IAS 8 to correct these matters. As a result, the corresponding amounts for Other Operating Expenses and Net foreign exchange gain/loss on the consolidated statement of profit or loss and other comprehensive income and retained earnings on the consolidated statement of financial position are impacted.

Our opinion on the current period's consolidated financial statements is, therefore, modified because of the effects of the above matter on the comparability of the current period's figures and the corresponding figures.

The misstatements are considered to be material, however, not pervasive to the consolidated financial statements.

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 Consolidated Financial Statements and the Separate Financial Statements section of our report.

We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements and separate financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the Management Report and the Directors Responsibilities and Approval Statement but does not include the consolidated financial statements and the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the Basis for Qualified Opinion section above, the Group did not comply with the requirements of IAS 21 – Effects of Changes in Foreign Exchange Rates, IAS 8 - Accounting Policies, changes in Accounting Estimates and Errors. We have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the Management Report and the Directors Responsibilities and Approval Statement affected by the failure to comply with the referred standard.

Responsibilities of the Board of Directors for the Consolidated Financial Statements and Separate Financial Statements

The Board of Directors is responsible for the preparation of consolidated financial statements and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and separate financial statements, the Board of Directors is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate 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 financial statements and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate 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 and the Company's internal control.

INDEPENDENT AUDITOR'S REPORT (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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 and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and separate 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 and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors 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.

Report on Other Legal Requirements

Pursuant to the additional legal requirements of the Cyprus Auditors Law of 2017, we report the following:

- In our opinion, the management report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the consolidated and separate financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified material misstatements in the management report, except as explained in the Basis for Qualified Opinion section of our report.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose.
We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Stavros Pantzaris
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia
30 September 2022

[signed on original]

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 September 2021

	Notes	2021 US$	2020 US$
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Other income	4	569	28 425
Net foreign exchange (loss)/gain		(31 392)	31 277
Other operating expenses	5	(662 517)	(1 479 973)
Results from operating activities		(693 340)	(1 420 271)
Finance income	6	-	3
Fair value of financial liabilities at fair value through profit or loss	18	(5 870 069)	-
Finance costs	6	(222 644)	(272 919)
Loss before tax		(6 786 053)	(1 693 187)
Tax	7	(22 606)	(14 185)
Loss for the year		**(6 808 659)**	**(1 707 372)**
Other comprehensive income		**-**	**-**
Total comprehensive loss for the year		**(6 808 659)**	**(1 707 372)**

The notes on pages 19 to 46 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
for the year ended 30 September 2021

	Notes	2021 US$	2020 US$
Assets			
Non-current assets			
Property, plant and equipment	8	207 115	216 218
Deferred tax assets	9	6 476	6 476
Total non-current assets		**213 591**	**222 694**
Current assets			
Inventory	11	2 257	-
Trade and other receivables	12	357 618	197 338
Cash and cash equivalents	13	53 979	226 888
Total current assets		**413 854**	**424 226**
Total assets		**627 445**	**646 920**
Equity and liabilities			
Share capital	14	1 000	1 000
Accumulated loss		(15 490 227)	(8 681 568)
Total equity		**(15 489 227)**	**(8 680 568)**
Non-current liabilities			
Borrowings	15	8 353 535	8 131 441
Other financial liabilities	16	5 870 069	-
Total non-current liabilities		**14 223 604**	**8 131 441**
Current liabilities			
Borrowings	15	-	26 785
Trade and other payables	17	1 883 852	1 166 245
Income tax payable		9 216	3 017
Total current liabilities		**1 893 068**	**1 196 047**
Total liabilities		**16 116 672**	**9 327 488**
Total equity and liabilities		**627 445**	**646 920**

The consolidated financial statements were authorised for issue by the Board of Directors on 30 September 2022.

P Pouroulis
Director

MG Jones
Director

[signed on original]

The notes on pages 19 to 46 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 September 2021

	Notes	Share capital US$	Accumulated loss US$	Total equity US$
Balance at 1 October 2019		1 000	(6 974 196)	(6 973 196)
Total comprehensive loss for the year				
Loss for the year		-	(1 707 372)	(1 707 372)
Total comprehensive loss for the year		-	(1 707 372)	(1 707 372)
Balance at 30 September 2020	14	1 000	(8 681 568)	(8 680 568)
Total comprehensive loss for the year				
Loss for the year		-	(6 808 659)	(6 808 659)
Total comprehensive loss for the year		**-**	**(6 808 659)**	**(6 808 659)**
Balance at 30 September 2021	**14**	**1 000**	**(15 490 227)**	**(15 489 227)**

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 17% will be payable on such deemed dividend to the extent that the ultimate shareholders at the end date of the period of two years from the end of the year of assessment to which the profits refer are both Cypriot tax residents and Cypriot domiciled entities. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the company for the account of the shareholders. These provisions do not apply for ultimate beneficial owners that are non-Cypriot tax resident individuals. Retained earnings is the only reserve that is available for distribution.

The notes on pages 19 to 46 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 September 2021

	Notes	2021 US$	2020 US$
Cash flows from operating activities			
Loss before tax		(6 786 053)	(1 693 187)
Adjustments for:			
Depreciation of property, plant and equipment	5	86 538	77 827
Net foreign exchange loss/(gain)		31 392	(31 277)
Interest income	6	-	(3)
Fair value of financial liabilities at fair value through profit or loss	18	5 870 069	-
Interest expense	6	222 644	272 919
		(575 410)	(1 373 721)
Changes in:			
Trade and other receivables		(160 030)	(161 069)
Inventory		(2 257)	-
Trade and other payables		686 157	125 844
Income tax paid		(16 407)	(11 168)
Net cash flows from operating activities		**(67 947)**	**(1 420 114)**
Cash flows from investing activities			
Interest received	6	-	3
Additions to property, plant and equipment	8	(77 435)	(195 623)
Net cash flows used in investing activities		**(77 435)**	**(195 620)**
Cash flows from financing activities			
Proceeds from borrowings	15	-	1 866 034
Principal lease payments	15	(26 785)	(26 578)
Interest paid	6	(550)	(2 753)
Net cash flows (used in)/from financing activities		**(27 335)**	**1 836 703**
Net (decrease)/increase in cash and cash equivalents		**(172 717)**	**220 969**
Cash and cash equivalents at the beginning of the year		226 888	10 257
Effect of exchange rate fluctuations on cash held		(192)	(4 338)
Cash and cash equivalents at the end of the year	**13**	**53 979**	**226 888**

The notes on pages 19 to 46 are an integral part of these financial statements.

1. CORPORATE INFORMATION

Karo Mining Holdings plc ('the Company') was incorporated in the Republic of Cyprus ('Cyprus') on 23 February 2018 as a private limited liability company under the Cyprus Companies Law, Cap. 113. The Company, formerly Karo Mining Holdings Limited, was converted to a public company on 9 September 2022. The main subsidiary of the Company is Karo Zimbabwe Holdings (Private) Limited, a company incorporated in Zimbabwe. Karo Zimbabwe Holdings (Private) Limited is the holding company of Karo Platinum (Private) Limited, Karo Power Generation (Private) Limited, Karo Refining (Private) Limited and Karo Coal Mines (Private) Limited (collectively referred to as 'the Group').

The entity's registered address is Sofoklis Pittokopitis Business Center, Office 108-110, 17 Neophytou Nicolaides & Kilkis Street, 8011, Paphos, Cyprus.

The principal activity of the Group is the exploitation of metals and minerals, principally platinum group metals ('PGMs'), copper, nickel and cobalt.

2.1. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113. IFRS comprise the standards issued by the International Accounting Standards Board ('IASB') and IFRS Interpretations Committee ('IFRIC') as issued by the IASB.

Basis of measurement

The consolidated financial statements are prepared on the historical cost basis except as otherwise stated in the accounting policies set out below.

Operating environment

On 11 March 2020, the World Health Organisation declared the Coronavirus COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments have taken stringent steps to help contain and delay the spread of the virus, which included controlling or closing down of economies. The financial effect of the crisis on the global economy and overall business activities cannot be estimated with reasonable certainty.

On 24 February 2022, Russia launched a military operation in Ukraine. Many governments are taking increasingly stringent measures against Russia and Belarus. These measures have already slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time. The conflict may have serious consequences on the Cyprus economy and also worldwide, which are difficult to precisely estimate. The current main concern is the rise of inflation, the uncertainty mainly about tourism and financial services and the increase in the price of fuel, which will affect household incomes and business operating costs. It is difficult to estimate further development of market prices and key macroeconomic indicators. The Group does not expect that such developments will have a direct impact on its operations.

Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. Where an accounting policy is specific to a note, the policy is described in the note which it relates to. These policies have consistently been applied to all years presented.

Functional and presentation currency
The consolidated financial statements are presented in United States Dollars ('US$') which is the Group's functional currency and presentation currency.

Going concern

These consolidated financial statements have been prepared on a going concern basis. Refer to note 18 for statements on the Group's objectives, policies and processes for managing its capital, details of its financial instruments; its exposures to market risk in relation to commodity prices and foreign exchange risks; interest rate risk; credit risk; and liquidity risk.

2.2. STANDARDS AND INTERPRETATIONS ADOPTED IN THE CURRENT YEAR

The Group has adopted the following new and/or revised standards and interpretations which became effective for the year ended 30 September 2021. The nature and effect of changes as a result of the adoption of these new accounting standards are described in the following paragraphs. The adoption of all other standards, amendments or interpretations had no impact on the results for the year ended 30 September 2021.

- *IFRIC 23 – Uncertainty over Income Tax Treatment*
- *IAS 23 – Borrowing Costs (Amendment)*
- *IFRS 16 – Amendment to Leases Covid-19 Related Rent Concessions*

The nature and effect of the changes as a result of the adoption of these new accounting standards are described in the following paragraphs. The adoption of all other standards, amendments or interpretations had no impact on the results for the year ended 30 September 2021.

IFRIC 23 – Uncertainty over Income Tax Treatment
This new interpretation standard clarifies application of recognition and measurement requirements in IAS 12 – Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: whether an entity considers uncertain tax treatments separately, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and how an entity considers changes in facts and circumstances.

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex mining tax environment, it assessed whether the interpretation had an impact on its consolidated financial statements. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions, particularly those relating to mining tax. The Group determined, based on its tax compliance assessment, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The interpretation did not have an impact on the consolidated financial statements.

IAS 23 – Borrowing Costs (Amendment)
The amendment clarifies that an entity treats as part of general borrowings and borrowings originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments

This amendment was taken into account when determining general borrowing costs which can be capitalised to qualifying assets in accordance with the transitional provisions. Since the Group's current practice is in line with these amendments, it had no impact on the consolidated financial statements.

IFRS 16 – Amendment to Leases Covid-19 Related Rent Concessions
In May 2020, the International Accounting Standards Board ('IASB') issued COVID-19-Related Rent Concessions, which amended IFRS 16 Leases. The amendment permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. It applies to COVID-19-related rent concessions that reduced lease payments due on or before 30 June 2021. The amendment does not affect lessors.

IFRS 16 specifies how lessees should account for changes in lease payments, including concessions. However, applying those requirements to a potentially large volume of COVID-19-related rent concessions could be practically difficult, especially in the light of the many challenges stakeholders face during the pandemic. This optional exemption gives timely relief to lessees and enables them to continue providing information about their leases that is useful to investors. The amendment does not affect lessors. The amendment applies to annual reporting periods beginning on or after 1 June 2020, earlier application is permitted.

2.3 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following new standards, interpretations and amendments to standards are not effective and have not been early adopted, but will be adopted once these new standards, interpretations and amendments become effective:

IFRS 3 – Business Combinations (Amendment)
The IASB issued amendments to the definition of a business in IFRS 3 – Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. It clarifies the minimum requirements for a business, removes the assessment of whether market participants are capable of replacing any missing elements, includes guidance to help entities assess whether an acquired process is substantive, narrows the definitions of a business and of outputs, and introduce an optional fair value concentration test.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on transition.

IAS 1 and IAS 8 – Definition of material (Amendment)
During October 2018, the IASB issued amendments to IAS 1 – Presentation of Financial Statement ('IAS 1') and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ('IAS 8') 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 entity.

IAS 1 and IAS 8 – Definition of material (Amendment)
During October 2018, the IASB issued amendments to IAS 1 – Presentation of Financial Statement ('IAS 1') and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ('IAS 8') 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 entity.

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The definition of material in the Conceptual Framework and IFRS Practice Statement 2: Making Materiality Judgements were amended to align with the revised definition of materiality in IAS 1 and IAS 8.

The amendments are effective for reporting periods beginning on or after 1 January 2020 and must be applied prospectively. Early application is permitted and must be disclosed.

Although the amendments to the definition of material are not expected to have a significant impact on the Group's consolidated financial statements, the introduction of the term obscuring information in the definition could potentially impact how materiality judgements are made in practice, by elevating the importance of how information is communicated and organised in the financial statements.

Conceptual Framework
The IASB has revised its Conceptual Framework. The primary purpose of the Framework is to assist the IASB (and the Interpretations Committee) by identifying concepts that it will use when setting standards.

Key changes include:
- Increasing the prominence of stewardship in the objective of financial reporting, which is to provide information that is useful in making resource allocation decisions;
- Reinstating prudence, defined as the exercise of caution when making judgements under conditions of uncertainty, as a component of neutrality;
- Defining a reporting entity, which might be a legal entity or a portion of a legal entity;
- Revising the definition of an asset as a present economic resource controlled by the entity as a result of past events;
- Revising the definition of a liability as a present obligation of the entity to transfer an economic resource as a result of past events;
- Removing the probability threshold for recognition, and adding guidance on derecognition;
- Adding guidance on the information provided by different measurement bases, and explaining factors to consider when selecting a measurement basis;

2.3 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (continued)

Stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where the relevance or true representation of the financial statements would be enhanced.

The IASB and Interpretations Committee will apply the revised Framework immediately. The Group will consider the revised Framework when needed in terms of the IAS 8 hierarchy dealing with selecting accounting policies not covered by an IFRS standard.

Classification of Liabilities as Current or Non-current - Amendments to IAS 1
On 23 January 2020, the International Accounting Standards Board (IASB) issued Classification of Liabilities as Current or Non-current, which amends IAS 1 Presentation of Financial Statements. The amendments affect requirements in IAS 1 for the presentation of liabilities. Specifically, they clarify a criterion for classifying a liability as non-current. As a result of the COVID-19 pandemic, the IASB has tentatively decided to publish an exposure draft proposing to delay the effective date of the amendments by one year to annual reporting periods beginning on or after 1 January 2023. This amendment is not expected to have a material impact on the Group.

2.4 BASIS OF CONSOLIDATION

The consolidated financial statements include, on a line-by-line basis, the financial statements of all subsidiaries.

The following policies have been applied during the consolidation process:

Subsidiaries
Subsidiaries are entities controlled by the Group. Control exists where the Group is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the control commenced until the date on which the control is ceased.

Transactions eliminated on consolidation
Intra group balances and transactions and any unrealised income and expenses arising from intra group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Loss of control
When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any relating gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Foreign operations
As at the reporting date, on consolidation, the assets and liabilities of foreign subsidiaries, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency of the Group ('US$') at the rate of exchange ruling at the reporting date and their statements of comprehensive income are translated at the weighted average exchange rate for the period. The exchange differences arising in the translation on consolidation are recognised in other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

Monetary assets and liabilities that are receivable from or payable to a foreign subsidiary and for which settlement is neither planned nor likely to occur in the foreseeable future, forms part of the net investment in a foreign operation and the resulting exchange differences are recognised in other comprehensive income. The repayment of such a balance is not considered to be a partial disposal and the cumulative exchange differences recognised in other comprehensive income is not reclassified to profit and loss, until the foreign entity is disposed of.

2.5. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign currency gains and losses are reported on a net basis.

3. USE OF JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements and estimates made by management in the application of IFRS that have a significant effect on the consolidated financial statements and major sources of estimation uncertainty are disclosed in the note relevant to the specific judgement or estimate.

4. OTHER INCOME

Accounting policy: consulting fees received
Consulting fees received include geological, marketing and administration services. Income is recognised over time, using an input method to measure progress towards complete customer satisfaction.

	2021 US$	**2020 US$**
Consulting fees received (note 19)	569	28 425

5. OTHER OPERATING EXPENSES

Accounting policy: short term employee benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months from the reporting date are calculated at undiscounted amounts based on remuneration rates that the Group expects to pay as at the reporting date including related costs, such as workers compensation insurance and payroll tax. Non accumulating monetary benefits such as medical aid contributions are expensed monthly. The Group's employees do not participate in retirement benefit plans.

	2021 US$	2020 US$
Director's fees (note 19)	50 000	50 000
Employees benefits	52 928	42 821
	102 928	92 821
Administration fees (note 19)	204 213	543 187
Audit – external audit services	20 936	33 221
Bank charges and related fees	13 533	18 105
Consulting and business development cost	42 068	126 707
Depreciation	86 538	77 827
Exploration and evaluation	79 164	412 576
Health and safety	692	-
Investor relations	3 787	15 541
Insurance	3 611	1 541
Legal and professional	6 695	46 744
Office administration, rent and utilities	80 503	30 270
Telecommunications and IT related	9 759	13 307
Training	250	1 599
Travelling and accommodation	7 840	66 527
	662 517	1 479 973
Number of employees	1	8

6. FINANCE INCOME AND FINANCE COSTS

Accounting policy: Finance income

Finance income comprises interest income on funds invested. Interest income is recognised in profit or loss as it accrues using the effective interest method.

Accounting policy: Finance costs

Finance costs comprise interest expense on borrowings. Finance costs are recognised in profit or loss using the effective interest method.

	2021 US$	2020 US$
Finance income		
Interest received	-	3
Finance costs		
Interest expense: loan from related party (note 19)	(222 094)	(270 166)
Interest expense: lease liabilities	(545)	(2 753)
Interest expense: tax	(5)	-
	(222 644)	**(272 919)**

7. TAX

Accounting policy

Income tax comprises current and deferred taxes. Income tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Apart from certain limited exceptions, all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but which they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is established.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

	2021 US$	**2020 US$**
Corporate income tax for the year		
Current taxes – Cyprus current year	(22 606)	(14 185)
Current taxes – Zimbabwe current year	-	-
Tax charge*	(22 606)	(14 185)

7. TAX (continued)

The entities within the Group are taxed in the countries in which they are incorporated and operate at the relevant tax rates as follows:

	Country	2021 US$	2020 US$
Karo Mining Holdings plc	Cyprus	12.5%	12.5%
Karo Zimbabwe Holdings (Private) Limited*	Zimbabwe	-	-

* The major operating entities of the group domiciled in Zimbabwe are tax exempt for the first five years, whereafter a 15% income tax rate will apply due to being located in a special economic zone.

Reconciliation between tax charge and the accounting loss at applicable tax rates:	2021 US$	2020 US$
Loss before tax	(6 786 053)	(1 693 187)
Notional tax on profit before tax, calculated at the Cypriot income tax rate of 12.5% (2020: 12.5%)	(848 257)	(211 648)
Tax effects of:		
Tax exempt income*		
Foreign exchange gain	(31)	(3 987)
Other	-	(3 553)
Non-deductible expenses*		
Operating expenses	84 839	175 744
Fair value of financial liabilities at fair value through profit or loss	733 759	-
Interest paid	3 129	57 552
Currency losses	3 955	77
Tax charge*	(22 606)	(14 185)

* Tax exempt for the first five years, thereafter 15% income tax rate (special economic zone companies).

Tax is recognised on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the year.

Under certain conditions interest income may be subject to defence contribution at the rate of 30.0% in Cyprus. Such interest income is treated as non-taxable in the computation of corporation taxable income. In certain instances, dividends received from abroad may be subject to defence contribution at the rate of 17.0%.

Group's consolidated effective tax rate for the year ended 30 September 2021 was 0.3% (2020: 0.1%).

8. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Assets are initially measured at cost and are subsequently measured at cost less accumulated depreciation and less any accumulated impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate portion of normal production overheads. Directly attributable expenses relating to major capital projects and site preparation are capitalised until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs. Administrative and other general overhead costs are expensed as incurred.

Where an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalised when the costs can be reliably measured and if it is possible that the future economic benefits embodied within the component will flow to the Group. The carrying amount of the replaced component, if any, are derecognised.

Maintenance and day to day servicing and repairs, which neither materially add to the value of assets nor appreciably prolong their useful lives, are recognised in profit or loss.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gains 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 the statement of profit or loss when the asset is derecognised.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognised in profit or loss.

Depreciation

Depreciation is recognised in profit or loss on a straight line basis at rates that will reduce the carrying amounts to estimated residual values over the estimated useful lives of the assets. Depreciation is first charged from the date on which the assets are available for use. Leasehold improvements on premises occupied under leases are expensed over the shorter of the lease term and the useful lives.

Depreciation, unless otherwise stated, is calculated as follows:
- Plant and machinery at 10.0% pa
- motor vehicles at 20.0% pa
- computer equipment at 33.3% pa
- furniture and fittings 10.0% and 33.3% pa

No depreciation is provided on freehold land and development assets under construction.

8. PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation methods, residual values and useful lives are reviewed at least annually, and adjusted prospectively if appropriate, at each reporting date.

Exploration and evaluation expenditure

All exploration and evaluation expenditure, prior to obtaining the legal rights to explore a specific area, is recognised in profit or loss. After the legal rights to explore are obtained, exploration and evaluation expenditure, comprising the costs of acquiring prospecting rights and directly attributable exploration expenditure, is capitalised as a separate class of property, plant and equipment, on a project-by-project basis, pending determination of the technical feasibility and commercial viability.

The technical feasibility and commercial viability of extracting a mineral resource is generally considered to be determinable through a feasibility study and when proven reserves are determinable to exist. Upon determination of proven reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified to another appropriate class of property, plant and equipment. Subsequently, all cost directly incurred to prepare an identified mineral asset for production is capitalised to mine development assets. Amortisation of these assets commences once these assets are available for use. These assets will be measured at cost less accumulated amortisation and impairment losses.

Accounting policy: leases

The Group recognises a right-of-use asset at the commencement date of the contract for all leases conveying the right to control the use of identified assets for a specified period. The commencement date is the date on which a lessor makes an underlying asset available for use by the lessee.

The right-of-use assets are initially measured at cost, which comprises the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located, less any lease incentives.

Subsequent to initial measurement, the right-of-use assets are depreciated from the commencement date using the straight-line method over the shorter of the estimated useful lives of the right-of-use assets or the end of lease term. These are as follows:

Right-of-use asset	**Depreciation term in years**
Buildings and premises	Straight-line over the respective lease terms, between 2 and 5 years

After the commencement date, the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

Short-term leases and leases of low-value assets:

The Group has elected not to recognise right-of-use assets for short-term leases that have a lease term of 12 months or less and leases of low-value assets such as computer equipment.

8. PROPERTY, PLANT AND EQUIPMENT (continued)

	Plant and machinery US$	Motor vehicles US$	Computer equipment US$	Furniture and fittings US$	Right-of-use asset and building improvement US$	Total US$
Cost						
Balance at 30 September 2019	13 379	-	7 306	1 493	92 332	114 510
Additions	49 834	117 859	352	14 563	13 015	195 623
Balance at 30 September 2020	63 213	117 859	7 658	16 056	105 347	310 133
Additions	24 434	38 927	10 005	4 069	-	77 435
Balance at 30 September 2021	**87 647**	**156 786**	**17 663**	**20 125**	**105 347**	**387 568**
Accumulated depreciation						
Balance at 30 September 2019	(2 230)	-	(1 218)	-	(12 640)	(16 088)
Charge for the year	(4 459)	(19 643)	(2 484)	(2 687)	(48 554)	(77 827)
Balance at 30 September 2020	(6 689)	(19 643)	(3 702)	(2 687)	(61 194)	(93 915)
Charge for the year	(7 688)	(26 167)	(5 654)	(2 876)	(44 153)	(86 538)
Balance at 30 September 2021	**(14 377)**	**(45 810)**	**(9 356)**	**(5 563)**	**(105 347)**	**(180 453)**

Net book value	**2021 US$**	**2020 US$**
Plant and machinery	73 270	56 524
Motor vehicles	110 976	98 216
Computer equipment	8 307	3 956
Furniture and fittings	14 562	13 369
Right-of-use buildings and premises	-	44 153
	207 115	**216 218**

Capital commitments

At 30 September 2021, the Group's capital commitments for contracts to purchase property, plant and equipment amounted to US$ Nil (2020: US$ Nil.

Judgements and estimates: impairment of assets

Indicators for impairment on non-financial assets are assessed at each reporting period. Should an indication exist, individual assessments of property, plant and equipment are performed based on the technical, economic and business circumstances.

No impairment indicators were identified at 30 September 2021.

9. DEFERRED TAX ASSETS

	2021 US$'000	2020 US$'000
Deferred tax asset	6 476	6 476
Deferred tax assets		
Assessed losses	6 476	6 476
Reconciliation of deferred tax asset		
Balance at the beginning of the year	6 476	6 476
Temporary differences recognised in profit or loss in relation to:		
Tax losses available for set off against future profits	-	-
Balance at the end of the year	6 476	6 476

Deferred tax assets and deferred tax liabilities are not offset unless the Group has a legally enforceable right to offset such assets and liabilities.

No deferred tax has been recognised in relation to the losses generated in Zimbabwe due to the Group being in the period before commencement of operations in Zimbabwe and therefore it is not yet probable that taxable profit will be available in the immediate future against which the respective entities can utilise the benefits therefrom.

The estimates used to assess the recoverability of recognised deferred tax assets include a forecast of the future taxable income and future cash flow projections based on a three-year period.

10. GROUP COMPOSITION

The Company entered into an Investment Project Framework Agreement with the Republic of Zimbabwe in terms of which the Company, through any of its subsidiaries, has undertaken to establish a platinum group metals mine, concentrators, smelters, a base metal and precious metals refinery as well as power generation capacity for the operations with surplus energy capacity made available to the Zimbabwe power grid (collectively referred to as 'the Project').

The table below details the Company's direct and indirect interest in subsidiaries as at 30 September 2021 and 30 September 2020.

Company name	Effective interest	Country of incorporation and principal place of business	Principal activity
Karo Zimbabwe Holdings (Private) Limited	100%	Zimbabwe	Investment holding
Karo Platinum (Private) Limited*	100%	Zimbabwe	Platinum mining
Karo Coal Mines (Private) Limited**	100%	Zimbabwe	Coal
Karo Power Generation (Private) Limited**	100%	Zimbabwe	Power generation
Karo Refinery (Private) Limited**	100%	Zimbabwe	PGM smelting and refining

* In terms of the Investment Project Framework Agreement, 50% of the shareholding in this company is required to be transferred to an investment entity owned by the Republic of Zimbabwe, the communities and employees.

** In terms of the Investment Project Framework Agreement, 25% of the shareholding in this company is required to be transferred to an investment entity owned by the Republic of Zimbabwe, the communities and employees.

The Company entered into a Shareholders Agreement with Leto Settlement and Tharisa plc, both significant shareholders of the Company, whereby management of the Project will exclusively vest with Tharisa plc or any of its subsidiaries. Any decisions about the relevant activities require unanimous consent of the shareholders of the Company.

10. GROUP COMPOSITION (continued)

The Company issued a call option to Tharisa plc, at Tharisa plc's election, to subscribe for shares directly in Karo Platinum (Private) Limited ('Karo Platinum') by way of a farm-in agreement. In terms of the option, Tharisa plc has the right but not the obligation, to fund the exploration activities of Karo Platinum in return for a direct shareholding in Karo Platinum. As a consequence of the farm-in arrangement, Tharisa plc may at its election, in addition to its indirect shareholding of 26.8% shareholding in the Company, acquire a direct shareholding in Karo Platinum of up to 40.0% of the issued share capital of Karo Platinum.

The price payable for any new equity shares to be subscribed for in Karo Platinum will be determined with reference to an independent valuation of Karo Platinum at the time of exercising the call option in accordance with the South African code for the reporting of mineral asset valuation 'SAMVAL Code', taking into account factors including country risk and the leverage of Karo Platinum. Depending on the status of the project, the following valuation methodologies as provided for in the SAMVAL Code together with the agreed discount rates shall be applied:

- Up to an inferred resource – historical cost multiple, less a 60% discount;
- Up to a measured resource and reserve – comparable company market multiples less a 50% discount;
- On or after completion of a bankable feasibility study - income approach (which is determined using a discounted cash flow valuation) less a discount of 30%.

The Company will retain a minimum of 10% indirect shareholding in Karo Platinum should Tharisa plc exercise its farm-in option in full.

During the year ended 30 September 2021, Karo Platinum completed the mining section of the pre-feasibility study with the objective to declare a Mineral Reserve that is compliant with the SAMREC Code (2016). A detailed life of mine plan was completed to declare the Mineral Reserve estimate for the open pit operations. The Mineral Reserve estimate was derived from the Measured and Indicated Mineral Resources contained within the life of mine plan. Consequently, at 30 September 2021, a measured resource and reserve exist which in terms of the Shareholders Agreement will attract a discount of 50% to the comparable company market multiple valuation. Refer to notes 16 and 18.

11. INVENTORY

Accounting policy

Inventories comprising consumable items are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs to sell. Obsolete, redundant and slow moving inventories are identified and written down to net realisable value.

	2021 US$	2020 US$
Consumables	2 257	-

Inventories are stated at the lower of cost or net realisable value.

12. TRADE AND OTHER RECEIVABLES

Accounting policy

Trade and other receivables, prepayments, deposits and value added tax, are non-derivative financial assets categorised as financial assets measured at amortised cost.

These non-derivative financial assets are initially recognised at fair value and subsequently carried at amortised cost less allowance for impairment. Estimates made for impairment are based on a review of all outstanding amounts at year end in line with the impairment policy described below. Irrecoverable amounts are written off during the period in which they are identified.

Accounting policy: Impairment of financial asset at amortised cost

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest' ('SPPI') on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Impairment requirements are based on expected credit losses (expected credit loss model). Expected credit losses ('ECLs') are an estimate of credit losses over the life of a financial instrument and are recognised as a loss allowance or provision. The amount of ECLs to be recognised depends on the extent of credit deterioration since initial recognition.

The Group applies the expected credit loss model to all debt instruments classified as measured at amortised cost, or at fair value through other comprehensive income, including lease receivables and contract assets.

The Group considers both approaches: the general approach and the simplified approach. For trade receivables (not subject to provisional pricing) due in less than 12 months, the group applies the simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Group considers its historical credit loss experience, adjusted for forward looking factors that could indicate impairments taking into account the specific debtors and the economic environment.

The general approach requires the assessment of financial assets to be split into 3 stages:

- Stage 1: no significant deterioration in credit quality. This identifies financial assets as having a low credit risk, and the asset is considered to be performing as anticipated. At this stage, a 12-month expected credit loss assessment is required.
- Stage 2: significant deterioration in credit quality of the financial asset but no indication of a credit loss event. This stage identifies assets as under-performing. Lifetime expected credit losses are required to be assessed.
- Stage 3: clear and objective evidence of impairment is present. This stage identifies assets as non-performing financial instruments. Lifetime expected credit losses are required to be assessed.

Once a default has occurred, it is considered a deterioration of credit risk and therefore an increase in the credit risk.

The Group considers a wide variety of indicators when assessing the increase in credit risk as well as the probability of the default happening for impairment purposes. Some indicators considered include: Significant changes in the expected performance and behaviour of the debtor; past due information; significant changes in external market indicators including market information related to the debtor, existing or forecast adverse changes in business, financial or economic conditions; an actual or expected significant adverse change in the regulatory, economic, or technological environment; actual or expected significant internal credit rating downgrade or decrease; actual or expected significant change in the operating results of the debtor.

The expected credit loss value is determined as the estimated cash shortfall that would be incurred, multiplied by the probability of the default occurring

12. TRADE AND OTHER RECEIVABLES (continued)

	2021 US$	2020 US$
Trade receivables	-	2 193
Other receivables	55	100
Prepayments	13 977	66 927
Receivables from related parties (note 19)	343 586	128 118
	357 618	**197 338**

Trade and other receivables of the Group are expected to be recoverable within one year from each reporting date. Trade receivables are unsecured, non-interest bearing and payment terms vary from 0 to 120 days (2020: 0 to 120 days). No expected credit loss allowance of was recognised during the year ended 30 September 2021. Refer to note 18 or the fair value and financial risk disclosure.

The fair value of trade and other receivables measured at amortised cost approximate the carrying amount due to the short-term maturity.

The table below summarises the maturity of trade receivables:	2021 US$	2020 US$
Current	-	2 193
Less than 90 days past due but not impaired	-	-
Greater than 90 days past due but not impaired	-	-
	-	2 193

Judgements and estimates: expected credit losses ('ECL')

The Group applies a simplified approach to measure the loss allowance for trade receivables classified at amortised cost, using the lifetime expected loss provision. The expected credit loss on trade receivables is estimated using a provision matrix by reference to past default experience and credit rating if available, adjusted as appropriate for current observable data.

The following entity-specific forward-looking information was considered in estimating the ECL allowance:
- Banks credit ratings;
- Inflation; and
- Other macroeconomic leading indicators

Based on aforementioned information, available credit quality information of clients and client's past default experience, the Group did not recognise an expected credit loss allowance at 30 September 2021 (2020: no impairment allowance).

13. CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value, having been within three months of maturity at acquisition. Refer to note 11 for the impairment accounting policy.

		2021 US$	2020 US$
Bank balances		52 190	224 613
Petty cash		1 789	2 275
Cash balances		53 979	226 888
The credit exposure by bank and credit ratings are as follows:			
Nedbank	BB-	35 397	204 822
Bank of Cyprus	B-	16 793	19 791
		52 190	224 613

The amounts reflected approximate fair value.

14. SHARE CAPITAL AND RESERVES

Accounting policy: share capital

The share capital is stated at nominal value. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Share capital	**Number of Shares**	**2021 US$**	**Number of Shares**	**2020 US$**
Authorised – ordinary shares of US$1 each				
As at 30 September	1 000	1 000	1 000	1 000
Issued – ordinary shares of US$1 each				
As at 30 September	1 000	1 000	1 000	1 000

All shares rank equally with regard to the Company's residual assets. The accumulated losses include the accumulated retained profits and losses of the Group. Refer to note 20 for details of the subsequent change in share capital.

15. BORROWINGS

Accounting policy: borrowings

Borrowings are non-derivative financial liabilities categorised as other financial liabilities. Borrowings are recognised initially at fair value, net of transaction costs incurred, where applicable and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Accounting policy: leases

The Group recognises a lease liability at the commencement date of the contract for all leases conveying the right to control the use of identified assets for a specified period. The commencement date is the date on which a lessor makes an underlying asset available for use by the lessee.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include the following:
- Fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- Lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- Payments of penalties for early terminating the lease, unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, an extension or a termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

15. BORROWINGS (continued)

	2021 US$	2020 US$
Non-current		
Loan from related party (note 19)	8 353 535	8 131 441
Current		
Lease liabilities	-	26 785
	-	26 785

Loan from related party

The Company entered into a loan agreement with Arxo Finance plc, a company domiciled in Cyprus, for the purpose of funding the exploration and establishment of the Group. The loan is unsecured and interest is levied at an all-in rate of Libor plus 250 basis points. The loan facility is repayable once the Company has adequate financial resources and provided that the repayment of the loan is given priority over dividends and other distributions to the shareholders of the Company. No repayments were due by 30 September 2021. The loan is denominated in US$.

The fair value of borrowings approximates its carrying amounts as the interest rates charged are variable and considered to be market related.

Refer to note 22 detailing the subsequent change in the nature of the loan.

Lease liabilities

The Group entered into a lease arrangement for the renting of an office building. The duration of the lease was for a period of two years and payments were due at the beginning of the month. At 30 September 2021, the lease was concluded.

	2021 Loan from related party US$	2021 Lease liabilities US$	2021 Total borrowings US$	2020 Loan from related party US$	2020 Lease liabilities US$	2020 Total borrowings US$
Balance 30 September 2020/2019	8 131 441	26 785	8 158 226	5 995 241	53 363	6 048 604
Changes from financing cash flows						
Advances received	-	-	-	1 866 034	-	1 866 034
Principal lease payments	-	(26 785)	(26 785)	-	(26 578)	(26 578)
Repayment of interest	-	(545)	(545)	-	(2 753)	(2 753)
Changes from financing cash flows	-	(27 330)	(27 330)	1 866 034	(29 331)	1 836 703
Liability-related changes						
Interest expense	222 094	545	222 639	270 166	2 753	272 919
Total liability-related changes	222 094	545	222 639	270 166	2 753	272 919
Balance at 30 September 2021/2020	**8 353 535**	**-**	**8 353 535**	**8 131 441**	**26 785**	**8 158 226**
Non-current borrowings	8 353 535	-	8 353 535	8 131 441	-	8 131 441
Current borrowings	-	-	-	-	26 785	26 785
Total borrowings	**8 353 535**	**-**	**8 353 535**	**8 131 441**	**26 785**	**8 158 226**

Lease payments due:	2021 US$	2020 US$
Within one year	-	27 330
Less future finance charges	-	(545)
Present value of minimum lease payments due	-	26 785
Present value of minimum lease payments due:		
Within one year	-	26 785

16. OTHER FINANCIAL LIABILITIES

Accounting policy: Financial liabilities at fair value through profit or loss

Financial liabilities carried at fair value through profit or loss are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the financial liabilities held at fair value through profit or loss are included in the statement of profit or loss in the period in which they arise. Where management has designated to recognise a financial liability at fair value through profit or loss, any changes associated with the Group's own credit risk will be recognised in other comprehensive income.

Derecognition: Financial liabilities
The Group derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

	2021 US$	2020 US$
Option to dilute indirect shareholding in Karo Platinum (Private) Limited	5 870 069	-

The Company granted Tharisa plc the right to acquire up to 40% of the issued share capital of Karo Platinum, at a discount to the market value (refer to note 10). The right has no contractual expiry date. The liability represents the fair value loss (50% discount to the market value as the project is at a measured resource and reserve stage) of the discount on the purchase (refer to note 18).

17. TRADE AND OTHER PAYABLES

Accounting policy

Trade and other payables, excluding payroll creditors and leave pay accruals are non-derivative financial liabilities categorised as other financial liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

	2021 US$	2020 US$
Trade payables	79 263	68 993
Accrued expenses	29 752	-
Salary accruals	21 250	13 787
Leave pay accrual	3 009	2 429
Other payables	109 884	110 087
Payables to related parties (note 19)	1 640 694	970 949
	1 883 852	**1 166 245**

The amounts above are unsecured, non-interest bearing and payable within one year from the reporting period. The amounts reflected above approximate fair value, due to the short-term thereof. Refer to note 19 for related party disclosures.

18. FINANCIAL RISK MANAGEMENT

Accounting policy: Financial instruments

The Group classifies its financial instruments in the following categories:
- At fair value through profit or loss
- At fair value through other comprehensive income
- At amortised cost

The Group determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Group's business model for managing the financial assets and their contractual cash flow characteristics. Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as derivatives) or the Group has designated to measure them at fair value through profit or loss.

18. FINANCIAL RISK MANAGEMENT (continued)

The following table presents the classification of the Group's financial instruments:

Financial assets	**Classification**
Trade and other receivables	Amortised cost
Cash and cash equivalents	Amortised cost

Financial liabilities	**Classification**
Borrowings	Amortised cost
Other financial liabilities	Fair value through profit or loss
Trade and other payables	Amortised cost

In the ordinary course of business the Group is exposed to credit risk, liquidity risk, and market risk. This note presents information about the Group's exposure to each of the above risks and its objectives, policies and processes for measuring and managing risks. Further quantitative disclosures are included throughout this note.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other receivables and cash and cash equivalents.

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, as these factors may have an influence on credit risk. In monitoring customer credit risk, management reviews on a regular basis the ageing of trade and other receivables to obtain comfort that there are no past due amounts without acceptable mitigating credit information available.

The Group establishes an allowance for credit losses that represents its estimate of expected credit losses in respect of trade and other receivables. The Group applies a simplified approach to measure the loss allowance for trade receivables, using the lifetime expected loss provision. The expected credit loss on trade receivables is estimated using a provision matrix by reference to past default experience and credit rating if available, adjusted as appropriate for current observable data.

The main component of the allowance for credit losses (if applicable) is a specific loss component that relates to individually significant exposures. As at 30 September 2021 and 30 September 2020, none of the carrying amounts of trade and other receivables is either past due or impaired, for which an allowance for credit losses is necessary. Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default and for who no current observable adverse credit information is available.

The allowance for credit losses in respect of trade and other receivables is used to record credit losses unless management is satisfied that no recovery of the amount owing is possible and at that point the amount considered irrecoverable is written off against the financial asset directly.

The most significant exposure of the Group to credit risk is represented by the carrying amount of trade receivables. Management performs regular ageing reviews of trade receivables to identify any doubtful balances. Based on the review performed for the reporting period, Management concluded that no allowance for credit losses is required in respect of trade receivables.

18. FINANCIAL RISK MANAGEMENT (continued)

Cash and cash equivalents
The Group limits its exposures on cash and cash equivalents by dealing only with well established financial institutions of high quality credit standing. The majority of the Group's cash resources were deposited with Nedbank based in Zimbabwe and South Africa.

The maximum exposure to credit risk at the reporting date of the consolidated financial statements was:

	2021 US$	2020 US$
Trade and other receivables	357 618	197 338
Cash and cash equivalents	53 979	226 888
	411 597	**424 226**

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Management is aware of the above risk. Liquidity risk is monitored on a regular basis and management is taking steps deemed necessary in an attempt to manage the corresponding risk. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, financial risk management may not be possible for instances where weakened commodity prices persist, forecast production not being achieved and further funding is not raised.

The following table presents the remaining contractual maturities of the Group's financial liabilities at the end of the reporting period, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

Contractual undiscounted cash flow

30 September 2021	Within 1 year or on demand US$	More than 1 year but less than 2 years US$	More than 2 years but less than 5 years US$	More than 5 years US$	Total US$	Carrying amount US$
Loan from related party	-	-	-	8 353 535	8 353 535	8 353 535
Trade and other payables	1 883 852	-	-	-	1 883 852	1 883 852
	1 883 852	**-**	**-**	**8 353 535**	**10 237 387**	**10 237 387**
30 September 2020						
Loan from related party	-	-	-	8 131 441	8 131 441	8 131 441
Lease liabilities	27 330	-	-	-	27 330	26 785
Trade and other payables	1 166 245	-	-	-	1 166 245	1 166 245
	1 193 575	**-**	**-**	**8 131 441**	**9 325 016**	**9 324 471**

18. FINANCIAL RISK MANAGEMENT (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income and the values of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency.

The Group is exposed to currency risk on transactions that are denominated in a currency other than the respective functional currency of the Group entities. These currency risk exposures arise primarily from exchange rate movements in ZAR, ZWL and US$. Management is aware of this risk. Currency risk arising from currency fluctuations is monitored on a regular basis and management is taking steps deemed necessary in managing the corresponding risk. These steps may include to enter, from time to time, into forward exchange contracts within board-approval limits. Financial risk management may not be possible for instances where weakened commodity prices persist, forecast production not being achieved and further funding is not raised.

The following table details the Group's exposure at the end of each reporting period to currency risk arising from recognised assets and liabilities denominated in a currency other than the functional currency of the entity to which they relate. Exposures in US$ relate to recognized assets and liabilities denominated in US$ of entities of the Group that have a functional currency other than US$. For presentation purposes, the amounts of the exposure are shown in US$, translated using the spot rate at the reporting date.

At the reporting date the Group's exposure to currency risk was as follows:

	2021			2020		
	EUR	**ZAR**	**ZWL**	**EUR**	**ZAR**	**ZWL**
Amounts in US$						
Deferred tax asset	6 476	-	-	6 476	-	-
Trade and other receivables	130	-	-	-	-	-
Cash and cash equivalents	2 673	-	2 957	19 790	-	376
Trade and other payables	(30 463)	(338 221)	(118 415)	(27 667)	(306 820)	(112 372)
Income tax	(8 216)	-	-	-	-	-
	(29 400)	**(338 221)**	**(115 458)**	**(1 401)**	**(306 820)**	**(111 996)**

A 10.0% strengthening of the US$ against the above currencies at the reporting date would have changed profits and equity by the amounts presented on the next page. This analysis assumes that all other variables, and in particular interest rates, remain constant. The analysis has been performed on the same basis for each reporting date.

18. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

	Profit or loss 2021 US$	2020 US$
EURO	2 672	127
ZAR	34 097	30 957
ZWL	12 096	11 750
	48 865	**42 834**

Interest rate risk

Interest rate risk is the Group's exposure to adverse movements in interest rates. It arises as a result of timing differences on the repricing of assets and liabilities. Management is aware of the above risk. Interest rate risk is monitored on a regular basis and management is taking steps deemed necessary managing the corresponding risk. As at the reporting date, the interest rate profile of the Group was as follows

	2021	2020	2021 US$	2020 US$
Variable rate financial assets				
Cash and cash equivalents	0% - 0.10%	0%	52 190	226 888

	2021	2020	2021 US$	2020 US$
Variable rate financial liabilities				
Lease liabilities	10%	10%	-	26 785
Loan from related party	3-month US LIBOR + 2.5%	3-month US LIBOR + 2.5%	8 353 535	8 131 441
			8 353 535	**8 158 226**

A change of 100 basis points in interest rates at each reporting date would have changed profits and equity by the amounts presented below. This analysis assumes that all other variables, and in particular foreign currency rates, remain constant. The analysis has been performed on the same basis for each reporting date.

	2021 Increase/ (decrease) in profit or loss and equity US$	2020 Increase/ (decrease) in profit or loss and equity US$
Cash and cash equivalents	1 194	1 043
Lease liabilities	(134)	(401)
Loan from related party	(83 284)	(75 352)
	(82 224)	**(74 710)**

A decrease of 100 basis points in interest rates at each reporting date would have had an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant besides cash and cash equivalents which would have had no impact due to the lower US$ deposit rates.

18. FINANCIAL RISK MANAGEMENT (continued)

Fair values

The Board of Directors considers that the fair values of significant financial assets and financial liabilities approximate to their carrying values at each reporting date.

Financial instruments carried at fair value:
The following table presents the carrying values of financial instruments measured at fair value at the end of each reporting period across the three levels of the fair value hierarchy defined in IFRS 13, Fair Value Measurement, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement.

The levels are defined as follows:
Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments (highest level).
Level 2: fair values measured using quoted prices in active markets for similar financial instruments or using valuation methodologies in which all significant inputs are directly or indirectly based on observable market data.
Level 3: air values measured using valuation methodologies in which any significant inputs are not based on observable market data.

Financial liabilities measured at fair value	Fair value level	Fair value 2021 US$'000	2020 US$'000	Valuation technique and key inputs
Option to reduce indirect shareholding in Karo Platinum (Private) Limited	Level 3	5 870 069	-	Comparable company market multiple valuation and a Monte Carlo Simulation model

Fair value gains and losses recognised in the financial instruments during the year:

	2021 US$'000	2020 US$'000
Changes in fair value of financial liabilities at fair value through profit or loss		
Option to reduce indirect shareholding in Karo Platinum (Private) Limited	5 870 069	-

Level 3: Option to reduce indirect shareholding in Karo Platinum (Private) Limited
Refer to note 10, the Group has the option to subscribe for up to 40.0% of the issued share capital of Karo Platinum (Private) Limited ('Karo Platinum'). The price payable for any new equity shares will be determined with reference to an independent valuation of Karo Platinum at the time in accordance with the South African Code for the Reporting of a Minerals Asset Valuation ('SAMVAL code'), taking into account factors including country risk. A discount, determined by the status of the exploration work is to be applied to the independent valuation to arrive at the purchase consideration.

The option represents a financial instrument which is recognised at fair value through profit or loss. As at 30 September 2021, Karo Platinum completed a pre-feasibility study confirming the existence of a Measured Resource and Reserve.

18. FINANCIAL RISK MANAGEMENT (continued)

At 30 September 2021, The Group performed an independent valuation of Karo Platinum in accordance with the SAMVAL code. In determining the valuation, the comparable company market multiple valuation technique was used. Consequently a 50.0% discount should be applied to the option value to subscribe to shares in Karo Platinum. The following significant inputs were used in determining the value:

Mineral Resource Category	Total tonnage in Resource area (Mt)	4E Grade (g/t)	4E Moz	Value (US$/oz)	Estimated value (US$'million)
Proven and probable	36	2.18	2.48	58.0	143.7
Indicated	47	1.96	2.71	14.4	39.0
Inferred	53	1.83	3.13	6.9	21.6
Combined	**136**	**1.99**	**8.32**	**24.6**	**204.3**

Mt:	million tonnes
4E	represents Platinum, Palladium, Rhodium and Gold
Moz	million ounces

The Monte-Carlo simulation was used in determining the enterprise valuation of Karo Platinum. The following significant inputs were used:

Valuation of Karo Platinum:	US$204.3 million	Comparable company valuation technique
Volatility:	53.8%	Based on peer volatility
Drift:		14.1% Based on the US risk free rate
Time step	8.3%	Monthly time intervals
Discount rate:	14.1%	Based on the US risk free rate including country risk for Zimbabwe

Level 3: Option to reduce indirect shareholding in Karo Platinum (Private) Limited (continued)

Calculated enterprise value:	US$203.7 million
Equity value attributable to the Group (40.0%)	US$81.5 million

In order to determine the purchase consideration of Karo Platinum, the net debt of Karo Platinum was deducted from the calculated enterprise value to determine the equity value of Karo Platinum. A minority discount of 7.5% was applied to the equity value before the 50.0% discount was applied to determine the purchase consideration.

Purchase consideration: US$36.3 million

Tharisa plc's shareholding in the Company at the balance sheet date was 26.8%. By subscribing directly to 40.0% of the issued share capital of Karo Platinum and including the Government of Zimbabwe's 50.0% shareholding, Tharisa plc's indirect shareholding in Karo Platinum held through the Company will dilute to 2.68%. The equity value of the Company and its subsidiaries pre and post exercising the option was calculated in order to determine the impact of the dilution.

Loss of investment through indirect shareholding US$39.3 million

Calculation of fair value of the option:	
Equity value attributable to the Group (40.0%)	US$81.5 million
Less purchase consideration:	US$36.3 million
Less loss of investment held through indirect shareholding	US$39.3 million
Fair value of option to acquire shares:	US$5.9 million

18. FINANCIAL RISK MANAGEMENT (continued)

A potential decrease in the value of the project and consequently a decrease in the fair value of the option will be recognised as a fair value loss in the statement of profit or loss.

A sensitivity analysis was performed on the option value with the following results in the fair value of the option:

Sensitivity	Option value US$'million	Decrease in profit or loss and equity US$'million
Volatility less 10.0%	5.6	(0.3)
Volatility plus 10.0%	5.7	(0.2)
Drift minus 1.0%	5.6	(0.3)
Drift plus 1.0%	5.5	(0.4)

19. RELATED PARTY TRANSACTIONS AND BALANCES

Accounting policy: Related party transactions

A party is considered to be related to the Group if:

- the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- the Group and the party are subject to common control;
- the party is an associate of the Group or a joint venture in which the Group is a venturer;
- the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such individual, or is an entity under the control, joint control or significant influence of such individuals;
- the party is a close family member of a party referred to in the first bullet point above or is an entity under the control, joint control or significant influence of such individuals; or
- the party is a post employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the Group.

In the normal course of the business, the Group enters into various transactions with related parties. Related party transactions exist between shareholders, joint ventures, directors, directors of subsidiaries and key management personnel. Outstanding balances at the year-end are unsecured and settlement occurs in cash. All intergroup transactions have been eliminated on consolidation.

19. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	2021 US$	2020 US$
Receivables from related parties (note 12)		
Tharisa plc	29 307	34 165
Tharisa Administration Services Limited	179 411	93 953
Salene Chrome Zimbabwe (Private) Limited	134 868	-
	343 586	**128 118**
Payables to related parties (note 17)		
Amounts owing to Shawn McCormack (Director fees)	10 728	10 400
Tharisa plc	796 644	347 551
Tharisa Minerals (Proprietary) Limited	78 944	73 132
Braeston (Proprietary) Limited	259 277	233 688
Tharisa Administration Services Limited	489 324	306 178
Arxo Finance plc	4 589	-
Salene Chrome Zimbabwe (Private) Limited	1 188	-
	1 640 694	**970 949**
Loan from related party (note 15)		
Arxo Finance plc	**8 353 535**	**8 131 441**
Other income (note 4)		
Tharisa plc	**569**	**28 425**
Advisory and administrative fees paid (note 5)		
Braeston (Proprietary) Limited	-	234 781
Tharisa Administration Services Limited	204 213	306 179
Tharisa Minerals (Proprietary) Limited	-	2 227
	204 213	**543 187**
Interest expense (note 6)		
Arxo Finance plc	**222 094**	**270 166**
Directors fees (note 5)		
Shaun McCormack	50 000	50 000

Relationships between parties:

Tharisa plc
A significant shareholder of the Company.

Braeston Proprietary Limited, Tharisa Minerals Proprietary Limited, Tharisa Administration Services Limited and Arxo Finance plc
These entities are all wholly-owned indirect and direct subsidiary companies of Tharisa plc.

20. CONTINGENT LIABILITIES

As at 30 September 2021, there is no litigation (2020: no litigation), current or pending, which is considered likely to have a material adverse effect on the Group.

21. CAPITAL COMMITMENTS AND GUARANTEES

There are no commitments at the respective reporting periods.

22. EVENTS AFTER THE REPORTING PERIOD

Accounting policies: Events after the reporting period
Assets and liabilities are adjusted for events that occurred during the period from the reporting date to the date of approval of the financial statements by the Board of Directors, when these events provide additional information for the valuation of amounts relating to events existing at the reporting date or imply that the going concern concept in relation to part or whole of the Group is not appropriate.

During the year ended 30 September 2021, Karo Platinum (Private) Limited completed the mining section of the pre-feasibility study with the objective to declare a Mineral Reserve that is compliant with the SAMREC Code (2016). A detailed life of mine plan was completed to declare the Mineral Reserve estimate for the open pit operations. The Mineral Reserve estimate was derived from the Measured and Indicated Mineral Resources contained within the life of mine plan.

On 17 January 2022, the Company's authorised share capital was increased from US$1 000 divided into 1.000 ordinary shares of US$1 each, to US$5 000 divided into 5 000 ordinary shares of US$1 each, by the creation of an additional 4 000 ordinary shares of US$1 each.

On 7 February 2022, the Company issued an additional 22 new ordinary shares for a cash subscription of US$5.0 million to Tharisa plc. The additional shares issued represented 1.58% of the issued share capital of the Company which increased Tharisa plc's shareholding to 28.38%.

On 30 March 2022, Tharisa plc acquired a controlling interest in the Company by increasing its shareholding to 66.34% of the issued share capital of the Company. The additional 37.96% of the issued share capital of the Company was acquired for a purchase consideration of US$29.4 million.

On 19 May 2022, the loan payable to Arxo Finance plc was converted to ordinary shares of the Company. The Company issued an additional 38 new ordinary shares to Tharisa plc as consideration. The additional shares issued represented 1.21% of the issued share capital of the Company which increased Tharisa plc's shareholding to 67.55%.

On 2 June 2022, the Company issued an additional 44 new ordinary shares for a cash subscription of US$9.9 million to Tharisa plc. The additional shares issued represented 1.29% of the issued share capital of the Company which increased Tharisa plc's shareholding to 68.84%.

On 18 July 2022, the Company's authorised share capital was increased to US$50 000 divided into 49 000 ordinary shares of US$1 each and 1 000 redeemable preference shares of US$1 each.

On 10 August 2022, the Company issued an additional 45 new ordinary shares for a cash subscription of US$10.2 million to Tharisa plc. The additional shares issued represents 1.22% of the issued share capital of the Company which increased Tharisa plc's shareholding to 70.06%.

On 22 August 2022, the Company issued 5 redeemable preference shares at US$1 each.

On 7 September 2022 and following the increase of the ordinary shares, 44 051 new ordinary shares were issued to shareholders at US$1 each reducing Tharisa plc's shareholding in the Company to 69.98%.

22. EVENTS AFTER THE REPORTING PERIOD (continued)

The Company, formerly Karo Mining Holdings Limited, was converted to a public company on 9 September 2022.

The call option that existed at 30 September 2021 allowing Tharisa plc, at its election, to directly subscribe for shares in Karo Platinum (Private) Limited (up to 40.0% of the issued share capital of Karo Platinum) by way of a farm-in agreement was restructured on 30 March 2022 and replaced by the acquisition of the additional 37.96% in the Company at a discount to the fair value.

On 30 March 2022, the Investment Project Framework Agreement entered into between the Republic of Zimbabwe, the Leto Settlement and Tharisa plc was amended by changing the shareholding in Karo Platinum (Private) Limited ('Karo Platinum'), an indirect subsidiary of the Company to 85.0% by Karo Zimbabwe Holdings (Private) Limited and 15.0% by the Republic of Zimbabwe, on a free funded carry basis. Before the amendment, the Republic of Zimbabwe was entitled to a 50.0% shareholding in Karo Platinum. The remaining entities are all indirect wholly-owned subsidiaries of the Company.

The Board of Directors is not aware of any other matter or circumstance arising since the end of the financial year that will impact these financial results.

23. GOING CONCERN

Tharisa plc initially provided funding to the Group to meet its obligations. A loan facility of US$8 million was utilised to fund the initial exploration activities. Subsequent to 30 September 2021, Tharisa plc subscribed to additional share capital in the Company to the value of US$33.6 million (refer to note 22). Consequently, the directors consider that, as at the date of approval of the consolidated financial statements, the financial support from Tharisa plc comprises of adequate funding and funding resources for the Group to continue to operate for the foreseeable future and has continued to adopt the going-concern basis in the preparation of the Group's consolidated financial statements. Tharisa plc has issued a financial support commitment to the Company confirming that it will continue to provide funding to the Company and the Group in order to enable it to continue as a going concern and meet all its liabilities as the fall due.

KARO MINING HOLDINGS plc
(REGISTRATION NUMBER: HE380340)
COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 30 September 2021

	Notes	2021 US$	2020 US$
Foreign exchange gain/(loss)		250	(615)
Operating expenses	4	(62 096)	(125 088)
Operating loss		(61 846)	(125 703)
Finance income	5	439 060	457 664
Finance costs	5	(222 100)	(271 597)
Profit before tax		155 114	60 364
Tax	6	(22 606)	(14 185)
Profit for the year		**132 508**	**46 179**
Other comprehensive income		**-**	**-**
Total comprehensive income for the year		**132 508**	**46 179**

The notes on pages 52 to 70 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
as at 30 September 2021

	Notes	2021 US$	2020 US$
Assets			
Non-current assets			
Investment in subsidiaries	7	100	100
Deferred tax asset	8	6 476	6 476
Loan receivable	9	8 713 534	8 274 474
Total non-current assets		**8 720 110**	**8 281 050**
Current assets			
Trade and other receivables	10	662 930	300 000
Cash and cash equivalents	11	16 793	21 766
Total current assets		679 723	321 766
Total assets		**9 399 833**	**8 602 816**
Equity and liabilities			
Share capital	12	1 000	1 000
Retained (loss)/earnings		199 246	66 738
Total equity		**200 246**	**67 738**
Non-current liabilities			
Borrowings	13	8 353 535	8 131 441
Total borrowings		**8 353 535**	**8 131 441**
Current liabilities			
Trade and other payables	14	837 836	400 620
Current tax		8 216	3 017
Total current liabilities		**846 052**	**403 637**
Total liabilities		**9 199 587**	**8 535 078**
Total equity and liabilities		**9 399 833**	**8 602 816**

The financial statements were authorised for issue by the Board of Directors on 30 September 2022.

P Pouroulis
Director

MG Jones
Director

The notes on pages 52 to 70 are an integral part of these financial statements.

[signed on original]

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 September 2021

	Share capital US$	Retained earnings/ (loss) US$	Total equity US$
Balance at 1 October 2019	1 000	20 559	21 559
Total comprehensive income for the year			
Profit for the year	-	46 179	46 179
Total comprehensive income for the year	**-**	**46 179**	**46 179**
Balance at 30 September 2020	**1 000**	**66 738**	**67 738**
Total comprehensive income for the year			
Loss for the year	-	132 508	132 508
Total comprehensive loss for the year	**-**	**132 508**	**132 508**
Balance at 30 September 2021	**1 000**	**199 246**	**200 246**

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 17% will be payable on such deemed dividend to the extent that the ultimate shareholders at the end date of the period of two years from the end of the year of assessment to which the profits refer are both Cypriot tax residents and Cypriot domiciled entities. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the company for the account of the shareholders. These provisions do not apply for ultimate beneficial owners that are non-Cypriot tax resident individuals. Retained earnings is the only reserve that is available for distribution.

The notes on pages 52 to 70 are an integral part of these financial statements.

STATEMENT OF CASHFLOWS
for the year ended 30 September 2021

	Notes	2021 US$	2020 US$
Cash flows from operating activities			
Profit before tax		155 114	60 364
Adjustments for:			
Interest income	5	(439 060)	(457 664)
Interest expenses	5	222 100	271 597
Foreign exchange (gain)/loss		(250)	615
		(62 096)	**(125 088)**
Changes in:			
Trade and other receivables	10	(358 813)	(293 961)
Trade and other payables	14	433 099	282 455
Cash flows used in operations		12 190	(136 594)
Income tax paid		(17 407)	(11 168)
Net cash flows used in operating activities		**(5 217)**	**(147 762)**
Cash flows from investing activities			
Increase in loan receivable	9	-	(1 700 966)
Net cash flows from investing activities		**-**	**(1 700 966)**
Cash flows from financing activities			
Proceeds from borrowings	13	-	1 866 034
Interest paid	5	(6)	(1 431)
Net cash flows used in financing activities		**(6)**	**1 864 603**
Net (decrease)/increase in cash and cash equivalents		**(5 223)**	**15 875**
Cash and cash equivalents at the beginning of the year		21 766	6 506
Effect of exchange rate fluctuations on cash held		250	(615)
Cash and cash equivalents at the end of the year	**11**	**16 793**	**21 766**

The notes on pages 52 to 70 are an integral part of these financial statements.

1. INCORPORATION AND PRINCIPAL ACTIVITIES

Karo Mining Holdings plc ('The Company') is the investment holding company in Cyprus for the Karo Zimbabwe Group of companies. The principal activity of the Company is that of an investment holding company. Its direct and indirect subsidiaries include Karo Zimbabwe Holdings (Private) Limited, Karo Platinum (Private) Limited, Karo Power Generation (Private) Limited, Karo Refining Private (Limited) and Karo Coal Mines (Private) Limited (collectively referred to as 'the Group'). The Group operates an exploration and mining company in all aspects, specifically in the PGMs industry and a solar power generation company. Karo Mining Holdings plc is incorporated in Cyprus under registration number HE 380340. The Company commenced operations during the year ended 30 September 2018. The principal activity of the Company is that of an investment holding company.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out below. Where an accounting policy is specific to a note, the policy is described in the note which it relates to. These policies have consistently been applied to all the years presented.

2.1. BASIS OF PREPARATION

Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113.

These financial statements are the separate financial statements of the Company. The Company has also prepared consolidated financial statements in accordance with IFRSs for the Company and its subsidiaries ('the Group'). The consolidated financial statements can be obtained from Sofoklis Pittokopitis Business Center Office 108-110, 17 Neophytou Nicolaides & Kilkis Street, 8011, Paphos, Cyprus.

Users of these separate financial statements of the Company should read them together with the Group's consolidated financial statements as at and for the year ended 30 September 2021 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and its subsidiaries.

Basis of measurement
The financial statements are prepared on the historical cost basis, except as otherwise stated in the accounting policies set out below.

Functional and presentation currency
The financial statements are presented in United States Dollars ('US$') which is the functional and presentation currency of the Company.

Going concern
After making enquiries which include reviews of current cash resources, forecasts and budgets, timing of cash flows, borrowing facilities and sensitivity analyses and considering the associated uncertainties to the Company's operations, the Directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements which assumes that the Company will be able to meet its liabilities as they fall due for the foreseeable future.

Refer to note 15 for statements on the Company's objectives, policies and processes for managing its capital, details of its financial instruments, its exposures to market risk in relation to equity prices and foreign exchange risks, interest rate risk, credit risk and liquidity risk.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation

Transactions in foreign currencies are translated to the respective functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Foreign currency gains and losses are reported on a net basis.

Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

2.2 STANDARDS AND INTERPRETATIONS ADOPTED IN THE CURRENT YEAR

The Company has adopted the following new and/or revised standards and interpretations which became effective for the year ended 30 September 2021:

- IFRIC 23 – Uncertainty over Income Tax Treatment
- IAS 23 – Borrowing Costs (Amendment)

The nature and effect of the changes as a result of the adoption of these new accounting standards are described below. The adoption of all other standards, amendments or interpretations had no impact on the results for the year ended 30 September 2021.

IFRIC 23 – Uncertainty over Income Tax Treatment

This new interpretation standard clarifies application of recognition and measurement requirements in IAS 12 – Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: whether an entity considers uncertain tax treatments separately, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and how an entity considers changes in facts and circumstances.

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex mining tax environment, it assessed whether the interpretation had an impact on its consolidated financial statements. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions, particularly those relating to mining tax. The Group determined, based on its tax compliance assessment, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The interpretation did not have an impact on the consolidated financial statements.

IAS 23 – Borrowing Costs (Amendment)

The amendment clarifies that an entity treats as part of general borrowings and borrowings originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments.

This amendment was taken into account when determining general borrowing costs which can be capitalised to qualifying assets in accordance with the transitional provisions. Since the Group's current practice is in line with these amendments, it had no impact on the consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following new standards, interpretations and amendments to standards are not effective and have not been early adopted, but will be adopted once these new standards, interpretations and amendments become effective:

IFRS 3 – Business Combinations (Amendment)
The IASB issued amendments to the definition of a business in IFRS 3 – Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. It clarifies the minimum requirements for a business, removes the assessment of whether market participants are capable of replacing any missing elements, includes guidance to help entities assess whether an acquired process is substantive, narrows the definitions of a business and of outputs, and introduce an optional fair value concentration test.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on transition.

IAS 1 and IAS 8 – Definition of material (Amendment)
During October 2018, the IASB issued amendments to IAS 1 – Presentation of Financial Statement ('IAS 1') and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ('IAS 8') 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 entity.

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. The definition of material in the Conceptual Framework and IFRS Practice Statement 2: Making Materiality Judgements were amended to align with the revised definition of materiality in IAS 1 and IAS 8. The amendments are effective for reporting periods beginning on or after 1 January 2020 and must be applied prospectively. Early application is permitted and must be disclosed.

Although the amendments to the definition of material are not expected to have a significant impact on the Group's consolidated financial statements, the introduction of the term obscuring information in the definition could potentially impact how materiality judgements are made in practice, by elevating the importance of how information is communicated and organised in the financial statements.

Conceptual Framework
The IASB revised its Conceptual Framework. The primary purpose of the Framework is to assist the IASB (and the Interpretations Committee) by identifying concepts that it uses when setting standards.

Key changes include:
- Increasing the prominence of stewardship in the objective of financial reporting, which is to provide information that is useful in making resource allocation decisions;
- Reinstating prudence, defined as the exercise of caution when making judgements under conditions of uncertainty, as a component of neutrality;
- Defining a reporting entity, which might be a legal entity or a portion of a legal entity;
- Revising the definition of an asset as a present economic resource controlled by the entity as a result of past events;
- Revising the definition of a liability as a present obligation of the entity to transfer an economic resource as a result of past events;
- Removing the probability threshold for recognition, and adding guidance on derecognition;
- Adding guidance on the information provided by different measurement bases, and explaining factors to consider when selecting a measurement basis;

Stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where the relevance or true representation of the financial statements would be enhanced.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The adoption of the revised Conceptual Framework will not have a material impact on the Company.

The IAS and Interpretations Committee will apply the revised Framework immediately. The Group will consider the revised Framework when needed in terms of the IAS 8 hierarchy dealing with selecting accounting policies not covered by an IFRS standard

Classification of Liabilities as Current or Non-current - Amendments to IAS 1
On 23 January 2020, the International Accounting Standards Board (IASB) issued Classification of Liabilities as Current or Non-current, which amends IAS 1 Presentation of Financial Statements. The amendments affect requirements in IAS 1 for the presentation of liabilities. Specifically, they clarify a criterion for classifying a liability as non-current. As a result of the COVID-19 pandemic, the IASB has tentatively decided to publish an exposure draft proposing to delay the effective date of the amendments by one year to annual reporting periods beginning on or after 1 January 2023. This amendment is not expected to have a material impact on the Group.

3. USE OF JUDGEMENTS AND ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements and estimates made by management in the application of IFRS that have a significant effect on the financial statements and major sources of estimation uncertainty are disclosed in each note it relates to.

4. OPERATING EXPENSES

Accounting policy: short term employee benefits
Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months from the reporting date are calculated at undiscounted amounts based on remuneration rates that the Group expects to pay as at the reporting date including related costs, such as workers compensation insurance and payroll tax. Non accumulating monetary benefits such as medical aid contributions are expensed monthly. The Group's employees do not participate in retirement benefit plans.

	2021 US$	2020 US$
Directors' fees (note 16)	50 000	50 000
Audit fees	2 473	13 813
Bank charges	1 891	4 008
Consultancy costs	-	1 627
IT and communication costs	14	258
Investor relations	-	15 000
Legal costs	-	14 627
Professional fees	5 259	4 372
Travel and entertainment	-	18 773
Other	2 459	2 610
	62 096	**125 088**

5. FINANCE INCOME AND FINANCE COSTS

Accounting policy: finance income
Finance income comprises interest income on funds invested. Interest income is recognised as it accrues using the effective interest method.

Accounting policy: Finance costs
Finance costs comprise interest expense on borrowings. Finance costs are recognised in profit or loss using the effective interest method.

Finance income	2021 US$	2020 US$
Interest income – loans from subsidiary company (note 16)	439 060	457 664
Finance costs		
Interest expense: related party loan (note 16)	(222 094)	(270 166)
Interest expense: other	(6)	(1 431)
	(222 100)	**(271 597)**

6. TAX

Accounting policy

Income tax comprises current and deferred taxes. Income tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Apart from certain limited exceptions, all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward.

The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Company controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but which they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is established.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

6. TAX (continued)

	2021 US$	2020 US$
Current tax – current year	22 606	-
Deferred tax	-	14 185
	22 606	14 185

Current tax comprises corporation tax at a rate of 12.5% (2020: 12.5%).

Tax rate reconciliation

	2021 US$	2020 US$
Profit before tax	155 114	60 364
Tax calculation at 12.5%	19 389	7 546
Tax effect of:		
Notional interest	3 129	-
Non-deductible expenditure	119	6 562
Currency (gain)/loss	(31)	77
	22 606	**14 185**

Significant judgement: Taxes
Judgement is required in determining the liability for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws.

7. INVESTMENTS IN SUBSIDIARIES

Accounting policy
Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Accounting policy: impairment of non-financial assets
The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its related CGU exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs (group of units) and then, to reduce the carrying amount of the other assets in the CGU (group of units) on a pro rata basis.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash inflows of the other assets of the CGU.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed through profit or loss if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

	2021 US$	**2020 US$**
Unlisted ordinary shares	100	100

The following table contains the particulars of the direct subsidiary of the Company.

Name	**Country of establishment/ incorporation and operation**	**Principal activities**	**2021 Holding %**	**2020 Holding %**	**Date of incorporation/ establishment/ acquisition**	**Particulars of issued and paid up capital and other securities**	**Type of entity**
Karo Zimbabwe Holdings (Private) Limited	Zimbabwe	Investment holding company	100	100	14/03/2018	100 ordinary shares of US$1 each	Limited liability company

The subsidiary companies of Karo Zimbabwe Holdings (Private) Limited have interests in mining rights and Zimbabwe.

Judgement and estimates: recoverability of investment in subsidiaries and other receivables
The recoverable amounts of the Company's investment in subsidiaries and other receivables have been based on historical cost.

The Company entered into an Investment Project Framework Agreement with the Republic of Zimbabwe in terms of which the Company, through any of its subsidiaries, has undertaken to establish a platinum group metals mine, concentrators, smelters, a base metal and precious metals refinery as well as power generation capacity for the operations with surplus energy capacity made available to the Zimbabwe power grid (collectively referred to as 'the Project').

7. INVESTMENTS IN SUBSIDIARIES (continued)

The Company entered into a Shareholders Agreement with Leto Settlement and Tharisa plc, both significant shareholders of the Company, whereby management of the Project will exclusively vest with Tharisa plc or any of its subsidiaries. Any decisions about the relevant activities require unanimous consent of the shareholders of the Company.

The Company issued a call option to Tharisa plc, at Tharisa plc's election, to subscribe for shares directly in Karo Platinum (Private) Limited ('Karo Platinum') by way of a farm-in agreement. In terms of the option, Tharisa plc has the right but not the obligation, to fund the exploration activities of Karo Platinum in return for a direct shareholding in Karo Platinum. As a consequence of the farm-in arrangement, Tharisa plc may at its election, in addition to its indirect shareholding of 26.8% shareholding in the Company, acquire a direct shareholding in Karo Platinum of up to 40.0% of the issued share capital of Karo Platinum.

The price payable for any new equity shares to be subscribed for in Karo Platinum will be determined with reference to an independent valuation of Karo Platinum at the time of exercising the call option in accordance with the South African code for the reporting of mineral asset valuation 'SAMVAL Code', taking into account factors including country risk and the leverage of Karo Platinum. Depending on the status of the project, the following valuation methodologies as provided for in the SAMVAL Code together with the agreed discount rates shall be applied:

- Up to an inferred resource – historical cost multiple, less a 60% discount;
- Up to a measured resource and reserve – comparable company market multiples less a 50% discount;
- On or after completion of a bankable feasibility study - income approach (which is determined using a discounted cash flow valuation) less a discount of 30%.

The Company will retain a minimum of 10% indirect shareholding in Karo Platinum should Tharisa plc exercise its farm-in option in full.

During the year ended 30 September 2021, Karo Platinum completed the mining section of the pre-feasibility study with the objective to declare a Mineral Reserve that is compliant with the SAMREC Code (2016). A detailed life of mine plan was completed to declare the Mineral Reserve estimate for the open pit operations. The Mineral Reserve estimate was derived from the Measured and Indicated Mineral Resources contained within the life of mine plan. Consequently, at 30 September 2021, a measured resource and reserve exist which in terms of the Shareholders Agreement will attract a discount of 50% to the comparable company market multiple valuation.

8. DEFERRED TAX ASSET

	2021 US$	2020 US$
Deferred tax asset	6 476	6 476
Deferred tax asset		
Reconciliation of deferred tax asset	6 476	6 476
Balance at the beginning of the year	6 476	-
Tax losses available for future set off against profits – recognised in profit or loss	-	6 476
Balance at the end of the year	6 476	6 476

Deferred tax assets and deferred tax liabilities are not offset unless the Company has a legally enforceable right to offset such assets and liabilities. The estimates used to assess the recoverability of recognised deferred tax assets include a forecast of the future taxable income and future cash flow projections based on a three-year period.

9. LOAN RECEIVABLE

Accounting policy

Financial asset at amortised cost
Loans receivable are non-derivative financial assets categorised as financial assets measured at amortised cost.

Impairment
In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest' ('SPPI') on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Impairment requirements are based on expected credit losses (expected credit loss model). Expected credit losses ('ECLs') are an estimate of credit losses over the life of a financial instrument and are recognised as a loss allowance or provision. The amount of ECLs to be recognised depends on the extent of credit deterioration since initial recognition.

The Company applies the expected credit loss model to all debt instruments classified as measured at amortised cost, or at fair value through other comprehensive income, including lease receivables and contract assets.

The Company considers both approaches: the general approach and the simplified approach. For trade receivables due in less than 12 months, the Company applies the simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Company considers its historical credit loss experience, adjusted for forward looking factors that could indicate impairments taking into account the specific debtors and the economic environment.

The general approach requires the assessment of financial assets to be split into 3 stages:

- Stage 1: no significant deterioration in credit quality. This identifies financial assets as having a low credit risk, and the asset is considered to be performing as anticipated. At this stage, a 12 month expected credit loss assessment is required.
- Stage 2: significant deterioration in credit quality of the financial asset but no indication of a credit loss event. This stage identifies assets as under-performing. Lifetime expected credit losses are required to be assessed.
- Stage 3: clear and objective evidence of impairment is present. This stage identifies assets as non-performing financial instruments. Lifetime expected credit losses are required to be assessed.

Once a default has occurred, it is considered a deterioration of credit risk and therefore an increase in the credit risk.

The Company considers a wide variety of indicators when assessing the increase in credit risk as well as the probability of the default happening for impairment purposes. Some indicators considered include: Significant changes in the expected performance and behaviour of the debtor; past due information; significant changes in external market indicators including market information related to the debtor, existing or forecast adverse changes in business, financial or economic conditions; an actual or expected significant adverse change in the regulatory, economic, or technological environment; actual or expected significant internal credit rating downgrade or decrease; actual or expected significant change in the operating results of the debtor.

The expected credit loss value is determined as the estimated cash shortfall that would be incurred, multiplied by the probability of the default occurring.

9. LOAN RECEIVABLE (continued)

Loan receivable from Karo Zimbabwe Holdings (Private) Limited (note 16)	**2021 US$**	**2020 US$**
Opening balance	8 274 474	6 115 844
Advances made	-	1 700 966
Interest accrued	439 060	457 664
Closing balance	**8 713 534**	**8 274 474**

The Company has provided a loan facility to Karo Zimbabwe Holdings (Private) Limited to facilitate ongoing exploration, drilling and mine development activities. The loan is repayable on demand, unsecured and interest was levied at a rate as may have been agreed between the parties from time to time in writing, subject to a maximum of US$ Libor plus 500 basis points. The loan is payable in 20 equal quarterly instalments commencing 74 months following the first drawdown. No repayments were due at 30 September 2021.

Refer to note 16 fore related party disclosures.

10. TRADE AND OTHER RECEIVABLES

Accounting policy
Other receivables, prepayments, deposits and dividends receivable, are non-derivative financial assets categorised as financial assets measured at amortised cost.

	2021 US$	**2020 US$**
Receivables from related parties (note 16)	662 800	300 000
Other receivables	130	-
	662 930	**300 000**

The carrying amount of other receivables approximate its fair value.

11. CASH AND CASH EQUIVALENTS

Accounting policy
Cash and cash equivalents comprise cash at bank, demand deposits with banks and other financial institutions, and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value, having been within three months of maturity at acquisition.

		2021 US$	**2020 US$**
Cash at bank		16 793	21 766
The credit exposure by bank and credit ratings are as follows:			
Bank of Cyprus	B-	16 793	21 766

The amounts reflected approximate fair value.

Cash at banks earns interest at floating rates based on daily bank deposit rates.

12. SHARE CAPITAL AND RESERVES

Accounting policy: share capital

The share capital is stated at nominal value. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

When share options are exercised, the Company issues new shares or issues shares from the treasury shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

Share capital		**2021**		**2020**
	Number of Shares	**US$**	**Number of Shares**	**US$**
Authorised – ordinary shares of US$1 each				
As at 30 September	1 000	1 000	1 000	1 000
Issued – ordinary shares of US$1 each				
As at 30 September	1 000	1 000	1 000	1 000

Share capital

All shares rank equally with regard to the Company's residual assets. Refer to note 19 for details of the change in share capital.

Retained earnings

The retained earnings includes the accumulated profits and losses of the Company.

Capital management

The Company's target is to maintain a strong capital base to maintain confidence and sustain future development of the business to optimise the cost of capital and match the current strategic business plan. Management is aware of the risks associated to capital management. Capital needs are monitored regularly and whenever needed; management takes steps in an attempt to effectively manage any corresponding risks.

13. BORROWINGS

Accounting policy: borrowings

Borrowings are non-derivative financial liabilities categorised as other financial liabilities. Borrowings are recognised initially at fair value, net of transaction costs incurred, where applicable and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Loan from Arxo Finance plc (note 16)	**2021 US$**	**2020 US$**
Opening balance	8 131 441	5 995 241
Advances received	-	1 866 034
Interest accrued	222 094	270 166
Closing balance	**8 353 535**	**8 131 441**

The Company signed a loan agreement with Arxo Finance plc for the purpose of funding exploration and establishment cost of the group. The loan is unsecured and interest is levied at a rate as may have been agreed between the parties from time to time in writing, subject to a maximum of LIBOR plus 250 basis points. No repayments were due by 30 September 2021. The loan is denominated in US$.

14. TRADE AND OTHER PAYABLES

Accounting policy
Other payables are non-derivative financial liabilities categorised as other financial liabilities. Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

	2021 US$	2020 US$
Trade payables	-	19 116
Salary accruals	711	822
Accrued expenses	29 753	26 846
Payables to related parties (note 16)	807 372	353 836
	837 836	**400 620**

The amounts above are payable within one year from the reporting period. The exposure of the Company to liquidity risk is disclosed in note 15. The amounts reflected above approximate their fair values.

15. FINANCIAL RISK MANAGEMENT

Accounting policy
The Company classifies its financial instruments in the following categories:
- At fair value through profit or loss
- At fair value through other comprehensive income
- At amortised cost

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as derivatives) or the Company has designated to measure them at fair value through profit or loss.

The following table presents the classification of financial instruments:

Financial assets	**Classification**
Loan receivable	Amortised cost
Trade and other receivables	Amortised cost
Cash and cash equivalents	Amortised cost

Financial liabilities	**Classification**
Borrowings	Amortised cost
Other financial liabilities	Fair value through profit or loss
Other payables	Amortised cost

Measurement: financial assets and liabilities at amortised cost
Financial assets and liabilities at amortised cost are initially recognised at fair value. Financial assets are subsequently carried at amortised cost less any impairment while financial liabilities are subsequently carried at amortised cost.

Measurement: financial assets and liabilities at fair value through profit or loss
Financial assets and liabilities carried at fair value through profit or loss are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at fair value through profit or loss are included in the statement of profit or loss in the period in which they arise. Where management has designated to recognise a financial liability at fair value through profit or loss, any changes associated with the Company's own credit risk will be recognised in other comprehensive income.

15. FINANCIAL RISK MANAGEMENT (continued)

Derecognition: Financial assets
The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognised in the statement of profit or loss.

Derecognition: Financial liabilities
The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss.

In the ordinary course of business the Company is exposed to credit risk, liquidity risk, and market risk. This note presents information about the Company's exposure to each of the above risks and its objectives, policies and processes for measuring and managing risks. Further quantitative disclosures are included throughout this note.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management programme.

Credit risk
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's financial assets. The most significant exposure of the Company to credit risk is represented by the carrying amount of receivables from related parties, the loan receivable from subsidiary company and cash and cash equivalents.

Loan receivable and Trade and other receivables
The Company's exposure to credit risk is influenced mainly by the individual characteristics of each party. However, management also considers the demographics of each party including the default risk of the industry and country in which they operate, as these factors may have an influence on credit risk. In monitoring credit risk, management reviews on a regular basis the ageing and the current and anticipated financial position and profitability of entities included in the loan receivable from the subsidiary company and trade and other receivables. The Company establishes an allowance for credit losses that represents its estimate of expected losses. The main component of this allowance is a specific loss component that relates to individually significant exposures. At the reporting date, the Board of Directors is of the opinion that none of the other carrying amounts of loans receivable from related parties and receivables from related parties are impaired.

Cash and cash equivalents
The Company limits its exposures on cash and cash equivalents by dealing only with well-established financial institutions of high quality credit standing. At the reporting date, the majority of the Company's cash resources was deposited with The Bank of Cyprus based in Cyprus.

The maximum exposure to credit risk at the reporting date of the financial statements was:

	2021 US$	**2020 US$**
Loan receivable	8 713 534	8 274 474
Trade and other receivables	662 930	300 000
Cash and cash equivalents	16 793	21 766
	9 393 257	**8 596 240**

15. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management is aware of the above risk. Liquidity risk is monitored on a regular basis and management is taking steps deemed necessary in an attempt to manage the corresponding risk. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, financial risk management may not be possible for instances where weakened commodity prices exist, forecast production not being achieved and funding is not raised.

The following table presents the remaining contractual maturities of the Company's financial liabilities at the end of the reporting period, which are based on contractual undiscounted cash flows and the earliest date the Company can be required to pay:

	Contractual undiscounted cash flow		
30 September 2021	**Within 1 year or on demand US$**	**Total US$**	**Carrying amount US$**
Loan payable	8 353 535	8 353 535	8 353 535
Other payables	837 836	837 835	837 836
30 September 2020			
Loan payable	8 131 441	8 131 441	8 131 441
Other payables	400 620	400 620	400 620

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Equity price risk

Equity price risk is the risk that changes in equity prices will affect the Company's income or the value of its investment holdings. The maximum exposure to equity price risk is represented by the carrying amount of investments in subsidiaries as disclosed in note 9 to the financial statements.

The Board of Directors has performed an impairment assessment of the investments in subsidiaries based on value in use calculation and has concluded that there are no immediate indications for impairment. This calculation uses discounted cash flows of the subsidiaries approved by management.

15. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially dependent of changes in market interest rates. Other than cash at bank which attracts interest at normal commercial rates and investments in preference shares of subsidiary companies, the Company has no other significant interest bearing financial assets. Management is aware of the above risks. Interest rate risk is monitored on a regular basis and management is taking steps deemed necessary in an attempt to manage the corresponding risk.

At the reporting date the interest rate profile of interest-bearing financial instruments were:

Loan receivable	Effective interest rate	2021 US$	2020 US$
Loan receivable	LIBOR + 5%	8 713 534	8 274 474
Borrowings			
Loan payable	LIBOR + 2.5%	8 353 535	8 131 441

Sensitivity analysis

An increase of 100 basis points in interest rates at the reporting date would have increased equity and profit or loss by approximately US$8 950 (2020: US$3 877). This analysis assumes that all other variables and in particular foreign exchange rates, remain constant. The analysis is performed on the same basis for 30 September 2020. A decrease of 100 basis points in interest rates at the reporting date would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the exchange rate movement in South African Rand ('ZAR'), British Pound ('GBP') and Euro ('€') against the US$. Management is aware of the above risk. Currency risk arising from currency fluctuations is monitored on a regular basis and management is taking steps deemed necessary to manage the corresponding risk. In addition, financial risk management may not be possible for instances where weakened commodity prices exist, forecast production not being achieved and funding is not raised.

The following table details the Company's exposure at the end of the reporting period to currency risk arising from recognized assets and liabilities denominated in a currency other than the functional currency of the Company. For presentation purposes, the amounts of the exposure are shown in US$, translated using the spot rate at the reporting date.

	2021 €	2020 €
Trade and other receivables	130	-
Cash and cash equivalents	2 673	19 790
Deferred tax asset	6 476	6 476
Corporation tax	(8 216)	-
Trade and other payables	(30 463)	(27 667)
	(29 400)	**(1 401)**

15. FINANCIAL RISK MANAGEMENT (continued)

Sensitivity analysis
A 10% strengthening of the US$ against the currencies disclosed in the previous table at 30 September 2021, would have increased/(decreased) equity and profit or loss by the amounts disclosed in the following table. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the US$ against the relevant currency, there would be an equal and opposite impact on the profit or loss and equity.

	Profit or loss	
	2021 US$	**2020 US$**
€	2 672	127

Fair values
The Board of Directors considers that the fair values of significant financial assets and financial liabilities approximate to their carrying values at each reporting date.

16. RELATED PARTY TRANSACTIONS

Accounting policy
For the purpose of these financial statements, a party is considered to be related to the Company if:

- The party has the ability, directly or indirectly through one or more intermediaries, to control the Company or exercise significant influence over the Company in making financial and operating policy decisions, or has joint control over the Company;
- The Company and the party are subject to common control;
- The party is an associate of the Company or a joint venture in which the Company is a venturer;
- The party is a member of key management personnel of the Company or the Company's parent, or a close family member of such individual, or is an entity under the control, joint control or significant influence of such individuals;
- The party is a close family member of a party referred to in the first bullet point or is an entity under the control, joint control or significant influence of such individuals; or
- The party is a post-employment benefit plan which is for the benefit of employees of the Company or of any entity that is a related party of the Company.

Related party transactions exist between shareholders, subsidiaries of the Company and its directors.

	2021 US$	**2020 US$**
Trade and other receivables (note 10)		
Karo Zimbabwe Holdings (Private) Limited	**662 800**	**300 000**
Trade and other payables (note 15)		
Shawn McCormack	10 728	10 400
Tharisa plc	796 644	343 436
	807 372	**353 836**
Related party long-term loan receivable (note 9)		
Karo Zimbabwe Holdings (Private) Limited	**8 713 534**	**8 274 474**
Related party long-term loan payable (note 13)		
Arxo Finance plc	**8 353 535**	**8 131 441**
Interest income (note 5)		
Karo Zimbabwe Holdings (Private) Limited	**439 060**	**457 664**
Interest expense (note 5)		
Arxo Finance plc	**222 094**	**270 166**
Directors fees (note 4)		
Shawn McCormack	**50 000**	**50 000**

16. RELATED PARTY TRANSACTIONS (continued)

Guarantees and financial support commitments to related parties
The Company has issued no guarantees with regards to related parties.

Relationship between related parties and entities

Tharisa plc
A significant shareholder of the Company.

Karo Zimbabwe Holdings Private Limited
Karo Zimbabwe Holdings Private Limited is a wholly owned subsidiary of Karo Mining Holdings Limited.

Arxo Finance plc
This entity is a wholly-owned subsidiary company of Tharisa plc.

17. CONTINGENT LIABILITIES

As at 30 September 2021, there is no litigation (2020: no litigation), current or pending, which is considered likely to have a material adverse effect on the Company. The Company had no other contingent liabilities at 30 September 2021 (2020: no contingent liabilities).

18. GOING CONCERN

Tharisa plc initially provided funding to the Group to meet its obligations. A loan facility of US$8 million was utilised to fund the initial exploration activities. Subsequent to 30 September 2021, Tharisa plc subscribed to additional share capital in the Company to the value of US$33.6 million (refer to note 19). Consequently, the directors consider that, as at the date of approval of the financial statements, the financial support from Tharisa plc comprises of adequate funding and funding resources for the Group to continue to operate for the foreseeable future and has continued to adopt the going-concern basis in the preparation of the Company's financial statements.

Tharisa plc has issued a financial support commitment to the Company confirming that it will continue to provide funding to the Company and the Group in order to enable it to continue as a going concern and meet all its liabilities as the fall due.

19. EVENTS AFTER THE REPORTING PERIOD

Accounting policy
Assets and liabilities are adjusted for events that occurred during the period from the reporting date to the date of approval of the financial statements by the Board of Directors, when these events provide additional information for the valuation of amounts relating to events existing at the reporting date or imply that the going concern concept in relation to part or whole of the Company is not appropriate.

On 17 January 2022, the Company's authorised share capital was increased from US$1 000 divided into 1.000 ordinary shares of US$1 each, to US$5 000 divided into 5 000 ordinary shares of US$1 each, by the creation of an additional 4 000 ordinary shares of US$1 each.

On 7 February 2022, the Company issued an additional 22 new ordinary shares for a cash subscription of US$5.0 million to Tharisa plc. The additional shares issued represented 1.58% of the issued share capital of the Company which increased Tharisa plc's shareholding to 28.38%.

On 30 March 2022, Tharisa plc acquired a controlling interest in the Company by increasing its shareholding to 66.34% of the issued share capital of the Company. The additional 37.96% of the issued share capital of the Company was acquired for a purchase consideration of US$29.4 million.

19. EVENTS AFTER THE REPORTING PERIOD (continued)

On 19 May 2022, the loan payable to Arxo Finance plc was converted to ordinary shares of the Company. The Company issued an additional 38 new ordinary shares to Tharisa plc as consideration. The additional shares issued represented 1.21% of the issued share capital of the Company which increased Tharisa plc's shareholding to 67.55%.

On 2 June 2022, the Company issued an additional 44 new ordinary shares for a cash subscription of US$9.9 million to Tharisa plc. The additional shares issued represented 1.29% of the issued share capital of the Company which increased Tharisa plc's shareholding to 68.84%.

On 18 July 2022, the Company's authorised share capital was increased to US$50 000 divided into 49 000 ordinary shares of US$1 each and 1 000 redeemable preference shares of US$1 each.

On 10 August 2022, the Company issued an additional 45 new ordinary shares for a cash subscription of US$10.2 million to Tharisa plc. The additional shares issued represents 1.22% of the issued share capital of the Company which increased Tharisa plc's shareholding to 70.06%.

On 22 August 2022, the Company issued 5 redeemable preference shares at US$1 each.

On 7 September 2022 and following the increase of the ordinary shares, 44 051 new ordinary shares were issued to shareholders at US$1 each reducing Tharisa plc's shareholding in the Company to 69.98%.

The Company, formerly Karo Mining Holdings Limited, was converted to a public company on 9 September 2022.

The call option that existed at 30 September 2021 allowing Tharisa plc, at its election, to directly subscribe for shares in Karo Platinum (Private) Limited (up to 40.0% of the issued share capital of Karo Platinum) by way of a farm-in agreement was restructured on 30 March 2022 and replaced by the acquisition of the additional 37.96% in the Company at a discount to the fair value.

On 30 March 2022, the Investment Project Framework Agreement entered into between the Republic of Zimbabwe, the Leto Settlement and Tharisa plc was amended by changing the shareholding in Karo Platinum (Private) Limited ('Karo Platinum'), an indirect subsidiary of the Company to 85.0% by Karo Zimbabwe Holdings (Private) Limited and 15.0% by the Republic of Zimbabwe, on a free funded carry basis. Before the amendment, the Republic of Zimbabwe was entitled to a 50.0% shareholding in Karo Platinum. The remaining entities are all indirect wholly-owned subsidiaries of the Company.

The Board of Directors are not aware of any matter or circumstance arising since the end of the financial year that will impact these financial results.